



FATFISH GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 88 004 080 460

**Financial Report For The Year Ended
31 December 2023**

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES



ABN: 88 004 080 460

Financial Report For The Year Ended 31 December 2023

CONTENTS

Page

| | |
|---|----|
| Corporate Governance Statement | 1 |
| Directors' Report | 13 |
| Remuneration Report | 20 |
| Auditor's Independence Declaration | 23 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 24 |
| Consolidated Statement of Financial Position | 25 |
| Consolidated Statement of Changes in Equity | 26 |
| Consolidated Statement of Cash Flows | 28 |
| Notes to the Financial Statements | 29 |
| Directors' Declaration | 63 |
| Independent Auditor's Report | 64 |
| Additional Information for Listed Public Companies | 67 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



Fatfish Group Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (fourth edition) as well as current standards of best practice for the entire financial year ended 31 December 2023. The corporate governance statement is current as at 31 December 2023 and has been approved by the Board.

1. Our approach to corporate governance

(a) Framework and approach to corporate governance and responsibility

The Board of Fatfish Group Limited ("the Company") is committed to maintaining the highest standards of corporate governance.

Corporate governance is about having a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interest of stakeholders. The Board considers that corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

(b) Compliance with ASX Corporate Governance Principles and Recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations in the reporting period.

Listed companies must identify the recommendations that have not been followed and provide reasons for the Company's decision.

This Governance Statement describes Fatfish Group Limited's governance practices and notes where they do not comply with the ASX Corporate Governance Principles and Recommendations and the reasons for non-compliance.

2. Date of this statement

This statement reflects our corporate governance policies and procedures as at 31 December 2023.

3. The Board of Directors

(a) Membership and expertise of the Board

The Board has a broad range of relevant financial experience and expertise to meet its objectives. The current Board composition, with details of individual Director's backgrounds, is set out in the Director's Report which is included in this Annual Report.

(b) Framework and approach to corporate governance and responsibility

The Board is accountable to shareholders for Fatfish Group Limited's performance. In summary, the Board's responsibilities include:

- providing strategic direction and approving corporate strategic initiatives;
- planning for Board and executive succession;
- selecting and evaluating future Directors and the Chief Executive Officer ("CEO");
- setting the CEO and Director remuneration within shareholder approved limits;
- approving budget and monitoring management and financial performance;
- considering and approving the Annual Financial Report (including the Directors' Declaration) and the interim and final financial statements;
- approving Fatfish Group Limited's risk management strategy, monitoring its effectiveness and maintaining a direct and ongoing dialogue with Fatfish Group Limited's auditors and regulators; and
- considering and reviewing the social and ethical impact of Fatfish Group Limited's activities, setting standards for social and ethical practices and monitoring compliance with Fatfish Group Limited's social responsibility policies and practices.

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



The Board would normally delegate to management the responsibility for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing Fatfish Group Limited's annual budget, recommending it to the Board for approval and managing day-to-day operations within budget;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board.

The current circumstances, however, require all these functions to be exercised by Board members or the Company Secretary. The Company does not currently have a performance evaluation method due to the current size and limited nature of operations.

(c) Board role and responsibility

The Board determines its size and composition, subject to the limits imposed by Fatfish Group Limited's Constitution. The Constitution requires a minimum of three and a maximum of ten Directors. In addition, at least two of the Directors shall ordinarily reside within Australia. Currently, the Board consists of four directors. The Board supports the principles of diversity. However, due to the size and scale of the Company's operations, it has no female representative on the Board at the present moment.

(d) The selection and role of the Chairman

The Chairman is selected by the Board from the non-executive Directors. The Chairman's role includes:

- providing effective leadership on formulating the Board's strategy;
- representing the views of the Board to the public;
- ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board, ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the view of individual Directors;
- guiding the agenda and conduct of all Board meetings; and
- reviewing the performance of the Board of Directors.

The Company complies with the requirement that the Chairman be an independent director.

(e) Directors' Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Materiality is assessed on a case-by-case basis by reference to each Director's individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or other relationship with Fatfish Group Limited, either directly, or as a partner, a shareholder or officer of a company or other company that has an interest, or a business or other relationship, with Fatfish Group Limited or another Fatfish Group Limited group member. Presently, the Board has two non-executive directors (out of a total of four) which meets this independence criteria.

(f) Avoidance of conflicts of interest by a Director

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter.

(g) Meetings of the Board and their conduct

Meetings of the Board happen when and as appropriate. Details of Board meetings held and attended are tabled in the Directors' Report, which forms part of this Annual Report.

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



(h) Succession planning

The Board plans succession of its own members taking into account the skills, experience and expertise required and currently represented, and Fatfish Group Limited's future direction. The Board is also responsible for CEO succession planning.

(i) Review of Board performance

The Board does not formally review its overall performance or the performance of individual Directors. The performance of non-executive Directors (including the Chairman) is not subject to any formal review process due to the current size of the Board. Fatfish Group Limited does not comply with ASX recommendations on this issue.

(j) Nomination and appointment of new Directors

Recommendations for nominations of new Directors are made by the Nomination Committee. Those nominated are assessed by the Board as a whole against a range of criteria including background, experience, professional skills, personal qualities, whether their skills and experience will augment the existing Board and their availability to commit themselves to the Board's activities. If the Board appoints a new Director during the year, that person will stand for election by shareholders at the next annual general meeting. Shareholders are provided with relevant information on the candidates for election.

(k) Retirement and re-election of Directors

Fatfish Group Limited's Constitution states that one-third of our Directors must retire each year. The maximum time that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at the next annual general meeting. Eligible Directors who retire each year may offer themselves for re-election by shareholders at the next annual general meeting.

(l) Compulsory retirement of Directors

The Board has no limit on the number of terms of office which any Director may serve.

(m) Board access to information and advise

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational reports. The Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, Fatfish Group Limited's Constitution and the law. The Board collectively, and each Director individually, has the right to seek independent professional advice at Fatfish Group Limited's expense to help them carry out their responsibilities. While the Chairman's prior approval is needed, it may not be unreasonably withheld and, in its absence, Board approval may be sought.

(n) Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefits of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives. The Diversity Policy of iCandy Interactive Limited is available on the Company's website.

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, an annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next five years as director and senior executive positions become vacant and appropriately qualified candidates becomes available.

| | 2023 | | 2022 | |
|--|------|---|------|---|
| | No. | % | No. | % |
| Women on the Board | - | - | - | - |
| Women in Senior Executive positions | - | - | - | - |
| Women employed by the company | - | - | - | - |

For personal use only



(o) Securities trading policy

Directors and employees are subject to the Corporations Act restrictions on trading securities in the Company if they are in possession of inside information. This is regarded as any information that is non-public and, if it were public that a reasonable person would expect to have a material effect on the price of the Company's securities.

In addition, the Company has established a policy on the trading in Fatfish Group Limited's securities, which applies to all Directors and employees. Key aspects of this policy as follows:

- Directors and employees are encouraged to be long-term holders of the Company's securities and are discouraged from any short-term trading;
- Directors and employees may trade for 4 weeks following announcement of the annual results, half-year results and the annual general meeting, provided the market has been fully informed. However, a trading embargo of 2 days applies immediately after any significant announcement;
- Directors and employees need to ensure that the market is fully informed before they can trade and to protect themselves should discuss the intended share trading with the Chairman or Company Secretary; and
- Trading outside the four-week period is required to be approved by the Chairman, prior to any transaction occurring. Generally, if the market is fully informed, the approval will be granted.

Directors are required to notify the Company Secretary within 2 days of a change in their beneficial interest in the company's shares.

Directors' interest in the company's securities have not changed materially in the last 12 months.

4. Board committees

Board committees and membership

The Company does not currently have separate committees due to the current size and limited nature of operations. Fatfish Group Limited does not comply with ASX recommendations on Board Committees.

Directors have been paid a fixed remuneration in the past, however currently Australian resident director's fees are capped at \$2,000 per month. Directors would in past years have been paid a directors fee for attending Board Meetings, as well as being able to claim for out-of-pocket expenses and any time spent on special issues.

Fatfish Group Limited's remuneration principle is that payments to non-executive Directors (as detailed in the Financial Statements) are fixed remuneration, reimbursement of expenses and time spent on specific issues. The executive Directors are paid for their executive duties at a negotiated rate in line with their qualifications and experience. Full details regarding remuneration are contained in the audited Remuneration Report in the Director's Report of the Annual Report.

5. Audit governance and independence

(a) Approach to audit governance

The Board is committed to these basic principles:

- Fatfish Group Limited must produce true and fair financial reports; and
- Its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies.

(b) Engagement and total of external auditor

Fatfish Group Limited's independent external auditors are Hall Chadwick.

(c) Discussions with external auditor or independence

The Board requires the external auditor to confirm that they have maintained their independence.

For personal use only

(d) Relationship with auditor

Fatfish Group Limited's current policies on employment and other relationships with our external auditor are:

- the audit partners and any audit firm employee on the Fatfish Group Limited's audit are prohibited from being an officer of Fatfish Group Limited;
- an immediate family member of an audit partner or any audit firm employee on the Fatfish Group Limited's audit is prohibited from being a Director or an officer in a significant position at Fatfish Group Limited;
- a former audit firm partner or employee on the Fatfish Group Limited' audit is prohibited from becoming a Director or officer in a significant position at Fatfish Group Limited for at least five years and after the five years, can have no continuing financial relationship with the audit firm;
- members of the audit team and firm are prohibited from having a business relationship with Fatfish Group Limited or any officer of Fatfish Group Limited unless the relationship is clearly insignificant to other parties;
- the audit firm, its partners, its employees of the Fatfish Group Limited's audit and their immediate family members are prohibited from having a direct or material indirect investment in Fatfish Group Limited;
- officers of Fatfish Group Limited are prohibited from receiving any remuneration from the audit firm;
- the audit firm is prohibited from having a financial interest in any Company with a controlling interest in Fatfish Group Limited; and
- the audit firm engagement team in any given year cannot include a person who had been an officer of Fatfish Group Limited during that year.

(e) Restrictions on non-audit services by external auditor

The external auditor is not restricted in the provision of non-audit services to Fatfish Group Limited except as required by the Corporations Act or the ASX Listing Rules.

(f) Attendance at Annual General Meeting

Fatfish Group Limited's external auditor attends the annual general meeting and is available to answer shareholder questions.

6. Controlling and managing risk

(a) Approach to risk management

Taking and managing risk are central to business and to building shareholder value. Fatfish Group Limited' approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links Fatfish Group Limited's vision and values, objectives and strategies, procedures and training.

(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing Fatfish Group Limited's risk management strategy and policy. The Risk Oversight Committee is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Fatfish Group Limited's activities.

Fatfish Group Limited does not comply with ASX recommendations on these issues as it does not have a formal verifiable system of risk management or any employees to implement such a system as it does not view this to be appropriate at the current time. It relies on the oversight of the Directors and the various committees, together with the periodic verification of the external auditor.

(c) Company Secretarial assurance

The Board receives periodic reports about the financial condition and operational results of Fatfish Group Limited. The CEO periodically provide formal statements to the Board that in all material respects:

- the Company's periodic financial statements present a true and fair view of Fatfish Group Limited's financial condition and operational results for those reporting periods; and
- that risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.



FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT

7. Remuneration framework

(a) Overview

Director's remuneration is approved and fixed by shareholders. Fatfish Group Limited currently pays its Australian resident Directors and Company Secretary a fixed remuneration. These officers can claim reimbursement of out-of-pocket expenses incurred on behalf of Fatfish Group Limited and time spent on specific issues.

(b) Employee Share Options scheme

There are no Employee Share Options Schemes (ESOS) granted over un-issued shares to directors or executives as part of their remuneration. The issue of any options would require approval by shareholders.

8. Corporate responsibility and sustainability

(a) Approach to corporate responsibility and sustainability

Fatfish Group Limited's approach to corporate responsibility and sustainability is to manage its business in a way that produces positive outcomes for all stakeholders and maximises economic, social and environmental value simultaneously. In doing so, Fatfish Group Limited accepts that the responsibilities flowing from this go beyond both strict legal obligations and not just the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin our everyday activities and corporate responsibility practices.

(b) Code of conduct

Fatfish Group Limited' Board and management are committed to their Code of Conduct (Code) which is based on their core values and on the expectations of their clients, of shareholders and of the broader community.

The Code aims to promote a high level of professionalism and provide a benchmark for ethical and professional behaviour throughout the Company. It also promotes a healthy, respectful workplace and environment for all their employees.

At the same time, the Code aims to support their business reputation and corporate image within the wider community and make employees aware of the consequence they face if they breach the Code.

The ASX recommendations require that the Code of Conduct is reviewed periodically, specifically to reflect the ASX Corporate Governance Principles and Recommendations.

(c) Insider trading policy and trading in Fatfish Group Limited shares

The Company Secretary has responsibility for ensuring compliance with the continuous disclosure requirements of ASX Listing Rules, as well as overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Fatfish Group Limited is committed to giving all shareholders comprehensive and equal access to information about its activities, and to fulfil continuous disclosure obligations to the broader market. Fatfish Group Limited's policy is designed to ensure compliance with ASX Listing Rules continuous disclosure requirements. It ensures an information that a reasonable person would expect to have a material effect on the price of Fatfish Group Limited's securities is disclosed.

Fatfish Group Limited currently maintains its own website and relies on communication in this medium on the ASX Company Announcements platform carrying all the relevant information.

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



Compliance with ASX Corporation Governance Good Practice Recommendations

The table below outlines each of the ASX Best Practice Recommendations and the Company's compliance with those recommendations. The Company has adopted and substantially complies with ASX Corporate Governance Principles and Recommendations (Fourth Edition) to the extent appropriate to the size and nature of the Group's Operations.

| Principles and Recommendations | Comply (Yes/No) | Note |
|---|------------------------|-------------|
| Principle 1: Lay solid foundations for management and oversight | | |
| Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | Yes | |
| Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | Yes | |
| Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | Yes | |
| Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | Yes | |
| Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period. | Yes | |
| Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | No | 1 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



For personal use only

| | | |
|--|-----|---|
| <p>Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | No | 2 |
| Principle 2: Structure the Board to be effective and add value | | |
| <p>Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | No | 3 |
| <p>Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p> | Yes | |
| <p>Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.</p> | Yes | |
| <p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p> | Yes | |
| <p>Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | No | 4 |
| <p>Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p> | Yes | |
| Principle 3: Instil a culture of acting lawfully, ethically and responsibly | | |
| <p>Recommendation 3.1 A listed entity should articulate and disclose its values.</p> | Yes | |
| <p>Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (c) any other material breaches of that code that call into question the culture of the organisation.</p> | Yes | |

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



For personal use only

| | | |
|--|------------|----------|
| <p>Recommendation 3.3 A listed entity should: (a) have and disclose a whistle-blower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> | <p>Yes</p> | |
| <p>Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p> | <p>No</p> | <p>5</p> |
| <p>Principle 4: Safeguard the integrity of corporate reports</p> | | |
| <p>Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>No</p> | <p>6</p> |
| <p>Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>Yes</p> | |
| <p>Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p>Yes</p> | |
| <p>Principle 5: Make timely and balanced disclosure</p> | | |
| <p>Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p> | <p>Yes</p> | |
| <p>Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> | <p>Yes</p> | |
| <p>Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p> | <p>Yes</p> | |

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT



For personal use only

| Principle 6 - Respect the rights of security holders | | |
|---|-----|---|
| Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website. | Yes | |
| Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | Yes | |
| Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | Yes | |
| Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | Yes | |
| Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | |
| Principle 7 - Recognise and manage risk | | |
| Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. | No | 7 |
| Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place. | Yes | |
| Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. | Yes | |
| Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | Yes | |

For personal use only

| Principle 8 - Remunerate fairly and responsibly | | |
|--|-----|---|
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | No | 8 |
| <p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | Yes | |
| <p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | No | 9 |

Note 1

The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required. The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period with details of the performance evaluations conducted will be provided in the Company's Annual Report. No evaluation has taken place to the date of this report.

Note 2

The Company has not undertaken a performance evaluation of its senior executives noting that the Company currently does not employ any executives. Performance reviews will take place once senior executive roles are occupied.

Note 3

Due to the size and nature of the existing Board, the Company does not currently have a Nomination Committee. The full Board carries out the duties that would ordinarily be assigned to the Nomination Committee and the Board devotes time on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

Note 4

The current Chairman of the Company, Dato' Larry Gan, is not deemed an independent director due to his shareholdings in the Company.

Note 5

The Company does not currently operate under a documented Anti-bribery and corruption policy given the size, nature and geographical location of its operations.

Note 6

Due to the size and nature of the existing Board, the Company does not currently have a Audit Committee. The full Board carries out the duties that would ordinarily be assigned to the Audit Committee under the written terms of reference for that committee and annually to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial report.



FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CORPORATE GOVERNANCE STATEMENT

Note 7

Due to the size and nature of the existing Board, the Company does not currently have a Risk Management Committee. The full Board carries out the duties that would ordinarily be assigned to the Risk Management Committee and devotes time annually to fulfilling the rules and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.

Note 8

Due to the size and nature of the existing Board, the Company does not currently have a Remuneration Committee. The full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee and devotes time annually to fulfilling the rules and responsibilities associated with setting the level and composition of remuneration for Directors, ensuring that such remuneration is appropriate and not excessive.

Note 9

The Company does not currently have any equity based remuneration schemes in place.

For personal use only



The Directors of Fatfish Group Limited ("the Company") present their report on the consolidated entity ("the Group"), consisting of Fatfish Group Limited and the entities it controlled at the end of and during the financial year ended 31 December 2023.

General Information

Directors

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows:

Dato' Larry Nyap Liou Gan
Chairman
Non-Executive Director
Appointed 1 September 2014

Larry Gan has been active in commerce and community work over a span of four decades.

He had a long association with **Accenture** with several global leadership roles, his last position as Managing Partner Asia and Managing Partner for the firm's multibillion dollar Venture Fund for Australasia. Over a career span of 26 years, he led the firm's growth in Asia; consulted for many large organisations around the world including the internal transformation of the Accenture business, and was regional lead for the firm's Strategy and eCommerce offerings.

Since his retirement in 2004, he has dedicated his time to **Corporate Governance** serving on the Minority Shareholders Watchdog Committee and as independent Chairman/Director on several public listed companies internationally. He was an independent director of Ambank Group, Maybank Investment Bank, Tanjong Limited, Hong Leong Assurance and Lotus Cars International. He is also very much involved in sports development and not for profit organisations.

Larry is presently a strategic investor in digital enterprises, and operates an extensive business network of entrepreneurs, consulting professionals and investment funds. He mentors start-ups and advocates disruptive business models. Alongside his investments, he assumes board roles in several publicly listed internet and technology companies. He served on the boards of Redtone International Berhad (Chairman), Diversified Gateway Solutions Berhad (Chairman), Omesti Berhad (CEO/MD), Prestariang Berhad and iProperty Limited. Today, he continues on the Boards of Cuscapi Berhad (Chairman), Rev Asia Berhad (Chairman), Fatfish Group Limited (Chairman), Graphene Nanochem Limited, 8Common Limited and Flexiroam Limited.

Larry is a Certified Chartered Accountant (UK).

Other current directorships of listed companies

Tropicana Corporation Berhad (listed on Bursa Malaysia)

Cloudaron Berhad (listed on Bursa Malaysia)

Rev Asia Berhad - formerly known as Catcha Media Berhad (listed on Bursa Malaysia) - Chairman

Graphene Nanochem PLC (listed on AIM)

Former directorships of listed companies in last three years

N/A

For personal use only



Kin Wai Lau
Chief Executive Officer
Executive Director
Appointed 21 July 2014

Kin Wai is a well-recognised technology entrepreneur in Southeast Asia who founded his first technology company when he was 23 and has since taken three technology companies public.

Mr Lau began his career as the co-founder and Managing Director of Viztel Solutions Berhad ("Viztel"), a telecom and mobile Internet software start-up. By the age of 28, Mr Lau had led Viztel to IPO and was one of the youngest Managing Directors of a public company in Southeast Asia.

In 2007, Mr Lau co-founded Cellsafe Biotech Group, a regional biotechnology business group focussing on non-controversial technologies for harvesting and cryogenic preservation of stem cells. Cellsafe is now a leading stem cell bank network in Southeast Asia, with operations across four countries.

In 2008, Mr Lau led a takeover of the Oriented Media Group Berhad (Omedia), a publicly traded digital media company in Malaysia, of which he was later appointed its Executive Chairman.

Mr Lau was a scholar of a Malaysian government-controlled corporation and graduated with first class honours in engineering from the University of Manchester in the United Kingdom. He was also a faculty research staff and a PhD candidate at the Imperial College, London.

Mr Lau frequently supports entrepreneurial campaigns in colleges and universities and is a regular judge at innovation and start-up competitions in Singapore.

Other current directorships of listed companies

iCandy Interactive Limited (listed on ASX)

Former directorships of listed companies in last three years

N/A

Donald has worked in the corporate advisory and corporate finance sector with experience covering the whole business cycle, ranging from start-ups, business creation and exits via Initial Public Offerings (IPOs), Reverse Take Overs (RTO), Trade Sales and Mergers and Acquisitions (M&A). As part of all corporate restructurings, especially in distressed assets and business models, Donald takes a hands-on approach in the senior management of the companies post transactions.

He has served as a Chief Executive Officer (CEO) and as director on boards of private and publicly listed companies in Asia, Australia and Europe with interests ranging from traditional business such as agriculture (oil palm plantations, etc.), logistics, finance, mining, manufacturing, food and service (A&W) to new economy businesses in TMT (Telecommunication, Media & Technology) space and the fast growing internet environment.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Mr Tan has 16 years' experience in equities and derivatives markets and client portfolio advisory roles and has also facilitated resource and property projects in China and Vietnam. Mr Tan is a director of Fraden Projects Australia Pty Ltd, a company of foreign project management consultants that facilitated the development of the USD 300 million Yen SO Project with the local government and Gamuda Berhad.

As a Director, Mr Tan has also facilitated the acquisitions and development of private ventures in China's Heilongjiang and Jilin Provinces.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Donald Han Low
Non-Executive Director
Appointed 8 April 2008

Jeffrey Hua Yuen Tan
Non-Executive Director
Appointed 12 October 2011

For personal use only

Andrew Bruce
 Non-Executive Director
 Appointed 12 January 2023

With over 30 years of experience, Mr Bruce helped pioneer the growth of the Australian and Asian technology and asset finance sectors. An early innovator in the market, Mr Bruce has a wealth of knowledge within telecommunications, cards, and asset-backed consumer and small business finance.

Mr Bruce has acted as an advisor on IPOs, asset-backed financings, and Debt Capital Markets issues in China, Australia, London, the UAE, & Singapore. He has led investment and advisory transactions in e-commerce, edtech, consumer finance, and telecom infrastructure, alongside a multitude of other major projects across the resources, green energy, real estate, and mortgage sectors.

Mr Bruce is currently an Investment Director of a private Singaporean investment advisory firm Caledonian Advisory Services, providing investment advice to institutional clients in America, UAE, Singapore, and Australia.

Other current directorships of listed companies

N/A

Former directorships of listed companies in last three years

N/A

Company Secretary

Mr Andrew Draffin and Ms Jiahui Lan was appointed as Joint Company Secretary on 1 April 2018.

Andrew is a director of the accounting firm DW Accounting & Advisory Pty Ltd. He holds a Bachelor of Commerce and is a member of the Chartered Accountants Australia and New Zealand. Andrew is a Director, Chief Financial Officer and Company Secretary of listed, unlisted and private companies across a broad range of industries. His focus is on financial reporting, treasury management, management accounting and corporate services, areas where he has gained over 20 years experience.

Jiahui is a director of the accounting firm DW Accounting & Advisory Pty Ltd. She holds a Bachelor of Business (Accounting). Jiahui is a Director and Company Secretary of listed, unlisted and private companies across a range of industries. Her focus is on financial reporting, management accounting and corporate services, areas where she has gained over 12 years experience.

Shareholdings of directors and other key management personnel

The interest of each Director and other key management personnel, directly and indirectly, in the shares and options of the Company at the date of this report are as follows:

| | 31 December 2023 | | At date of this report | |
|----------------------------|------------------|----------------------------------|------------------------|----------------------------------|
| | Ordinary Shares | Share Options/Performance Rights | Ordinary Shares | Share Options/Performance Rights |
| Dato' Larry Nyap Liou Gan* | 153,876,934 | 12,000,000 | 153,876,934 | 12,000,000 |
| Kin Wai Lau | 55,409,609 | 12,000,000 | 55,409,609 | 12,000,000 |
| Donald Han Low | - | - | - | - |
| Jeffrey Hua Tan | - | - | - | - |

* Dato' Larry Nyap Liou Gan holds 41,059,207 ordinary shares via Planetbiz Investments Limited.

Interest in Contracts

None of the above directors have any personal interest in the contracts entered by Fatfish Group Limited or its controlled entities other than those mentioned above and in Note 25 - Related Party Transactions.

For personal use only

Meetings of Directors

During the financial year, 6 meetings of directors (including circular resolutions) were held.

Attendances by each directors during the year were as follows:

Dato' Larry Nyap Liou Gan
 Kin Wai Lau
 Donald Han Low
 Jeffrey Hua Tan
 Andrew Bruce

| Directors' Meetings | |
|---------------------------|-----------------|
| Number eligible to attend | Number attended |
| 6 | 6 |
| 6 | 6 |
| 6 | 6 |
| 6 | 6 |
| 6 | 6 |

CORPORATE INFORMATION

Corporate Structure

Fatfish Group Limited is a company limited by shares that is incorporated and domiciled in Australia. Fatfish Group Limited has prepared a consolidated financial report incorporating Fatfish Group Limited and its subsidiaries, which it controlled during the financial year and are included in the financial statements.

Principle Activities and Significant Changes in Nature of Activities

The principal activity of the consolidated entity during the year was the investment in tech and internet companies.

Fatfish Group Limited is an Internet venture investment firm - a first of its kinds to list on the ASX. Operating dual headquarters in Singapore and Melbourne, Fatfish Group Limited focuses on growth Internet markets, building Internet ventures with the potential to scale globally through its "Seed-to-Exit" approach.

Fatfish Group Limited enhances value of investee companies through its capital, network and resources, offering unique opportunities to investors to invest in diversified portfolio of early-stage and growth-stage internet businesses.

Fatfish Group Limited focuses on emerging global technology trends, specifically, the Company has been investing strategically across various sectors of Group, fintech and consumer internet technologies.

Review of Operations

The consolidated loss for the twelve month period ended 31 December 2023 was \$2,487,059. (2022 loss: \$17,310,124).

The net assets of the Group as at 31 December 2023 was \$2,729,421. (31 December 2022: \$904,666).

The table below reflects the Adjusted EBITDA for the Group during the financial year. The table takes into account once-off items and unrealised movement on investment at fair value.

| | FY 23 | FY 22 |
|---|---------------------------|---------------------------|
| Loss before income tax | (2,487,059) | (17,310,124) |
| Add Backs: | | |
| Depreciation & Amortisation | 650,745 | 415,233 |
| Loan forgiven | (1,820,315) | - |
| Impairment expense | 98,669 | 3,818,797 |
| Unrealised gain/(loss) on investments at fair value | 2,210,080 | 8,719,872 |
| | <u>1,139,179</u> | <u>12,953,902</u> |
| Adjusted EBITDA | <u>(1,347,880)</u> | <u>(4,356,222)</u> |

During the financial year, Fatberry, a subsidiary of the Company had introduced new general insurance products during the year and automated many of its inbound enquiry using AI technology.

In addition, the Group had formed an AI Incubation Team within the Group to explore and incubate potential businesses using AI technologies.

Key highlights

- Completed a capital placement fundraising exercise of A\$3.25 million to fund new ventures in the artificial intelligence (AI) space;
- Post year end, appointed Ex-Virtual Gaming World's top executive, Rhys Campbell, as Director of Social Gaming, a new business segment the Group is delving into; and
- Post year end, secured a full digital lending license, via its Malaysian subsidiary, SF Direct Sdn Bhd, from Malaysia's Ministry of Local Government Development to conduct digital money lending activities. This marks a significant step for the Group towards expanding its money lending activities.

For personal use only



Reconciliation to Preliminary Results

The following tables reconcile statutory consolidated net profit after tax to preliminary consolidated net profit after tax in Appendix 4E:

| Consolidated statement of profit or loss | Appendix 4E | Adjustments | Statutory Financial Report |
|--|-------------|-------------|----------------------------|
| Statutory net loss after tax | (2,906,448) | 419,389 | (2,487,059) |
| Comprehensive loss for the year | (3,008,774) | 424,322 | (2,584,452) |

The following table reconciles statutory consolidated statement of financial position to preliminary consolidated statement of financial position in Appendix 4E.

| Consolidated statement of profit or loss | Appendix 4E | Adjustments | Statutory Financial Report |
|--|-------------|-------------|----------------------------|
| Total Assets | 12,989,081 | 2,348,271 | 15,337,352 |
| Total Liabilities | 12,367,656 | 240,275 | 12,607,931 |

The audit had just commenced before the lodgement of the Company's Appendix 4E. Listed below are the major items that have affected the Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position.

1. Additional interest earned accruals and a different last traded value was used for the calculation of Investments at fair value through profit or loss. This resulted in the difference in statutory net profit after tax.
2. Commitment shares were allocated to capital raising costs previously but have since been reclassified to prepayments, resulting in the increment in total assets.

Dividend Paid or Recommended

No dividends in respect to the current financial year have been paid, declared or recommended for payment.

Financial Position

The net assets of the Group have increased by \$1,824,755 from \$904,666 as at 31 December 2022 to \$2,729,421 as at 31 December 2023.

Capital Raising and Capital Structure

As at 31 December 2023, the Company has 1,284,993,379 fully paid ordinary shares. During the year, a total of 248,648,502 fully paid ordinary shares were issued. Please refer to Note 20 - Issued capital for further details.

Summary of Options on Issue

| Issuing entity | Issue Date | Number of shares under option | Class of shares | Exercise Price | Expiry Date |
|-----------------------|-----------------|-------------------------------|------------------|----------------|-----------------|
| Fatfish Group Limited | 19 January 2022 | 1,000,000 | Unlisted Options | \$0.056 | 19 January 2025 |

Option holders do not have any rights to participate in any issues or other interest in the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to Remuneration Report.

There have been no shares issued since the end of the financial year from the exercise of options.

Events after the Reporting Period

On 2 January 2024, the Company issued 105,211,308 fully paid ordinary shares, raising a total of \$1,578,169, net of capital raising costs.

On 11 January 2024, the Company announced that it had formed a new 100% owned subsidiary named Fatfish Applied AI Lab Ltd to further its incubation business.

On 24 January 2024, the Company announced the appointment of Rhys Campbell as the Company's Senior Director of Social Gaming.

On 9 February 2024, the Company announced that its subsidiary, SF Direct Sdn Bhd had obtained a full digital lending license from Malaysia's Ministry of Local Government Development.

Future Developments, Prospects and Business Strategies

The Company is a technology venture company with businesses in Southeast Asia and internationally, with interest in building ventures across fintech, gaming and other technology relation entities.

Presently, the Company is focussed on its investments in the fintech businesses, and intends to grow via a 3-pronged growth strategy:

Step 1: Mergers and Acquisitions

Identifying, attracting and acquiring early stage fintech companies within the ASEAN region that have clear synergies with the Company's existing 3 core fintech verticals. (Payment, Insurtech and Lending)

For personal use only



Step 2: Integration

Integrating the talents, business and technologies of the newly acquired fintech companies into the Company's fintech ecosystem, with removal of duplicated functions and operations.

Step 3: Cross Marketing

Achieve rapid business growth by leveraging on the common front office function as well as cross marketing opportunities available within the Company's fintech ecosystem.

Material Business Risks

(i) **New Technology**

The technology industry (including fintech) tends to experience rapid changes. If the Company is not capable of staying with the current trends, or if its technology becomes obsolete, there is a risk that its products and services become not being capable of being sold or licensed.

(ii) **Corruption of Database**

The database of the Company is its investee companies ("Group") are subject to risks associated with computer viruses, physical or electronic break-ins, loss of data from physical damages, or failures in third party service providers or operating systems and similar disruptions, as well as damage from introduction onto its systems of incorrect programming language by its employees.

An irrecoverable loss of any of the databases would be expensive to remedy and would have a material adverse effect on the Group's operations and financial position, and would damage its business reputation and brands.

(iii) **Hacking and vandalism**

The business of the Group may be adversely affected by malicious third-party applications such as viruses, worms, and other malicious software programs, which could, among others, jeopardies the security information stored in a user's computer or in the Group's computer systems or attempt to change the experience of users by interfering with the Group's ability to connect with its users.

If the Group's efforts to combat these malicious applications are unsuccessful, or if the websites have actual or perceived vulnerabilities, the Group's business reputation and brand name may be harmed, which may result in a material adverse effect on the Group's operations and financial position.

(iv) **Unauthorised use of intellectual property or independent development of technology**

The Group regards substantial elements of the websites, software, tools, applications, buyer databases and underlying technology as proprietary. Despite precautionary measures, third parties may copy or otherwise obtain and use the Group's proprietary information without authorisation or may develop similar technology independently.

In addition, competitors may be able to design around the Group's technology or develop competing technologies substantially similar to those of the Group's without any infringement of the Group's proprietary rights. Any legal action that the Group may bring to protect its intellectual property could be unsuccessful and expensive and would divert managements attention from its business operations.

(v) **Government Regulations**

The operations of the Group is subject to local laws and regulations in each of the jurisdiction in which it operates. Future laws or regulations may be introduced concerning various aspects of the internet and financial services (including fintech), including online content, foreign ownership of interest, liability for third party activities and user privacy, all of which may impact the Group's operations.

Changes in or extensions of laws and regulations could restrict or complicate the Group's activities and increase its compliance costs.

(vi) **Additional Requirements for Capital**

The Group's capital requirements depends on various factors. Depending on the Group's ability to generate income from its operations, it may require further financing in the future.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

Furthermore, if the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back marketing and technological development.

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying Officers or Auditor

An indemnity have been given by the company in favour of the directors to the extent that the Corporations Act 2001 allows. No payment or agreement have been given in relation to a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

The company was not a party to any such proceedings during the year.

For personal use only



Non-Audit services

There were no non-audit services provided by auditor during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2023 has been received and can be found on page 23 of the Financial Report.

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
REMUNERATION REPORT



REMUNERATION REPORT - AUDITED

This remuneration report, which forms part of the Director's report, sets out information about the remuneration of the Group's Directors and other key management personnel for the year ended 31 December 2023. The prescribed details for each person covered by this report are detailed below.

Details of directors and other key management personnel

Directors and other key management personnel of the Group during and since the end of the financial year were as follows:

| Name (current directors) | Position held |
|---------------------------------|---|
| Dato' Larry Nyap Liou Gan | Non-Executive Chairman |
| Kin Wai Lau | Chief Executive Officer and Executive Officer |
| Donald Han Low | Non-Executive Director |
| Jeffrey Hua Tan | Non-Executive Director |
| Andrew Bruce | Non-Executive Director |

Remuneration policy

Remuneration levels are competitively set to attract the most qualified and experienced Directors and Senior Executives. The Board may obtain independent advice on the appropriateness of remuneration packages.

There are no schemes for retirement benefits.

The Directors are reimbursed for expenses incurred by them in the course of their duties as directors of the Company. There is no link between the provision of any non-monetary benefits and performance of the company.

The Group's earnings and movement in shareholder's wealth for five years to 31 December 2023 are detailed in the following table.

| | 31 December 2023 | 31 December 2022 | 31 December 2021 | 31 December 2020 | 31 December 2019 |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenue | 1,303,916 | 1,795,190 | 488,805 | 659,120 | 2,745,601 |
| Net (loss)/profit before tax | (2,487,059) | (17,310,124) | (8,900,213) | (200,401) | (14,132,460) |
| Net (loss)/profit after tax | (2,487,059) | (17,310,124) | (8,900,213) | (200,401) | (14,132,460) |
| Share price at start of year | \$0.018 | \$0.049 | \$0.036 | \$0.010 | \$0.016 |
| Share price at end of year | \$0.017 | \$0.018 | \$0.049 | \$0.036 | \$0.010 |
| Dividends paid | - | - | - | - | - |
| Basic (loss)/earnings per share | (0.23) | (1.44) | (0.91) | 0.23 | (1.73) |

Key management personnel remuneration policy

The key management personnel of the company are represented by the directors and company secretary. The key management personnel remuneration is therefore the same as the directors' remuneration policy.

| | Position Held as at 31 December 2023 and any change during the year | Contract details (duration & termination) |
|---------------------------|--|--|
| Dato' Larry Nyap Liou Gan | Non-Executive Chairman | No fixed term |
| Kin Wai Lau | Chief Executive Officer and Executive Director | No fixed term |
| Donald Han Low | Non-Executive Director | No fixed term |
| Jeffrey Hua Tan | Non-Executive Director | No fixed term |
| Andrew Bruce | Non-Executive Director | No fixed term |

| | Salaries, fees and leave | Shares, Options/Incentive Rights | Superannuation | Total |
|---------------------------|---------------------------------|---|-----------------------|----------------|
| 2023 | \$ | \$ | \$ | \$ |
| Dato' Larry Nyap Liou Gan | 60,000 | - | - | 60,000 |
| Kin Wai Lau | 57,388 | - | - | 57,388 |
| Donald Han Low | 24,000 | - | - | 24,000 |
| Jeffrey Hua Tan | 12,000 | - | - | 12,000 |
| Andrew Bruce | 33,000 | - | - | 33,000 |
| | 186,388 | - | - | 186,388 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
REMUNERATION REPORT



| | Salaries, fees and leave | Shares, Options/Incentive Rights | Superannuation | Total |
|---------------------------|-----------------------------|--|----------------|----------------|
| 2022 | \$ | \$ | \$ | \$ |
| Dato' Larry Nyap Liou Gan | 62,662 | - | - | 62,662 |
| Kin Wai Lau | 93,993 | - | - | 93,993 |
| Donald Han Low | 24,000 | - | - | 24,000 |
| Jeffrey Hua Tan | 3,000 | - | - | 3,000 |
| | 183,655 | - | - | 183,655 |

Vesting conditions for the Performance Rights are as follows:

Class A performance rights (24,000,000)

The Company achieving a market capitalisation of AUD \$50 million (based on 20-day VWAP)

This class of performance rights vested and shares were issued on 11 June 2021.

Class B performance rights (24,000,000)

The Company achieving a market capitalisation of AUD \$75 million (based on 20-day VWAP)

This class of performance rights vested and shares were issued on 11 June 2021.

Class C performance rights (24,000,000) - Not Vested

The value of the consolidated gross assets of the Company being AUD \$40 million or more based on annual audited accounts.

Where "annual audited accounts" means any assets reporting under "Financial Assets - Fair value OCI" or "Investments at fair value through profit or loss" as reported in the consolidated audited financial reports of the Company for any financial year.

No post-employment benefits were paid to the directors. The directors do not participate in any incentive programs.

KMP Shareholdings

The number of ordinary shares in Fatfish Group Limited held by each KMP of the Group during the financial year are as follows:

| | Balance at beginning of year | Granted as Remuneration during the year | Issued on Exercise of Options During the year | Other Changes during the year | Balance at year end |
|---------------------------|---------------------------------|---|---|----------------------------------|---------------------|
| Dato' Larry Nyap Liou Gan | 143,876,934 | - | - | 10,000,000 | 153,876,934 |
| Kin Wai Lau | 55,409,609 | - | - | - | 55,409,609 |
| Donald Han Low | - | - | - | - | - |
| Jeffrey Hua Tan | - | - | - | - | - |

The number of listed options in Fatfish Group Limited held by each KMP of the Group during the financial year are as follows:

| | Balance at beginning of year | Granted as Remuneration during the year | Issued on Exercise of Options During the year | Other Changes during the year | Balance at year end |
|---------------------------|---------------------------------|---|---|----------------------------------|---------------------|
| Dato' Larry Nyap Liou Gan | - | - | - | - | - |
| Kin Wai Lau | - | - | - | - | - |
| Donald Han Low | - | - | - | - | - |
| Jeffrey Hua Tan | - | - | - | - | - |

The number of performance rights in Fatfish Group Limited held by each KMP of the Group during the financial year are as follows:

| | Balance at beginning of year | Granted during the year | Vested during the year | Balance at year end |
|---------------------------|---------------------------------|----------------------------|---------------------------|---------------------|
| Dato' Larry Nyap Liou Gan | 12,000,000 | - | - | 12,000,000 |
| Kin Wai Lau | 12,000,000 | - | - | 12,000,000 |
| Donald Han Low | - | - | - | - |
| Jeffrey Hua Tan | - | - | - | - |

Share options granted to directors and executives

No shares or options were granted to Directors or Executives during the year.

Other transactions and balances with Key Management Personnel:

There were no other transactions with Key Management Personnel during the year. During the financial year, Mr Kin Wai Lau loaned the Group USD \$240,405 (AUD \$351,283.56) and SGD \$29,591 (AUD \$32,828). As at 31 December 2023, Mr Lau loaned the Group USD \$304,247 and SGD \$32,591 (AUD \$480,962) (31 December 2022: AUD \$69,796).

At the Company's last Annual General Meeting, Resolution 1 - Adoption of Remuneration Report was passed with more than 75% votes. The maximum pool of Non-Executive director fees is AUD \$250,000.

No external remuneration consultants were engaged during the year.

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
REMUNERATION REPORT



This concludes the remuneration report, which has been audited.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read "Kin Wai Lau".

Mr Kin Wai Lau
Director
Dated: 28 March 2024

For personal use only

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Fatfish Group Limited for the financial year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Director

Dated this 28th day of March 2024
Perth, Western Australia

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023



| | Group | | |
|---|------------|--------------------|---------------------|
| Note | 2023 \$ | 2022 \$ | |
| Continuing operations | | | |
| Revenue | 3 | 1,303,916 | 1,795,190 |
| Cost of sales | | (12,285) | (60,703) |
| | | <u>1,291,631</u> | <u>1,734,487</u> |
| Other income/(expenses) | 4(a) | 2,077,818 | (378,238) |
| Unrealised gain/(loss) on investments at fair value | | (2,210,080) | (8,719,872) |
| Employee benefits expense | | (1,515,456) | (2,687,222) |
| Depreciation and amortisation expense | | (650,745) | (415,233) |
| Impairment expense | | (98,669) | (3,818,797) |
| Doubtful debt expense | | (114,232) | (31,614) |
| Administration expenses | 4(b) | (863,771) | (1,141,391) |
| Marketing and promotion expenses | | (54,008) | (715,821) |
| Listing and filing fees | | (105,368) | (83,365) |
| Occupancy expenses | | (126,354) | (209,504) |
| Share based payments | | (16,291) | (46,158) |
| Finance costs | | (101,534) | (797,396) |
| | | <u>(2,487,059)</u> | <u>(17,310,124)</u> |
| Loss before income tax | 4 | (2,487,059) | (17,310,124) |
| Tax expense | 5 | - | - |
| Net loss for the year | 4 | <u>(2,487,059)</u> | <u>(17,310,124)</u> |
| Other comprehensive income: | | | |
| Items that may not be reclassified subsequently to profit or loss: | | | |
| Fair value (decrease)/increase in digital asset holdings | 28 | 3,505 | (51,657) |
| Fair value (decrease)/increase in investment holdings | | (144,866) | - |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translating foreign operations, net of tax | | 43,968 | 345,926 |
| | | <u>(97,393)</u> | <u>294,269</u> |
| Total other comprehensive income/(loss) for the year | | <u>(97,393)</u> | <u>294,269</u> |
| Total comprehensive income for the year | | <u>(2,584,452)</u> | <u>(17,015,855)</u> |
| Net profit attributable to: | | | |
| Owners of the parent entity | | (2,491,987) | (14,911,159) |
| Non-controlling interest | | 4,928 | (2,398,965) |
| | | <u>(2,487,059)</u> | <u>(17,310,124)</u> |
| Total comprehensive income attributable to: | | | |
| Members of the parent entity | | (2,507,655) | (16,805,861) |
| Non-controlling interest | | (76,797) | (209,994) |
| | | <u>(2,584,452)</u> | <u>(17,015,855)</u> |
| Earnings per share | | | |
| From continuing and discontinued operations: | | | |
| Basic and diluted losses per share (cents) | 8 | (0.23) | (1.44) |

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023



| | | Group | |
|--|------|---------------------|---------------------|
| | Note | 2023 \$ | 2022 \$ |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 9 | 2,274,504 | 1,051,605 |
| Trade and other receivables | 10 | 750,054 | 675,330 |
| Other financial assets | 11 | 5,582,869 | 1,592,136 |
| Other assets | 16 | 1,717,236 | 41,950 |
| Total Current Assets | | 10,324,663 | 3,361,021 |
| Non-Current Assets | | | |
| Other financial assets | 11 | - | 3,539,867 |
| Investments at fair value through profit or loss | 12 | 2,913,213 | 5,411,755 |
| Property, plant and equipment | 13 | 238,438 | 344,767 |
| Financial assets - Fair value OCI | 14 | 145,999 | 44,769 |
| Intangible assets | 15 | 1,457,926 | 1,865,646 |
| Other non-current assets | 16 | 176,939 | 161,027 |
| Right-of-use assets | 17 | 80,174 | 222,976 |
| Total Non-Current Assets | | 5,012,689 | 11,590,807 |
| Total Assets | | 15,337,352 | 14,951,828 |
| Liabilities | | | |
| Current Liabilities | | | |
| Lease liabilities | 17 | 82,445 | 162,797 |
| Trade and other payables | 18 | 3,368,718 | 2,609,882 |
| Other financial liabilities | 19 | 9,156,768 | 11,209,265 |
| Total Current Liabilities | | 12,607,931 | 13,981,944 |
| Non-Current Liabilities | | | |
| Lease liabilities | 17 | - | 65,218 |
| Total Non-Current Liabilities | | - | 65,218 |
| Total Liabilities | | 12,607,931 | 14,047,162 |
| Net Assets | | 2,729,421 | 904,666 |
| Equity | | | |
| Issued capital | 20 | 51,997,325 | 47,604,409 |
| Reserves | 28 | (16,986,549) | (16,982,244) |
| Accumulated losses | | (47,394,759) | (44,902,772) |
| Equity attributable to owners of the parent entity | | (12,383,983) | (14,280,607) |
| Non-controlling interest | | 15,113,404 | 15,185,273 |
| Total Equity | | 2,729,421 | 904,666 |

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
 ABN: 88 004 080 460
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2023



| Note | Ordinary Share Capital | Accumulated Losses | Reserves | | | | | Subtotal | Non-controlling interests | Total | |
|---|------------------------|--------------------|--------------------------------------|----------------|--------------------------|--------------------------|-----------------------|--------------|---------------------------|-------------|----------------------------|
| | | | Foreign Currency Translation Reserve | Option Reserve | Financial Assets Reserve | Convertible Note Reserve | Digital Asset Reserve | | | | Other Components of Equity |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Consolidated Group | | | | | | | | | | | |
| Balance at 1 January 2022 | 48,047,084 | (30,846,018) | (1,025,791) | 2,206,914 | (362,777) | 909,317 | 554,104 | - | 19,482,833 | (440,146) | 19,042,687 |
| Comprehensive income | | | | | | | | | | | |
| Loss for the year | - | (14,911,159) | - | - | - | - | - | - | (14,911,159) | (2,398,965) | (17,310,124) |
| Other comprehensive income for the year | 28 | - | 555,920 | - | - | - | (51,657) | - | 504,263 | (209,994) | 294,269 |
| Total comprehensive income for the year | - | (14,911,159) | 555,920 | - | - | - | (51,657) | - | (14,406,896) | (2,608,959) | (17,015,855) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | | | | | | | |
| Shares issued during the year | 19,750 | - | - | (19,750) | - | - | - | - | - | - | - |
| Transaction costs net of tax | (152,000) | - | - | - | - | - | - | - | (152,000) | - | (152,000) |
| Shares bought back during the year | (310,425) | - | - | - | - | - | - | - | (310,425) | - | (310,425) |
| Expiry of options during the year | - | 854,405 | - | (854,405) | - | - | - | - | - | - | - |
| Issue of options during the year | - | - | - | 38,080 | - | - | - | - | 38,080 | - | 38,080 |
| Vesting of performance rights and options during the year | - | - | - | 46,158 | - | - | - | - | 46,158 | - | 46,158 |
| Premium on assets acquired from connected entities | - | - | - | - | - | - | - | (18,978,357) | (18,978,357) | - | (18,978,357) |
| Recognition of non-controlling interests in Smartfunding Pte Ltd | - | - | - | - | - | - | - | - | - | 56,813 | 56,813 |
| Recognition of non-controlling interests in Jazzypay Pte Ltd | - | - | - | - | - | - | - | - | - | 5,216 | 5,216 |
| Recognition of non-controlling interests in Fatberry Sdn Bhd | - | - | - | - | - | - | - | - | - | (391,139) | (391,139) |
| Recognition of non-controlling interests in Asean Fintech Group Limited | - | - | - | - | - | - | - | - | - | 18,563,488 | 18,563,488 |
| Total transactions with owners and other transfers | (442,675) | 854,405 | - | (789,917) | - | - | - | (18,978,357) | (19,356,544) | 18,234,378 | (1,122,166) |
| Balance at 31 December 2022 | 47,604,409 | (44,902,772) | (469,871) | 1,416,997 | (362,777) | 909,317 | 502,447 | (18,978,357) | (14,280,607) | 15,185,273 | 904,666 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
 ABN: 88 004 080 460
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2023



| Note | Ordinary Share Capital | Accumulated Losses | Reserves | | | | | Subtotal | Non- controlling interests | Total | |
|--|---------------------------|-----------------------|---|-------------------|--------------------------------|-----------------------------|--------------------------|--------------|----------------------------------|------------|----------------------------------|
| | | | Foreign Currency Translation Reserve | Option Reserve | Financial Assets Reserve | Convertible Note Reserve | Digital Asset Reserve | | | | Other Components of Equity |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Balance at 1 January 2023 | 47,604,409 | (44,902,772) | (469,871) | 1,416,997 | (362,777) | 909,317 | 502,447 | (18,978,357) | (14,280,607) | 15,185,273 | 904,666 |
| Comprehensive income | | | | | | | | | | | |
| Loss for the year | - | (2,491,987) | - | - | - | - | - | - | (2,491,987) | 4,928 | (2,487,059) |
| Other comprehensive income for the year | 28 | - | 120,765 | - | (144,866) | - | 3,505 | - | (20,596) | (76,797) | (97,393) |
| Total comprehensive income for the year | - | (2,491,987) | 120,765 | - | (144,866) | - | 3,505 | - | (2,512,583) | (71,869) | (2,584,452) |
| Transactions with owners, in their capacity as owners, and other transactions | | | | | | | | | | | |
| Shares issued during the year | 4,400,979 | - | - | - | - | - | - | - | 4,400,979 | - | 4,400,979 |
| Transaction costs net of tax | (7,408) | - | - | - | - | - | - | - | (7,408) | - | (7,408) |
| Shares bought back during the year | (655) | - | - | - | - | - | - | - | (655) | - | (655) |
| Vesting of performance rights and options during the year | - | - | - | 16,291 | - | - | - | - | 16,291 | - | 16,291 |
| Total transactions with owners and other transactions | 4,392,916 | - | - | 16,291 | - | - | - | - | 4,409,207 | - | 4,409,207 |
| Balance at 31 December 2023 | 51,997,325 | (47,394,759) | (349,106) | 1,433,288 | (507,643) | 909,317 | 505,952 | (18,978,357) | (12,383,983) | 15,113,404 | 2,729,421 |

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023



| Note | Group | |
|---|-------------------------|-------------------------|
| | 2023 \$ | 2022 \$ |
| Cash flows from operating activities | | |
| | 1,317,110 | 2,954,833 |
| | (168,950) | 141,378 |
| | (3,740,005) | (5,118,208) |
| | (96,694) | (231,345) |
| 22a | <u>(2,688,539)</u> | <u>(2,253,342)</u> |
| Cash flows from investing activities | | |
| | 203,344 | - |
| | - | 504,523 |
| | (23,345) | - |
| | (22,375) | (272,128) |
| | (5,483) | (215,062) |
| | - | - |
| | <u>152,141</u> | <u>17,333</u> |
| Cash flows from financing activities | | |
| | 4,400,979 | - |
| | (7,408) | (152,000) |
| | (655) | (310,425) |
| | (77,310) | (210,221) |
| | (647,000) | - |
| | 62,134 | (160,075) |
| | <u>3,730,740</u> | <u>(832,721)</u> |
| | 1,194,342 | (3,068,730) |
| | 1,051,605 | 4,077,586 |
| | 28,557 | 42,749 |
| 9 | <u><u>2,274,504</u></u> | <u><u>1,051,605</u></u> |

For personal use only

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Fatfish Group Limited and Controlled Entities ("Group").

The financial statements were authorised for issue on 28 March 2024 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Fatfish Group Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls the entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling Interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

AASB 10 - Consolidated Financial Statements provides an exemption to investment entities from consolidating its subsidiaries. Abelco Investment Group AB qualifies for this exemption as it:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In addition, there are four typical characteristics of an investment entity provided in AASB 10 being:

- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the equity; and
- it has ownership interest in the form of equity or similar interests.

Under AASB 10, investments in subsidiaries are measured at fair value through profit or loss in accordance with AASB 13, rather than being consolidated to form group accounts. As such, these separate financial statements are the Company's only financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

Note 1: Summary of Significant Accounting Policies (continued)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9: Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Note 1: Summary of Significant Accounting Policies (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

(c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(l) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Note 1: Summary of Significant Accounting Policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Leasehold improvements | 20-33% |
| Plant and equipment | 20% |
| Furniture and fittings | 20% |
| Computer equipment | 20% |
| Motor Vehicle | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Leases (the Group as lessee)

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low- value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonable certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Note 1: Summary of Significant Accounting Policies (continued)

(g) Financial Instruments

The Group classifies its financial assets into the following measurement categories:

- these to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

(i) *Classification of financial instruments*

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

(ii) *Financial assets measured at amortised cost*

Debt instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described in note (iii) Impairment of financial assets.

Financial assets measured at amortised cost are included in cash and cash equivalents.

(iii) *Financial assets measured at fair value through other comprehensive income*

Equity Instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which AASB 3 "Business Combination" applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(iv) *Items at fair value through profit or loss items at fair value through profit or loss comprise:*

- items held for trading;
- items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial Instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

Note 1: Summary of Significant Accounting Policies (continued)

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(v) *Impairment of financial assets*

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- financial guarantee contracts

No ECL is recognised on equity instruments.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverse from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-month ECL. Where an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

(vi) *Recognition and derecognition of financial instruments*

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(vii) *Offsetting*

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Note 1: Summary of Significant Accounting Policies (continued)

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Investments in Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associate. In addition, the Company's share of the profit or loss and other comprehensive income is included in the financial

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Company's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Company will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 128: Investments in Associates and Joint Ventures and AASB 9: Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(j) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The company's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Company makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Note 1: Summary of Significant Accounting Policies (continued)

(k) Intangible Assets Other than Goodwill

Digital Currencies

(i) Intangibles

Digital assets that meet the criteria of Intangible Assets, the Group measures digital assets at its fair value less costs to sell in accordance with the revaluation model. Any increase in fair value is recognised in OCI and credited to a revaluation reserve, unless it reverses a revaluation deficit of the same asset previously recognised in profit or loss.

During 2021 financial year, due to the review of recent peer analysis of the accounting treatment for Digital Currencies, Management has determined that the Group's digital assets fall in the intangible asset method.

A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The Company

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(m) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Note 1: Summary of Significant Accounting Policies (continued)

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks. Bank overdrafts are reporting within short-term borrowings in current liabilities in the statement of financial position.

(p) Revenue and Other Income

Accounting policy for revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised with reference to the completion by the Company of specific performance obligations of contracts with customers, as described below.

Revenue from Insurtech services

Revenue from insurtech services are recognised at the point of sale when the Company has met its performance obligations.

Revenue from payment gateway services

Revenue from payment gateway services are recognised at the point of sale when the Company has met its performance obligations.

Revenue from BNPL services

The Company's BNPL income is derived from the difference between the consumer's underlying order value processed and the amount paid to the merchant by the Company is referred to as Merchant fees. The Company pays merchants the net amount of the order value less the Merchant fees, which consists of fixed and variable rates, and the Company then assumes all non-repayment risk from the consumer. There are no interest or fees charged by the Company.

Revenue from contracts with customers

The Company elected to adopt the provisions of AASB 15: Revenue from Contracts with Customers with effect from 1 January 2018. Revenue is recognised from online sales, mining of cryptocurrency and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

All contracts with effect from 1 January 2018 (either written, verbal or implied) are identified, together with the separate performance obligations within the contract and the transaction price is determined. Adjustments are made for the time value of money excluding credit risk and the transaction price is allocated to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good/service. The estimation approach is taken if no distinct observable prices exists and revenue is recognised when each performance obligation is satisfied.

Credit risk is presented separately as an expense, rather than adjusted to revenue. For goods, the performance obligation is satisfied when the customer takes control of the goods. For services, the performance obligation is satisfied when the service has been performed, typically for promises to transfer services to customers. For performance obligations satisfied over time, the Company selects an appropriate measure of progress to determine how much revenue is recognised as the performance obligation is satisfied.

Interest revenue

Interest revenue is recognised using the effective interest method.

All revenues is stated net of the amount of GST and equivalent consumption taxes.

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (continued)

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(s) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(i) Key Estimate - Taxation

Refer to Note 5 - Income Tax

(ii) Key judgements and estimates - Impairment

The Group assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There is also judgement applied in determining recoverability of asset.

(iii) Key judgements and estimates - Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 23 - Share-based payments.

(iv) Key judgements and estimates - Digital Currencies

Digital currencies are recorded at fair value with reference to prices on quoted markets.

(v) New and Amended Accounting Policies Not Yet Adopted by the Group

AASB 2021-7c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Group plans on adopting the amendment effective 1 January 2025 for the 31 December 2025 reporting period. The impact of initial application is not yet known.

(w) Accounting for Common Control

Where the acquisition of entities that are deemed to be under common control occurs then consideration is required to determine the accounting acquirer. A new entity formed to effect a business combination through the issue of equity interests will not be regarded as the accounting acquirer, rather one of the combining entities that existed prior to the business combination shall be identified as the accounting acquirer.

The pooling of interest method is adopted for business combinations under common control. Existing book values for assets and liabilities at the date of acquisition will be recognised and fair value adjustments including new intangibles or goodwill will not be recognised. Any premium between the fair value of consideration paid and the book value of net assets is debited to a separate category of equity.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 1: Summary of Significant Accounting Policies (continued)

(x) Going Concern Note

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the financial year of \$2,487,059 (2022: loss of \$17,310,124) included in the loss were unrealised losses of \$2,210,080 (2022: \$8,719,872).

As at 31 December 2023, the Group had a working capital deficit of \$2,283,268 (31 December 2022: \$10,620,923). Included in the working capital deficit is the balance of the convertible notes of \$6,309,522 (with a face value of \$7,353,000). These convertible notes matures on 27 August 2024.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

Further to the above, the entity holds shares in listed entities which it is able to liquidate to meet any funding needs as and when they arise. At the date of this report, the value of these investments was \$3.06m and is made up of Abelco Investment Group A.B (\$2.91m) and iCandy Interactive Limited (\$140k) and Rightbridge Ventures AB (\$6k).

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2 Parent Information

| | 2023 \$ | 2022 \$ |
|---|--------------------|---------------------|
| The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards. | | |
| Statement of Financial Position | | |
| Assets | | |
| Current Assets | 6,833,102 | 543,452 |
| Non-current Assets | 2,805,998 | 7,701,678 |
| Total Assets | <u>9,639,100</u> | <u>8,245,130</u> |
| Liabilities | | |
| Current Liabilities | 6,721,704 | 7,340,464 |
| Non-current Liabilities | - | - |
| Total Liabilities | <u>6,721,704</u> | <u>7,340,464</u> |
| Net Assets | <u>2,917,396</u> | <u>904,666</u> |
| Equity | | |
| Issued Capital | 52,287,078 | 47,894,163 |
| Reserves | 2,342,604 | 2,326,314 |
| Accumulated losses | (51,712,286) | (49,315,811) |
| Total Equity | <u>2,917,396</u> | <u>904,666</u> |
| Statement of Profit or Loss and Other Comprehensive Income | | |
| Total losses | (2,396,475) | (15,292,881) |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>(2,396,475)</u> | <u>(15,292,881)</u> |

Contingent liabilities

The legal parent entity did not have any contingent liabilities as at 31 December 2023.

For personal use only

Note 3 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

| | Group | |
|------------------------------------|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Continued operations | | |
| - Incubator services | 148,805 | 89,681 |
| - Interest revenue | 5,366 | 167,247 |
| - Payment services | 519,575 | 601,549 |
| - Insurance commission | 487,365 | 265,263 |
| - Management and marketing fees | - | 510,634 |
| - Income on digital currency mined | 142,805 | 160,816 |
| | <u>1,303,916</u> | <u>1,795,190</u> |

Note 4 Loss for the Year

Loss before income tax from continuing operations includes the following specific expenses:

| | Group | |
|--|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| (a) Other income/(expenses) | | |
| — unrealised foreign currency gains/(losses) | 189,793 | (566,675) |
| — realised foreign currency gains/(losses) | - | (7) |
| — rental income | 7,481 | 16,207 |
| — other miscellaneous income | 83,666 | 172,237 |
| — loan forgiven* | 1,820,315 | - |
| — loss on disposal of assets | (23,437) | - |
| | <u>2,077,818</u> | <u>(378,238)</u> |

* During the financial year, the Group received \$1,820,315 in loan forgiveness from their creditors. Minerium Technology Limited, a subsidiary of Fatfish Group Limited received \$396,823 (USD \$262,601) in loan forgiveness by Fatfish Ventures Sdn Bhd, an unconsolidated subsidiary of Fatfish Group Limited. In addition, Fintech Asia Group Limited, a subsidiary of Fatfish Group Limited received \$900,199 (SGD 800,000) in loan forgiveness by Appxplore (iCandy) Limited. Appxplore (iCandy) Limited was once a subsidiary of Fatfish Group Limited and this loan was incurred during that period. Appxplore (iCandy) Limited is considered a related party as Mr Kin Wai Lau is a director of the Company.

| | | |
|---|----------------|------------------|
| (b) Included in administration expenses | | |
| — accounting fees | 78,000 | 66,930 |
| — audit fees | 108,403 | 90,539 |
| — consulting fees | 324,764 | 542,258 |
| — motor vehicle costs | 5,330 | 13,502 |
| — legal fees | 104,176 | 96,490 |
| — travel and accomodation | 17,759 | 27,317 |
| — office related expense | 79,196 | 98,041 |
| — secretarial fees | 24,837 | 23,602 |
| — other miscellaneous expenses | 121,306 | 182,712 |
| | <u>863,771</u> | <u>1,141,391</u> |

Note 5 Tax Expense

| | Group | |
|--|------------|-------------|
| | 2023 | 2022 |
| | \$ | \$ |
| (a) The components of tax (benefit) income comprise: | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |
| (b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows: | | |
| Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%) | | |
| — consolidated group | (621,765) | (4,327,531) |
| Add: | | |
| Tax effect of: | | |
| — deferred tax not brought to accounts | 16,020 | 1,184,960 |
| — unrealised movement in fair values | 552,520 | 2,179,968 |
| — impairment charges | 24,667 | 962,603 |
| — provision for doubtful debts | 28,558 | - |
| | - | - |
| Balance of franking account at year end | nil | nil |
| (c) Tax deferred tax assets not brought into account | | |
| Deferred tax assets not brought to account, the benefits of which will only be realised if it is probably that taxable profit will be available against which the utilised tax losses can be utilised. | | |
| Temporary differences | | |
| Tax Losses | | |
| - Operating losses | 25,075,061 | 24,920,502 |

Note 6 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 December 2023.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

| | 2023 | 2022 |
|------------------------------|---------|---------|
| | \$ | \$ |
| Short-term employee benefits | 186,388 | 183,655 |
| Share-based payments | - | - |
| Post-employment benefits | - | - |
| Total KMP compensation | 186,388 | 183,655 |

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

These amounts are the current year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Share-based payments

These amounts include performance rights issued to KMP's of the Company with certain vesting conditions attached. Refer to Note 23 - Share based payments for further information. These performance rights were granted after seeking shareholder approval.

Further information in relation to KMP remuneration can be found in the Directors' Report.

Note 7 Auditor's Remuneration

| | Group | |
|--|----------------|---------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Remuneration of the auditor for: | | |
| — auditing or reviewing the financial statements | 93,096 | 72,933 |
| Remuneration of other auditors of subsidiaries for: | | |
| — auditing or reviewing the financial statements of subsidiaries | 15,307 | 17,606 |
| | <u>108,403</u> | <u>90,539</u> |

Note 8 Earnings per Share

| | Group | |
|--|----------------------|----------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| (a) Reconciliation of earnings to profit or loss | | |
| Loss attributable to members of the parent entity | (2,491,987) | (14,911,159) |
| Losses used to calculate basic EPS | (2,491,987) | (14,911,159) |
| Losses used in the calculation of dilutive EPS | <u>(2,491,987)</u> | <u>(14,911,159)</u> |
| | No. | No. |
| (b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 1,071,636,503 | 1,036,135,372 |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | <u>1,071,636,503</u> | <u>1,036,135,372</u> |
| Basic and diluted losses per share (cents) | (0.23) | (1.44) |

Note 9 Cash and Cash Equivalents

| | Note | Group | |
|--------------------------|------|------------------|------------------|
| | | 2023 | 2022 |
| | | \$ | \$ |
| Cash at bank and on hand | | 2,274,504 | 1,051,605 |
| | 26 | <u>2,274,504</u> | <u>1,051,605</u> |

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | 2,274,504 | 1,051,605 |
| | <u>2,274,504</u> | <u>1,051,605</u> |

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 10 Trade and Other Receivables

| | Note | Group | |
|---|------|-----------------------|-----------------------|
| | | 2023 | 2022 |
| | | \$ | \$ |
| Current | | | |
| Trade receivables | | 747,524 | 587,378 |
| Provision for impairment | | (128,391) | (78,517) |
| | | <u>619,133</u> | <u>508,861</u> |
| Accrued income and other receivables | | 130,921 | 166,469 |
| Total current trade and other receivables | 26 | <u><u>750,054</u></u> | <u><u>675,330</u></u> |

Movements in the provision for impairment of trade and other receivables were as follows:

| | Group | |
|--|----------------|---------------|
| | 2023 | 2022 |
| | \$ | \$ |
| At the beginning of the period | 78,517 | - |
| Provision for impairment during the period | 49,874 | 78,517 |
| At the end of the period | <u>128,391</u> | <u>78,517</u> |

As at 31 December 2023, the ageing analysis of trade and other receivables are as follows:

| | Group | |
|------------------------------------|----------------|----------------|
| | 2023 | 2022 |
| | \$ | \$ |
| 0 - 30 Days | 330,916 | 140,796 |
| 31 - 60 Days | 110,690 | 102,448 |
| 61 - 90 Days past due not impaired | 57,586 | 1,357 |
| +90 Days past due not impaired | 119,941 | 264,260 |
| +90 Days past due impaired | 128,391 | 78,517 |
| At the end of the period | <u>747,524</u> | <u>587,378</u> |

| | Note | Group | |
|--|------|-----------------------|-----------------------|
| | | 2023 | 2022 |
| | | \$ | \$ |
| (a) Financial Assets Measured at Amortised Cost | | | |
| Trade and other Receivables | | | |
| — Total current | | 750,054 | 675,330 |
| — Total non-current | | - | - |
| Total financial assets measured at amortised cost | 26 | <u><u>750,054</u></u> | <u><u>675,330</u></u> |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 11 Other Financial Assets

| | Note | Group | |
|---|------|------------------|------------------|
| | | 2023 \$ | 2022 \$ |
| Current | | | |
| Amounts receivable from: | | | |
| - related parties - others | | 183,466 | 110,209 |
| - related parties - subsidiaries (unconsolidated) | | 1,210,734 | 990,237 |
| - others | | 373,894 | 314,961 |
| | | <u>1,768,094</u> | <u>1,415,407</u> |
| Other short-term investments | | - | 176,729 |
| Promissory Note - subsidiaries (unconsolidated) | | 3,814,775 | - |
| | | <u>5,582,869</u> | <u>1,592,136</u> |
| Non-Current | | | |
| Promissory Note - subsidiaries (unconsolidated) | | - | 3,539,867 |
| | | <u>-</u> | <u>3,539,867</u> |
| Total Other Financial Assets | | | |
| Current | | 5,582,869 | 1,592,136 |
| Non-Current | | - | 3,539,867 |
| | 26 | <u>5,582,869</u> | <u>5,132,003</u> |

Terms of Current Financial Assets

All receivables are at call.

No securities are attached.

No interest on amounts receivable.

Terms of Financial Assets - subsidiaries (unconsolidated)

Issuer: Fatfish Global Ventures AB

Maturity: 14 November 2024

Interest on loan: Accrue a yearly interest of 5%.

Security: Nil

For personal use only

Note 12 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group.

| Name of subsidiary | Principal place of business | Ownership interest held by the Group | | Proportion of non-controlling interests | |
|--|-----------------------------|--------------------------------------|----------|---|----------|
| | | 2023 (%) | 2022 (%) | 2023 (%) | 2022 (%) |
| Minerium Technology Limited | British Virgin Island | 49.0% | 49.0% | 51.0% | 51.0% |
| D2K Ventures Sdn Bhd | Malaysia | 49.0% | 49.0% | 51.0% | 51.0% |
| Fatfish Income Limited | British Virgin Island | 100.0% | 100% | - | - |
| Payslowslow Pte Ltd | Singapore | 100.0% | 74.5% | - | 25.5% |
| Fatberry Pte Ltd | Singapore | 100.0% | 74.5% | - | 25.5% |
| AFG Thailand Co Limited | Thailand | 100.0% | 74.5% | - | 25.5% |
| PT Fintech Group Indonesia | Indonesia | 95.0% | - | 5.0% | - |
| Techtopia Sdn Bhd (formerly known as iHarap Sdn Bhd) | Malaysia | 100.0% | 74.5% | - | 25.5% |
| Payslowslow Sdn Bhd | Malaysia | 100.0% | 74.5% | - | 25.5% |
| PT Arah Capital Group | Indonesia | 70.0% | - | 30% | - |
| Fintech Asia Group Limited | British Virgin Island | 100.0% | 74.5% | - | 25.5% |
| Fatfish Capital Limited | British Virgin Island | 75.0% | 75.0% | 25.0% | 25.0% |
| Fatfish Medialab Pte Ltd | Singapore | 100.0% | 75.0% | - | 25.0% |
| Asean Fintech Group Limited | British Virgin Island | 74.6% | 74.5% | 25.4% | 25.5% |
| Pay Direct Technology Sdn Bhd | Malaysia | 41.0% | 41.0% | 59.0% | 59.0% |
| SF Direct Sdn Bhd | Malaysia | 63.4% | 63.3% | 36.6% | 36.7% |
| Fatberry (Thailand) Limited | Thailand | 63.9% | 74.5% | 36.1% | 25.5% |
| AFG Media Sdn Bhd | Malaysia | 74.6% | 74.5% | 25.4% | 25.5% |
| Carewise Sdn Bhd | Malaysia | 70.9% | 78.9% | 29.1% | 21.1% |
| JazzyPay Global Pte Ltd | Malaysia | 65.2% | 65.1% | 34.8% | 34.9% |
| JazzyPay Inc | Phillipines | 65.2% | 65.1% | 34.8% | 34.9% |
| Fatberry Sdn Bhd | Malaysia | 44.2% | 47.7% | 55.8% | 52.3% |
| Keystone Risk Partners Sdn Bhd | Malaysia | 44.2% | 47.7% | 55.8% | 52.3% |
| Smartfunding Pte Ltd | Singapore | 69.8% | 68.8% | 30.2% | 31.2% |
| Abelco Investment Group AB | Sweden | 40.6% | 39.8% | 59.4% | 60.2% |
| Rightbridge Ventures AB | Sweden | 12.2% | 16.2% | 87.8% | 83.8% |
| iCandy Digital Pte Ltd | Sweden | 3.5% | 16.2% | 96.5% | 83.8% |
| Fatfish Global Ventures AB | Sweden | 40.6% | 39.8% | 59.4% | 60.2% |
| Snaefell Ventures AB | Sweden | 40.6% | 39.8% | 59.4% | 60.2% |
| iSecrets AB* | Singapore | 15.2% | 18.8% | 84.8% | 81.2% |
| Fatfish Internet Pte Ltd | Sweden | 40.6% | 39.8% | 59.4% | 60.2% |
| Fatfish Ventures Sdn Bhd | Sweden | 40.6% | 39.8% | 59.4% | 60.2% |

*The subsidiaries listed are deemed as subsidiaries of the Company through the Company's holdings in Abelco Investment Group AB, in which the Company has a 39.81% stake.

Abelco Investment Group AB is being deemed a subsidiary of the Company due to common board seats, being Mr Kin Wai Lau and Dato' Larry Gan and there are no other significant shareholders in the Company.

(b) Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 12: Interests in Subsidiaries (continued)

(c) Subsidiaries held at fair value through profit or loss

The Board adopted the exception to consolidation for investment entities as outlined in AASB 10 which became effective on 1 October 2016. The direct effect of the change in accounting policy sees the accounting parent treated as an investment entity which permits the accounting parent to value its subsidiaries and relevant investments at fair value. Table below shows the subsidiaries fair value brought into account.

During the year, an unrealised loss of \$2,210,080 (2022: loss of \$8,719,872) has been recorded on Investments at Fair Value.

| Subsidiary | Country of Incorporation | Fair value at 31 December 2023 | Fair value at 31 December 2022 |
|---|---------------------------------|---------------------------------------|---------------------------------------|
| iCandy Interactive Limited ⁽ⁱ⁾ | Australia | - | 266,979 |
| Abelco Investment Group AB ⁽ⁱⁱ⁾ | British Virgin Island | 2,913,213 | 5,123,293 |
| Rightbridge Investments AB ⁽ⁱⁱⁱ⁾ | British Virgin Island | - | 21,483 |
| | | <u>2,913,213</u> | <u>5,411,755</u> |

The Directors have assessed that Fatfish Group Limited meets the requirements of an Investment Entity. The company has applied AASB 10, exception to consolidation since 6 January 2020 on the deemed completion of the acquisition of Abelco Investment Group AB.

Under AASB 10, investments in subsidiaries are measured at fair value through profit or loss in accordance with AASB 13, rather than being consolidated to form group accounts. As such, these separate financial statements are the Company's only financial statements.

- (i) During the financial year, iCandy Interactive Limited had been deemed as a non-subsiary of the Group. As such, any movement in fair value will go through Other Comprehensive Income.
- (ii) The fair value of Abelco Investment Group AB (an NGM-listed entity) is based on its last traded price for the financial year ended 31 December 2023.
- (iii) During the financial year, Rightbridge Ventures AB (an NGM-listed entity) had been deemed as a non-subsiary of the Group. As such, any movement in fair value will go through Other Comprehensive Income.

Note 13 Property, Plant and Equipment

| | Group | |
|----------------------------------|-----------------------|-----------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Plant and equipment: | | |
| Plant and equipment: | | |
| At cost | 2,734,936 | 2,761,129 |
| Accumulated depreciation | (2,636,941) | (2,609,790) |
| | <u>97,995</u> | <u>151,339</u> |
| Leasehold improvements | | |
| At cost | 220,774 | 211,669 |
| Accumulated depreciation | (184,931) | (141,110) |
| | <u>35,843</u> | <u>70,559</u> |
| Furniture and Fittings | | |
| At cost | 27,727 | 28,096 |
| Accumulated depreciation | (12,402) | (11,380) |
| | <u>15,325</u> | <u>16,716</u> |
| Computer Equipment | | |
| At cost | 189,552 | 184,427 |
| Accumulated depreciation | (100,277) | (78,274) |
| | <u>89,275</u> | <u>106,153</u> |
| Total plant and equipment | <u><u>238,438</u></u> | <u><u>344,767</u></u> |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 13: Property, Plant and Equipment (continued)

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

| | Plant and Equipment \$ | Leasehold Improvement \$ | Furniture and Fittings \$ | Computer Equipment \$ | Motor Vehicle \$ | Total \$ |
|--|------------------------------|--------------------------------|---------------------------------|-----------------------------|------------------------|-----------------------|
| Consolidated Group: | | | | | | |
| Balance at 1 January 2022 | 247,454 | 58,895 | 10,818 | 72,221 | 2,643 | 392,031 |
| Acquisitions through business combinations | - | 5,159 | 7,675 | 32,253 | - | 45,087 |
| Additions | 4,679 | 33,842 | 3,426 | 26,110 | - | 68,057 |
| Depreciation expense | (102,937) | (27,970) | (4,300) | (25,901) | (2,643) | (163,751) |
| Movement in foreign currency | 2143 | 633 | (903) | 1,470 | - | 3,343 |
| Balance at 31 December 2022 | <u>151,339</u> | <u>70,559</u> | <u>16,716</u> | <u>106,153</u> | <u>-</u> | <u>344,767</u> |
| Additions | - | 4,093 | 2,573 | 15,709 | - | 22,375 |
| Disposals | - | (19,849) | - | - | - | (19,849) |
| Depreciation expense | (54,150) | (17,588) | (3,609) | (30,515) | - | (105,862) |
| Movement in foreign currency | 806 | (1,372) | (355) | (2,072) | - | (2,993) |
| Balance at 31 December 2023 | <u><u>97,995</u></u> | <u><u>35,843</u></u> | <u><u>15,325</u></u> | <u><u>89,275</u></u> | <u><u>-</u></u> | <u><u>238,438</u></u> |

Note 14 Financial Assets - Fair Value OCI

| | Group | |
|-----------------------------------|----------------|---------------|
| | 2023 \$ | 2022 \$ |
| Non-Current | | |
| Financial assets - Fair value OCI | 145,999 | 44,769 |
| | <u>145,999</u> | <u>44,769</u> |

(a) Financial assets - Fair value OCI

Non-Current

Listed and unlisted investments, at fair value

| | | |
|-----------------------------------|----------------|---------------|
| - shares in listed corporations | 145,999 | - |
| - shares in unlisted corporations | - | 44,769 |
| | <u>145,999</u> | <u>44,769</u> |

Listed Corporations

- Financial Assets - Fair value OCI's listed corporations have been valued using the market approach. The valuation techniques uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

| | | |
|---|----------------|----------|
| Opening Balance | - | - |
| Reclassification | 288,462 | - |
| Movement in fair value of financial assets - fair value OCI | (100,097) | - |
| Movement in foreign currency | (42,366) | - |
| Closing Balance | <u>145,999</u> | <u>-</u> |

Unlisted Corporations

- Financial Assets - Fair value OCI's unlisted corporations have been valued using the market approach. The valuation techniques uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

| | | |
|---|----------|---------------|
| Opening Balance | 44,769 | 41,796 |
| Reclassification | - | - |
| Movement in fair value of financial assets - fair value OCI | (44,769) | - |
| Movement in foreign currency | - | 2,973 |
| Closing Balance | <u>-</u> | <u>44,769</u> |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 15 Intangible Assets

| | Group | |
|--|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Goodwill | | |
| Cost | 1,758,077 | 1,774,979 |
| Accumulated impairment losses | (1,758,077) | (1,774,979) |
| Net carrying amount | <u>-</u> | <u>-</u> |
| Computer software: | | |
| Cost | 868,565 | 914,379 |
| Accumulated amortisation and impairment losses | (307,907) | (72,579) |
| Net carrying amount | <u>560,658</u> | <u>841,800</u> |
| Cryptocurrency | | |
| Cost | 498 | 5,300 |
| Accumulated amortisation and impairment losses | - | - |
| Net carrying amount | <u>498</u> | <u>5,300</u> |
| Licenses | | |
| Cost | 1,120,963 | 1,131,718 |
| Accumulated amortisation and impairment losses | (224,193) | (113,172) |
| Net carrying amount | <u>896,770</u> | <u>1,018,546</u> |
| Total intangible assets | <u>1,457,926</u> | <u>1,865,646</u> |

Consolidated Group:

| | Goodwill | Computer Software | Cryptocurrency | Licenses | Total |
|--|-------------|-------------------|----------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Year ended 31 December 2022 | | | | | |
| Balance at the beginning of the year | 998,215 | 721,770 | 185,329 | 1,056,696 | 2,962,010 |
| Additions | - | 43,149 | 55 | - | 43,204 |
| Acquisitions through business combinations | 631,365 | 18,521 | - | - | 649,886 |
| Disposals (used for payments to suppliers) | - | - | (136,128) | - | (136,128) |
| Amortisation charge | - | (5,136) | - | (113,172) | (118,308) |
| Impairment losses ⁽ⁱ⁾ | (1,731,027) | - | - | - | (1,731,027) |
| Movement in fair value | - | - | (51,657) | - | (51,657) |
| Movement in foreign currency | 101,447 | 63,496 | 7,701 | 75,022 | 247,666 |
| | <u>-</u> | <u>841,800</u> | <u>5,300</u> | <u>1,018,546</u> | <u>1,865,646</u> |
| Year ended 31 December 2023 | | | | | |
| Balance at the beginning of the year | - | 841,800 | 5,300 | 1,018,546 | 1,865,646 |
| Additions | - | 5,483 | - | - | 5,483 |
| Amortisation charge | - | (280,595) | - | (115,864) | (396,459) |
| Movement in fair value | - | - | (3,505) | - | (3,505) |
| Movement in foreign currency | - | (6,030) | (1,297) | (5,912) | (13,239) |
| Closing value at 31 December 2023 | <u>-</u> | <u>560,658</u> | <u>498</u> | <u>896,770</u> | <u>1,457,926</u> |

⁽ⁱ⁾ During the financial year, the Company undertook a review of its carrying goodwill value attributable to the acquisition of Pay Direct Technology Sdn Bhd, AF Media Sdn Bhd, Fatberry (Thailand) Limited and Payslowslow Pte Ltd. With the economic downturn, the Company took the decision to impair its goodwill.

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense as per the statement of profit or loss.

For personal use only

Note 16 Other Assets

| | Group | |
|---------------------------|-----------|---------|
| | 2023 | 2022 |
| | \$ | \$ |
| Current | | |
| Prepayments* | 1,717,236 | 41,950 |
| | 1,717,236 | 41,950 |
| Non-Current | | |
| Deposits paid | 176,939 | 161,027 |
| | 176,939 | 161,027 |
| Total Other Assets | | |
| Current | 1,717,236 | 41,950 |
| Non-Current | 176,939 | 161,027 |
| | 1,894,175 | 202,977 |

*This includes the fair value of 102,040,816 commitment shares issued to Arena Investors LP in relation to the ELOP agreement that Group entered into. The ELOP agreement provides the Group with a share funding facility of \$8 million. The shares were at fair value at 31 August 2023.

Note 17 Right-of-use Assets

(a) Right of use assets

| | Group | |
|--------------------------------------|-----------|-----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Right-of-use assets | | |
| Leased building | 340,875 | 347,452 |
| Accumulated depreciation | (260,701) | (124,476) |
| | 80,174 | 222,976 |
| Movements in carrying amounts | | |
| Opening balance as at 1 January | 222,976 | 191,239 |
| Additions | - | 178,563 |
| Depreciation expense | (144,529) | (107,623) |
| Foreign currency exchange movement | 1,727 | (39,203) |
| Closing Balance as at 31 December | 80,174 | 222,976 |

(b) Lease Liabilities

| | Group | |
|--------------------------------------|-----------|-----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Current | 82,445 | 162,797 |
| Non-Current | - | 65,218 |
| | 82,445 | 228,015 |
| Movements in carrying amounts | | |
| Opening balance as at 1 January | 228,015 | 192,969 |
| Additions | - | 178,563 |
| Lease payments | (143,187) | (149,068) |
| Interest expense | 6,422 | 7,928 |
| Foreign currency exchange movement | (8,805) | (2,377) |
| Closing Balance as at 31 December | 82,445 | 228,015 |

(c) Cash outflows for leases

| | Group | |
|--------------------------------------|--------|---------|
| | 2023 | 2022 |
| | \$ | \$ |
| Cash flows from Financing activities | | |
| Payments for rental leases | 77,310 | 210,221 |
| | 77,310 | 210,221 |

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
 ABN: 88 004 080 460
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023



Note 18 Trade and Other Payables

| | Note | Group | |
|--|------|------------------|------------------|
| | | 2023 | 2022 |
| | | \$ | \$ |
| Current | | | |
| Unsecured liabilities | | | |
| Trade payables | | 650,170 | 979,304 |
| Sundry payables and accrued expenses | | 2,718,548 | 1,630,578 |
| | 26 | <u>3,368,718</u> | <u>2,609,882</u> |
| | | Group | |
| | | 2023 | 2022 |
| | | \$ | \$ |
| (a) Financial liabilities at amortised cost classified as trade and other payables | | | |
| Trade and other payables | | | |
| — Total current | | 3,368,718 | 2,609,882 |
| — Total non-current | | - | - |
| | | <u>3,368,718</u> | <u>2,609,882</u> |

Note 19 Other Financial Liabilities

| | Group | |
|---|------------------|-------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Current | | |
| Amounts payable to: | | |
| - Others | 1,059,675 | 1,740,337 |
| - Related parties - subsidiaries (unconsolidated) | 1,787,571 | 2,512,406 |
| Convertible loans ⁽ⁱ⁾ | 6,309,522 | 6,956,522 |
| | <u>9,156,768</u> | <u>11,209,265</u> |
| Total Other Financial Liabilities | | |
| Current | 9,156,768 | 11,209,265 |
| Non-Current | - | - |
| | <u>9,156,768</u> | <u>11,209,265</u> |

The initial fair value of the liability portion of the convertible note was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the convertible notes. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

| | Group | |
|---|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Opening Balance as at 1 January | 6,956,522 | 6,390,382 |
| Repayment made | (647,000) | - |
| Finance costs unwound during the period | - | 566,140 |
| Closing Balance as at 31 December | <u>6,309,522</u> | <u>6,956,522</u> |

Details of convertible notes:

| | |
|-------------------|----------------|
| Conversion Price: | \$0.07 |
| Interest: | 1% per annum |
| Maturity Date: | 27 August 2024 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 20 Issued Capital

| | Group | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| 1,284,993,379 fully paid ordinary shares (2022: 1,036,379,877 fully paid ordinary shares) | 51,997,325 | 47,604,409 |
| | <u>51,997,325</u> | <u>47,604,409</u> |

The Group has authorised share capital amounting to 1,285,028,379 ordinary shares.

(a) Ordinary Shares

| | Number of | Amount |
|-------------------------------------|----------------------|-------------------|
| | Shares | \$ |
| | No. | \$ |
| Opening Balance at 1 January 2022 | 1,036,129,877 | 48,047,084 |
| Issued during the year | 250,000 | 19,750 |
| Less: transaction costs | - | (152,000) |
| Less: Share buyback | - | (310,425) |
| Closing Balance at 31 December 2022 | <u>1,036,379,877</u> | <u>47,604,409</u> |
| Issued during the year | 248,648,502 | 4,400,979 |
| Less: transaction costs | - | (7,408) |
| Less: Share buyback | (35,000) | (655) |
| Closing Balance at 31 December 2023 | <u>1,284,993,379</u> | <u>51,997,325</u> |

On 1 May 2023, the Company issued 51,818,994 fully paid ordinary shares, raising a total of \$1,295,475, net of capital raising costs.

On 31 August 2023, the Company issue 102,040,816 fully paid ordinary shares at a deemed issue price of \$0.0147, no cash was raised.

On 29 December 2023, the Company issue 94,788,692 fully paid ordinary shares, raising a total of \$1,421,830, net of capital raising costs.

During the financial year, the Company bought 35,000 fully paid ordinary shares during the on-market share buy back process. A total of \$655 was spent.

(b) Options

| | Group | |
|--|----------|--------------|
| | 2023 | 2022 |
| | No. | No. |
| The following reconciles the outstanding listed options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year. | | |
| Opening Balance at 1 January | - | 42,588,334 |
| Options issued during the year | - | - |
| Options exercised during the year | - | - |
| Options Expired during the year | - | (42,588,334) |
| Closing Balance at 31 December | <u>-</u> | <u>-</u> |

The following reconciles the outstanding unlisted options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year.

| | | |
|-----------------------------------|------------------|------------------|
| Opening Balance at 1 January | 1,000,000 | - |
| Options issued during the year | - | 1,000,000 |
| Options exercised during the year | - | - |
| Options Expired during the year | - | - |
| Closing Balance at 31 December | <u>1,000,000</u> | <u>1,000,000</u> |

(c) Capital Management

The Board's policy is to maintain a sufficiently strong capital base so as to maintain investor, creditor and market confidence and to sustain future progress on the consolidated entity's programs.

As the consolidated entity has not yet reached the point of deriving sufficient income from its programs to generate net profits, it has not assessed a return on capital target, nor can a return on capital yet be adequately calculated.

There were no changes to the consolidated entity's approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

For personal use only

Note 21 Operating Segments

During the reporting period, the Group regrouped their operating segments to the following:

- (i) Incubator services
- (ii) Digital currency mining
- (iii) BNPL and Insurtech services
- (i) All other operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(d) Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities
- Intangible assets

(e) Segment information

(i) Segment performance

| | Incubator services | Digital Currency Mining | BNPL and Insurtech Services | All other operating segments | Total |
|---|-----------------------|-------------------------------|-----------------------------------|------------------------------------|-------------|
| 31 December 2023 | \$ | \$ | \$ | \$ | \$ |
| REVENUE | 148,805 | 90,800 | 873,634 | 190,677 | 1,303,916 |
| Total segment revenue | 148,805 | 90,800 | 873,634 | 190,677 | 1,303,916 |
| Total group revenue | | | | | 1,303,916 |
| Segment result from continuing operations before tax | (238,156) | 377,721 | (241,597) | (2,381,522) | (2,483,554) |

Reconciliation of segment result to group net profit/loss before tax

| | | | | | |
|--|--|--|--|--|-------------|
| Intersegment elimination | | | | | (3,505) |
| Net loss before tax from continuing operations | | | | | (2,487,059) |

| | Incubator services | Digital Currency Mining | BNPL and Insurtech Services | All other operating segments | Total |
|---|-----------------------|-------------------------------|-----------------------------------|------------------------------------|--------------|
| 31 December 2022 | \$ | \$ | \$ | \$ | \$ |
| REVENUE | 89,681 | 160,816 | 1,379,109 | 165,583 | 1,795,189 |
| Total segment revenue | 89,681 | 160,816 | 1,379,109 | 165,583 | 1,795,189 |
| Total group revenue | | | | | 1,795,189 |
| Segment result from continuing operations before tax | (697,121) | 62,011 | (5,802,513) | (9,724,737) | (16,162,360) |

Reconciliation of segment result to group net profit/loss before tax

| | | | | | |
|--|--|--|--|--|--------------|
| Intersegment elimination | | | | | (1,147,764) |
| Net loss before tax from continuing operations | | | | | (17,310,124) |

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
 ABN: 88 004 080 460
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023



Note 21: Operating Segments (continued)

(ii) Segment assets

| | Incubator services | Digital Currency Mining | BNPL and Insurtech Services | All other operating segments | Total |
|--|--------------------|-------------------------|-----------------------------|------------------------------|-------------------|
| 31 December 2023 | \$ | \$ | \$ | \$ | \$ |
| Segment assets | 666,363 | 796,122 | 5,974,264 | 23,079,094 | 30,515,843 |
| Segment assets include: | | | | | |
| — Additions to non-current assets (other than financial assets and deferred tax) | - | - | - | - | - |
| Reconciliation of segment assets to group assets | | | | | |
| Intersegment eliminations | | | | | (15,178,491) |
| Total group assets | | | | | <u>15,337,352</u> |

| | Incubator services | Digital Currency Mining | BNPL and Insurtech Services | All other operating segments | Total |
|--|--------------------|-------------------------|-----------------------------|------------------------------|-------------------|
| 31 December 2022 | \$ | \$ | \$ | \$ | \$ |
| Segment assets | 902,763 | 409,017 | 5,824,990 | 21,845,154 | 28,981,924 |
| Segment assets include: | | | | | |
| — Additions to non-current assets (other than financial assets and deferred tax) | - | - | - | 761,147 | 761,147 |
| Reconciliation of segment assets to group assets | | | | | |
| Intersegment eliminations | | | | | (14,030,096) |
| Total group assets | | | | | <u>14,951,828</u> |

(iii) Segment liabilities

| | Incubator services | Digital Currency Mining | BNPL and Insurtech Services | All other operating segments | Total |
|--|--------------------|-------------------------|-----------------------------|------------------------------|-------------------|
| 31 December 2023 | \$ | \$ | \$ | \$ | \$ |
| Segment liabilities | 2,061,982 | 1,096,079 | 14,535,693 | 7,736,580 | 25,430,334 |
| Reconciliation of segment liabilities to group liabilities | | | | | |
| Intersegment eliminations | | | | | (12,822,403) |
| Total group liabilities | | | | | <u>12,607,931</u> |

| | Incubator services | Digital Currency Mining | BNPL and Insurtech Services | All other operating segments | Total |
|--|--------------------|-------------------------|-----------------------------|------------------------------|-------------------|
| 31 December 2022 | \$ | \$ | \$ | \$ | \$ |
| Segment liabilities | | | | | |
| Reconciliation of segment liabilities to group liabilities | 1,924,028 | 1,094,637 | 14,331,972 | 7,614,201 | 24,964,838 |
| Intersegment eliminations | | | | | (10,917,676) |
| Total group liabilities | | | | | <u>14,047,162</u> |

(iv) Revenue by geographical region

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | \$ | \$ |
| Australia | 190,677 | 165,584 |
| Singapore | 148,805 | 89,681 |
| Malaysia | 873,634 | 1,379,109 |
| British Virgin Island | 90,800 | 160,816 |
| Total revenue | <u>1,303,916</u> | <u>1,795,190</u> |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 21: Operating Segments (continued)

(v) **Assets by geographical region**

The location of segment assets by geographical location of the assets is disclosed below:

| | 2023 | 2022 |
|-----------------------|-------------------|-------------------|
| | \$ | \$ |
| Australia | 8,546,582 | 8,843,568 |
| Singapore | 277,446 | 902,763 |
| Malaysia | 5,974,264 | 4,625,566 |
| British Virgin Island | 539,060 | 579,931 |
| Total Assets | 15,337,352 | 14,951,828 |

Note 22 Cash Flow Information

| | Group | |
|---|--------------------|--------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| (a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax | | |
| Profit after income tax | (2,487,059) | (17,310,124) |
| Non-cash flows in profit | | |
| Impairment expense | 98,669 | 3,818,797 |
| Amortisation and depreciation | 650,745 | 415,233 |
| Unrealised loss/(gain) in foreign exchange | (467,310) | 424,622 |
| Share-based payments | 16,291 | 46,158 |
| Unrealised losses on investments at fair value | 2,210,080 | 8,719,872 |
| Finance costs | 101,534 | 797,396 |
| Loan forgiven | (1,820,315) | - |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries: | | |
| (Increase)/decrease in trade and term receivables | (74,724) | (60,682) |
| (Increase)/decrease in prepayments | (1,675,286) | (334) |
| Increase/(decrease) in trade payables and accruals | 758,836 | 895,720 |
| Net cash generated by operating activities | (2,688,539) | (2,253,342) |

Note 23 Share-based Payments

The aggregate share-based payments for the year ended 31 December 2023 are set out below:

| | 31 December 2023 | | 31 December 2022 | |
|--|-------------------------|------------------------|-------------------------|------------------------|
| | Number | Weighted \$ | Number | Weighted \$ |
| Options outstanding as at 1 January | - | - | 9,000,000 | 0.030 |
| Granted | - | - | - | - |
| Exercised | - | - | - | - |
| Expired | - | - | (9,000,000) | (0.030) |
| | - | - | - | - |
| | | | | |
| | 31 December 2023 | | 31 December 2022 | |
| | Number | Weighted \$ | Number | Weighted \$ |
| Performance Options outstanding as at 1 January | 500,000 | 0.130 | 500,000 | 0.130 |
| Granted | - | - | - | - |
| Exercised | - | - | - | - |
| | 500,000 | 0.130 | 500,000 | 0.130 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 23: Share-based payments (continued)

| | 31 December 2023 | | 31 December 2022 | |
|---|-------------------|------------------|-------------------|------------------|
| | Number | Fair Value \$ | Number | Fair Value \$ |
| Performance Rights outstanding as at 1 January | 24,250,000 | 1,311,771 | 24,500,000 | 1,331,521 |
| Granted | - | - | - | - |
| Vested | - | - | (250,000) | (19,750) |
| | <u>24,250,000</u> | <u>1,311,771</u> | <u>24,250,000</u> | <u>1,311,771</u> |

The following share-based payment arrangements were in existence during the current reporting period:

| | Number | Grant Date | Expiry Date | Exercise | Fair value at | Vesting |
|----------------------------------|------------|--------------|------------------|----------|---------------|----------------|
| (i) Performance Options granted | 500,000 | 11 June 2021 | 30 June 2025 | \$0.130 | 58,246 | 18 - 36 |
| (ii) Performance Rights granted | 250,000 | 11 June 2021 | 12 February 2025 | N/A | 39,500 | 18 - 36 months |
| (iii) Performance Rights granted | 72,000,000 | 11 June 2021 | 12 February 2025 | N/A | 6,600,000 | Refer below |

Vesting conditions for 72,000,000 Performance Rights

- (a) Class A performance rights (24,000,000)
The Company achieving a market capitalisation of AUD \$50 million (based on 20-day VWAP)
This class of performance rights vested and shares were issued on 11 June 2021.
- (b) Class B performance rights (24,000,000)
The Company achieving a market capitalisation of AUD \$75 million (based on 20-day VWAP)
This class of performance rights vested and shares were issued on 11 June 2021.
- (c) Class C performance rights (24,000,000)
The value of the consolidated gross assets of the Company being AUD \$40 million or more based on annual audited accounts.
- Where "annual audited accounts" means any assets reporting under "Financial Assets - Fair value OCI" or "Investments at fair value through profit or loss" as reported in the consolidated audited financial reports of the Company for any financial year.

Options were priced using the Black-Scholes model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate of the effects of non-transferability of exercise restrictions. Expected volatility is based on the historical share price volatility of the Company over the reporting period.

| Number | Share price | Exercise | Expected | Option life | Risk-free |
|---------|-------------|----------|----------|-------------|-----------|
| 500,000 | \$ 0.13 | \$ 0.13 | 160% | 4 years | 1.49% |

Note 24 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 2 January 2024, the Company issued 105,211,308 fully paid ordinary shares, raising a total of \$1,578,169, net of capital raising costs.

On 11 January 2024, the Company announced that it had formed a new 100% owned subsidiary named Fatfish Applied AI Lab Ltd to further its incubation business.

On 24 January 2024, the Company announced the appointment of Rhys Campbell as the Company's Senior Director of Social Gaming.

On 9 February 2024, the Company announced that its subsidiary, SF Direct Sdn Bhd had obtained a full digital lending license from Malaysia's Ministry of Local Government Development.

For personal use only

Note 25 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6.

ii. Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

iv. Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Prior to the restructuring of Fintech Asia Group Limited, Mr Kin Wai Lau loan the company USD \$33,971 (AUD \$50,142). In addition, Mr Lau loaned Minerium Technology Limited USD \$13,316 (AUD \$19,654). As at 31 December 2022, Mr Lau loaned the Group USD \$47,287 (AUD \$69,796).

The following transactions occurred with related parties:

| | Group | |
|---|----------------|----------------|
| | 2023 \$ | 2022 \$ |
| i. Director related entities | | |
| - Directors' fees paid to Dato' Larry Nyap Liou Gan | 60,000 | 62,662 |
| - Directors' fees and wages paid to Kin Wai Lau | 57,388 | 93,993 |
| - Directors' fees paid to DHL Corporate Advisory of which Mr Donald Low is a director and shareholder | 24,000 | 24,000 |
| - Directors' fees paid to Baustan Capital of which Mr Jeffrey Tan is a director and shareholder | 12,000 | 3,000 |
| - Directors' fees paid to Carrick Holdings of which Mr Andrew Bruce is a director and shareholder | 33,000 | - |
| | <u>186,388</u> | <u>183,655</u> |

ii. The following balances were outstanding at the end of the reporting period

| | Amounts owed by related parties | | Amounts owed to related parties | |
|------------------------------|---------------------------------|------------------|---------------------------------|------------------|
| | Group | | Group | |
| | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| iCandy Interactive Limited | - | - | 76,120 | 76,120 |
| Fatfish Global Ventures AB | 3,662,091 | 3,561,548 | - | - |
| Fatfish Internet Pte Ltd | 28,148 | 28,426 | 274,810 | 445,988 |
| Fatfish Ventures Sdn Bhd* | 653,163 | 253,934 | 132,743 | 387,602 |
| Abelco Investment Group AB | 28,000 | 206,105 | 1,582 | 212,002 |
| Appxplore (iCandy) Limited** | - | - | 369,944 | 1,219,673 |
| Other related parties | - | 110,209 | - | - |
| | <u>4,371,402</u> | <u>4,160,222</u> | <u>855,199</u> | <u>2,341,385</u> |

*On 1 June 2023, Fatfish Ventures Sdn Bhd, an unconsolidated subsidiary of Fatfish Group Limited, had forgiven a loan of the amount AUD \$396,823 (USD \$262,601) to Minerium Technology Limited, a subsidiary of Fatfish Group Limited.

**On 1 January 2023, Appxplore (iCandy) Limited, had forgiven a loan of the amount AUD \$900,199 (SGD 800,000) to Fintech Asia Group Limited, a subsidiary of Fatfish Group Limited. Appxplore (iCandy) Limited was once a subsidiary of Fatfish Group Limited and this loan was incurred during that period. Appxplore (iCandy) Limited is considered a related party as Mr Kin Wai Lau is a director of the Company.

For personal use only

Note 26 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

| | Note | Group | |
|---|------|--------------------------|--------------------------|
| | | 2023 \$ | 2022 \$ |
| Financial Assets | | | |
| Cash and cash equivalents | 9 | 2,274,504 | 1,051,605 |
| Trade and other receivables | 10 | 750,054 | 675,330 |
| Financial Assets - Fair value OCI | | | |
| - listed investments | 14 | 145,999 | 44,769 |
| | | <u>3,170,557</u> | <u>1,771,704</u> |
| Other financial assets | 11 | 5,582,869 | 5,132,003 |
| Total Financial Assets | | <u><u>8,753,426</u></u> | <u><u>6,903,707</u></u> |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost | | | |
| — trade and other payables | 18 | 3,368,718 | 2,609,882 |
| Other financial liabilities | 19 | 9,156,768 | 11,209,265 |
| Total Financial Liabilities | | <u><u>12,525,486</u></u> | <u><u>13,819,147</u></u> |

Financial Risk Management Policies

The directors are responsible for Fatfish Group Limited's risk management strategy and management is responsible for implementing the directors' strategy. A risk management program focuses on the unpredictability of finance markets and seeks to minimise potential adverse effects on financial performance. Fatfish Group uses different methods to measure difference types of risk to which it is exposed. These methods include sensitivity analysis in the case on interest rate and market risk. Fatfish Group does not use derivatives.

The consolidated entity's financial instruments consists of deposits with banks and accounts receivables and payables. The main purpose of non-derivative financial instruments is to raise finance for group operations.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit rating assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The following table details the Group's remaining contractual maturity for its financial liabilities and financial assets.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 26: Financial Risk Management (continued)

Financial liability and financial asset maturity analysis

| Consolidated Group | Within 1 Year | | 1 to 5 years | | Over 5 years | | Total | |
|---|---------------|--------------|--------------|-----------|--------------|------|-------------|-------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | | | |
| Trade and other payables | 3,368,718 | 2,609,882 | - | - | - | - | 3,368,718 | 2,609,882 |
| Other financial liabilities | 9,156,768 | 11,209,265 | - | - | - | - | 9,156,768 | 11,209,265 |
| Lease liabilities | 82,445 | 162,797 | - | 65,218 | - | - | 82,445 | 228,015 |
| Total expected outflows | 12,607,931 | 13,981,944 | - | 65,218 | - | - | 12,607,931 | 14,047,162 |
| Financial Assets - cash flows realisable | | | | | | | | |
| Cash and cash equivalents | 2,274,504 | 1,051,605 | - | - | - | - | 2,274,504 | 1,051,605 |
| Trade, term and loan receivables | 750,054 | 675,330 | - | - | - | - | 750,054 | 675,330 |
| Financial assets - Fair value OCI | 145,999 | 44,769 | - | - | - | - | 145,999 | 44,769 |
| Other financial assets | 5,582,869 | 1,592,136 | - | 3,539,867 | - | - | 5,582,869 | 5,132,003 |
| Total anticipated inflows | 8,753,426 | 3,363,840 | - | 3,539,867 | - | - | 8,753,426 | 6,903,707 |
| Net (outflow) / inflow on financial instruments | (3,854,505) | (10,618,104) | - | 3,474,649 | - | - | (3,854,505) | (7,143,455) |

No financial assets have been pledged as security.

c. Market Risk

i. Interest rate risk

The Group's exposure to market risk primarily consists of financial risks associated with changes in interest rates as detailed below. As the level of risk is low, the Group does not use any derivatives to hedge its exposure.

The Group is exposed to interest rate risks as it holds funds at variable interest rates.

ii. Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Due to instruments held by overseas operations, fluctuations in foreign currency may impact on the Group's financial results unless those exposed are appropriately hedged.

The following significant exchange rates were applied during the year

| | Average Rate | | Spot Rate | |
|----------------|--------------|--------|-----------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| \$1 AUD | | | | |
| Singapore | 0.8887 | 0.9575 | 0.9014 | 0.9102 |
| United States | 0.6618 | 0.6947 | 0.6840 | 0.6775 |
| Malaysia | 3.0176 | 3.0535 | 3.1416 | 2.9898 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 26: Financial Risk Management (continued)

Interest rate Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Consolidated Group | |
|------------------------------------|--------------------|-----------|
| | Profit | Equity |
| Year ended 31 December 2023 | \$ | \$ |
| +/- 0.75% in interest rates | 17,059 | 17,059 |
| | | |
| | | |
| | | |
| Year ended 31 December 2022 | \$ | \$ |
| +/- 0.75% in interest rates | 7,887 | 7,887 |

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

The Directors consider that the carrying amounts of financial assets and liabilities recorded at cost less any accumulated impairments in the financial statements approximates their fair values.

The fair values of financial assets and liabilities are determined as follows:

- Other financial assets and financial liabilities are determined in accordance with general accepted pricing models.

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 27 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

| | Note | 2023 | | 2022 | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| | | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | | |
| Financial assets | | | | | |
| Financial assets at amortised cost: | | | | | |
| Cash and cash equivalents | 9 | 2,274,504 | 2,274,504 | 1,051,605 | 1,051,605 |
| Trade and other receivables: | | | | | |
| - unrelated parties - trade and term receivables | 10 | 750,054 | 750,054 | 675,330 | 675,330 |
| Total trade and other receivables | | 750,054 | 750,054 | 675,330 | 675,330 |
| Other financial assets | 11 | 5,582,869 | 5,582,869 | 5,132,003 | 5,132,003 |
| Financial assets at fair value through profit or loss: | | | | | |
| - listed investments | 12 | 2,913,213 | 2,913,213 | 5,411,755 | 5,411,755 |
| Financial assets - Fair value OCI | | | | | |
| - at fair value: | 14 | 145,999 | 145,999 | 44,769 | 44,769 |
| Total financial assets | | 11,666,639 | 11,666,639 | 12,315,462 | 12,315,462 |
| Financial liabilities at amortised cost | | | | | |
| Trade and other payables | 18 | 3,368,718 | 3,368,718 | 2,609,882 | 2,609,882 |
| Other financial liabilities | 19 | 9,156,768 | 9,156,768 | 11,209,265 | 11,209,265 |
| Total financial liabilities | | 12,525,486 | 12,525,486 | 13,819,147 | 13,819,147 |

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.

For personal use only

Note 27 Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets - fair value OCI
- investments in subsidiaries

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) *Fair value hierarchy*

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

| Level 1 | Level 2 | Level 3 |
|--|--|---|
| Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. | Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. | Measurements based on unobservable inputs for the asset or liability. |

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

| | | 31 December 2023 | | | |
|---|------|------------------|---------------|---------------|-------------|
| Recurring fair value measurements | Note | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Financial assets | | | | | |
| Financial assets at fair value | | | | | |
| — Investments at fair value through profit and loss | 12 | 2,913,213 | - | - | 2,913,213 |
| — Investments at fair value through OCI | 14 | - | 145,999 | - | 145,999 |
| Total financial assets recognised at fair value on a recurring basis | | 2,913,213 | 145,999 | - | 3,059,212 |
| | | 31 December 2022 | | | |
| Recurring fair value measurements | Note | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Financial assets | | | | | |
| Financial assets at fair value | | | | | |
| — Investments at fair value through profit and loss | 12 | 5,411,755 | - | - | 5,411,755 |
| — Investments at fair value through OCI | 14 | - | 44,769 | - | 44,769 |
| Total financial assets recognised at fair value | | 5,411,755 | 44,769 | - | 5,456,524 |

Note 28 Reserves

a. Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options and other options.

| | Group | |
|------------------------------|-----------|-----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance at beginning of year | 1,416,997 | 2,206,914 |
| Vesting of options | 16,291 | 26,408 |
| Issue of options | - | 38,080 |
| Exercise of options | - | - |
| Expiry of options | - | (854,405) |
| | 1,433,288 | 1,416,997 |

b. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

| | Group | |
|--|-----------|-------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance at beginning of year | (469,871) | (1,025,791) |
| Foreign currency movements during the year | 120,765 | 555,920 |
| | (349,106) | (469,871) |

c. Financial Assets Reserve

The financial assets reserve records revaluations of financial assets

| | Group | |
|--------------------------------------|-----------|-----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance at beginning of year | (362,777) | (362,777) |
| Fair value movements during the year | (144,866) | - |
| | (507,643) | (362,777) |

d. Digital Assets Reserve

The digital asset reserve records the fair value movement on digital assets.

| | Group | |
|--------------------------------------|---------|----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance at beginning of year | 502,447 | 554,104 |
| Fair value movements during the year | 3,505 | (51,657) |
| | 505,952 | 502,447 |

e. Convertible Note Reserve

The convertible note reserve records the movement on the fair value of the convertible note.

| | Group | |
|--------------------------------------|---------|---------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance at beginning of year | 909,317 | 909,317 |
| Fair value movements during the year | - | - |
| | 909,317 | 909,317 |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Note 28: Reserves (continued)

f Other components of equity

When the Company completed its restructuring, Fintech Asia Group Limited, a company incorporated in British Virgin Island, Smartfunding Pte Ltd, a company incorporated in Singapore and Fatberry Sdn Bhd, a company incorporated in Malaysia, this transaction was assessed as a transaction with non-controlling interests.

In accordance with the accounting policy adopted, all assets and liabilities were recorded at their book value at the date of acquisition. The remaining difference between the fair value of the consideration paid and the book value of the net assets acquired is allocated to equity.

| | Group | |
|---|---------------------|---------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance at beginning of year | (18,978,357) | - |
| Acquisition of Fintech Asia Group Limited | - | (14,318,817) |
| Acquisition of Smartfunding Pte Ltd | - | (327,190) |
| Acquisition of Fatberry Sdn Bhd | - | (4,332,350) |
| | <u>(18,978,357)</u> | <u>(18,978,357)</u> |
| | Group | |
| | 2023 | 2022 |
| | \$ | \$ |
| Total Reserves | | |
| Option reserve | 1,433,288 | 1,416,997 |
| Foreign currency translation reserve | (349,106) | (469,871) |
| Financial assets reserve | (507,643) | (362,777) |
| Digital assets reserve | 505,952 | 502,447 |
| Convertible note reserve | 909,317 | 909,317 |
| Other components of equity | (18,978,357) | (18,978,357) |
| | <u>(16,986,549)</u> | <u>(16,982,244)</u> |

Note 29 Contingent Liabilities

The Group had one open litigation matter at 31 December 2023.

Fatfish Group Ltd is named as a defendant in a civil suit filed in the High Court of the Republic of Singapore in relation to 3 allegedly defaulted promissory notes issued by Fatfish Investment Partners Ltd ("FIPPL"). FIPPL is not part of Fatfish Group Limited and its controlled entities. By the Statement of Claim (Amendment No.1) filed on 22 January 2024, the Claimant sought payment of the sum of RM3,750,000 plus costs, and interest against FIPPL and Fatfish Group Ltd.

On 13 February 2024, a Judge of the General Division of the High Court of the Republic of Singapore struck out the Claimant's claim against Fatfish Group Ltd.

Subsequently, the Claimant did not file any appeals before the deadline to file his appeal had expired.

Note 30 Company Details

The registered office of the company is:

Fatfish Group Limited
 C/- DW Accounting & Advisory Pty Ltd
 Level 4, 91 William Street
 Melbourne Vic 3000

The principal places of business are:

Fatfish Group Limited
 B03-A-08 Menara 3A
 No. 3 Jalan Bangsar, KL Eco City
 59200 Kuala Lumpur, Malaysia

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
DIRECTORS' DECLARATION



In accordance with a resolution of the directors of Fattfish Group Limited, the directors declare that:

1. the financial statements and notes, as set out on pages 24 to 62, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Director

Mr Kin Wai Lau

Dated this

28 March 2024

For personal use only

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FATFISH GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Fatfish Group Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 31 December 2023 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(x) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$2,487,059 during the year ended 31 December 2023. As stated in Note 1(x), these events or conditions, along with other matters as set forth in Note 1(x), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

For personal use only

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|--|---|
| <p>Fair value of investments held at fair value through profit or loss</p> <p>As disclosed in note 12, the Consolidated Entity held \$2,913,213 in subsidiaries held at fair value through profit and loss.</p> <p>Valuation of these investments is considered to be a key audit matter due to the significance of the assets to the Consolidated Entity's financial position.</p> | <p>Our procedures in relation to management's valuation of the investments included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the valuation methodology used; and • Verified the market price of the shares in the respective companies at balance date. <p>We assessed the appropriateness of the disclosures included in Notes 12 and 27 to the financial report.</p> |
| <p>Recoverability of other financial assets</p> <p>The Consolidated entity has provided loans to multiple entities including related parties and to external parties, totaling \$5,582,869 as disclosed in note 11.</p> <p>Due to the quantum of the loans, the recoverability of the loans were considered a key audit matter.</p> | <p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> • Obtaining confirmations for loan balances; • Assessment of the counterparty's capacity to repay the loan; and • We assessed the appropriateness of the disclosures included in Notes 11 to the financial report. |
| <p>Other Financial Liabilities</p> <p>As disclosed in Note 19 to the financial report, the Consolidated Entity had other financial liabilities of \$9,156,768 as at 31 December 2023 consisting of balances owing to related parties, third parties and convertible loans. Other financial liabilities are considered to be a key audit matter due to value of the balances and the effect they have on the Consolidated Entity's Financial Position.</p> | <p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> • Analysing the agreement to identify the key terms and conditions of the convertible notes; • Assessing the accounting treatment of the financial instruments in accordance with the recognition and measurement as well as the disclosure requirements of the relevant Australian Accounting Standards; |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|------------------|---|
| | <ul style="list-style-type: none"> • Obtaining confirmations for all significant balances to confirm the amount owing at year end; and • We assessed the appropriateness of the disclosures included in Notes 19 to the financial report. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Fatfish Group Limited, for the year ended 31 December 2023, complies with section 300A of the Corporations Act 2001.


HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Director

Dated this 28th day of March 2024
Perth, Western Australia

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
ADDITIONAL INFORMATION FOR LISTED COMPANIES



The following information is current as at 22 March 2024:

1. **Shareholding**

a. **Distribution of Shareholders**
Category (size of holding)

| | No. of Holders | No. of Ordinary |
|--------------------|-----------------------|------------------------|
| 1 – 1,000 | 532 | 189,917 |
| 1,001 – 5,000 | 2,215 | 7,101,299 |
| 5,001 – 10,000 | 1,907 | 15,821,059 |
| 10,001 – 100,000 | 3,413 | 121,805,910 |
| 100,001 – and over | 882 | 1,245,321,502 |
| | 8,949 | 1,390,239,687 |

b. The number of shareholdings held in less than marketable parcels is 5,718. (2022: 7,353)

c. The names of the substantial shareholders listed in the holding company's register are:

| Shareholder | Number | |
|---|--|--|
| | No. of Fully Paid Ordinary Shares | % Held of Issued Ordinary Capital |
| HSBC Custody Nominees (Australia) Limited | 206,225,040 | 14.83% |
| Citicorp Nominees Pty Limited | 193,548,541 | 13.02% |
| BNP Paribas Noms Pty Ltd UOB KH PL AC | 97,203,692 | 6.99% |

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

| Name | Number of Ordinary Fully Paid Shares Held | % Held of Issued Ordinary Capital |
|--|--|--|
| 1. HSBC Custody Nominees (Australia) Limited | 206,225,040 | 14.83% |
| 2. Citicorp Nominees Pty Limited | 193,548,541 | 13.92% |
| 3. BNP Paribas Noms Pty Ltd UOB KH PL AC | 97,203,692 | 6.99% |
| 4. Mr Kin Wai Lau | 54,209,609 | 3.90% |
| 5. Mr Abu Bakar Fikri Bin Sulaiman | 49,375,000 | 3.55% |
| 6. Mr Ong Chang Jeh | 22,292,363 | 1.60% |
| 7. Mr Say Kee Saw | 15,520,300 | 1.12% |
| 8. Rock The Polo Pty Ltd <Rock The Polo A/C> | 11,000,000 | 0.79% |
| 9. Splendid Stuff Pty Ltd | 10,000,000 | 0.72% |
| 10. Celtic Capital Pty Ltd | 10,000,000 | 0.72% |
| 11. Mrs Katrina Louise Mcgrath | 10,000,000 | 0.72% |
| 12. Mr Terence Francis Mcgrath & Dr Christopher Leigh Mcgrath <TF Mcgrath Super Fund A/C> | 10,000,000 | 0.72% |
| 13. Circe Point Pty Ltd <JR Cranston Family A/C> | 9,000,000 | 0.65% |
| 14. Block Capital Group (Int) Pty Ltd | 8,000,000 | 0.58% |
| 15. Mr Gary Dean Shaw | 8,000,000 | 0.58% |
| 16. Whead Pty Ltd <CJ Holdings A/C> | 14,000,000 | 1.00% |
| 17. BNP Paribas Nominees Pty Ltd Barclays | 6,366,265 | 0.46% |
| 18. Chifley Portfolios Pty Limited <David Hannon A/C> | 6,000,000 | 0.43% |
| 19. UJM Pty Ltd <MJU A/C> | 5,500,000 | 0.40% |
| 20. Mr Wei Wang | 5,200,000 | 0.37% |
| | 751,440,810 | 54.05% |

For personal use only

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
ADDITIONAL INFORMATION FOR LISTED COMPANIES



2. The name of the company secretary is Mr Andrew Draffin and Ms Jiahui Lan.
3. The address of the principal registered office in Australia is Level 4, 91 William Street, Melbourne Victoria 3000.
4. Registers of securities are held at the following addresses
Atomic Group
Level 5, 191 St Georges Terr
Perth WA 6000
5. **Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited. (ASX: FFG)

For personal use only