



Fatfish Group Limited
(ACN 004 080 460)
Level 4, 91 William Street
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ASX and Media Announcement

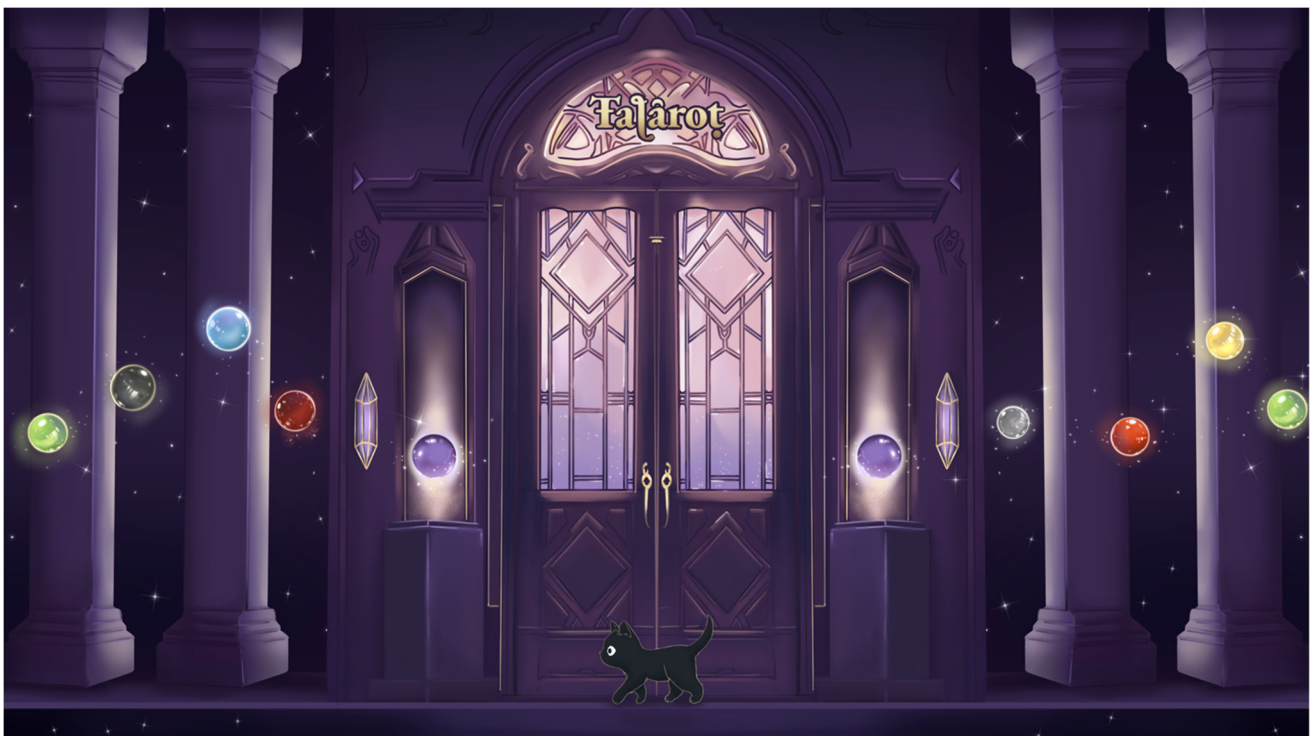
Fatfish to acquire strategic stake in AI-Powered gaming innovator, AIGC

Fatfish Group Ltd ("**FFG**" or the "**Company**") is pleased to announce it has executed a binding term sheet for the acquisition of up to a 50% equity interest in AI Gaming Co Pte Ltd ("**AIGC**"), an Artificial Intelligence (AI) gaming innovator based in Singapore.

AI Gaming Co, a specialist start-up in the development of digital entertainment, stands at the forefront of the gaming sector, harnessing advanced AI to forge immersive, dynamic gaming experiences. Their approach focuses on enhancing gaming through AI's potential to streamline development processes, create lifelike environments, and offer personalised gaming experiences, demonstrating a steadfast commitment to innovation within the industry.

AIGC is poised to refine gaming to offer even more personalised adventures, crafting tailored challenges, storylines, and interactions that cater to individual player preferences and capabilities. This approach aims to provide a unique gaming journey for each player, deepening engagement and creating an environment that dynamically adapts to and reflects the player's personal experiences and choices, thereby elevating the immersive quality of gaming experiences.

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AIGC's maiden game is Tatarot (**tatarot.ai**), an AI-powered tarot reading app that merges traditional tarot practices with AI technology and personalised art to provide users with a gamified, unique experience. The game instantly generates unique tarot-inspired, AI-generated artworks tailored to their specific queries.

FFG aims to utilise its expertise in incubating and propelling start-ups to provide AIGC with the necessary resources and guidance to accelerate its growth trajectory and enhance profitability through synergetic benefits and scalability.

A second game, **The Waifu Maker**, uses Generative AI to transform Neo-Tokyo art into a virtual girlfriend immersive experience. **The Waifu Maker** is in development and will be launched in the coming months. Harnessing Generative AI technologies and benefiting from FFG's expertise in digital entertainment, AIGC expects to provide its users with an unparalleled virtual girlfriend immersive experience.

Transaction Terms

FFG has entered into a binding term sheet to invest up to SG\$2.5M (A\$2.8M) comprising the following, in return for up to 50% of in AIGC ("**Acquisition**") subject to due diligence to the end of April:

- (a) SG\$2,100,000 initial investment in AIGC, itself comprising SG\$100,000 in cash, and SG\$2,000,000 in services to be provided to AIGC by FFG, including incubation related services and access to FFG's broader team and expertise in digital entertainment (the **Initial Investment**); and
- (b) SG\$400,000 further investment via exercise of an Option over the six months following the Initial Investment, with exercise of such Option to be in cash (the **Option**).

In the event that FFG completes the Initial Investment, it will own approximately 45.65% of AIGC. In the event FFG completes both the Initial Investment and exercises its Option, it will own 50.00% of AIGC.

The Acquisition complements existing FFG investments in digital entertainment, representing great promise for collaborative and synergetic advancement of the FFG portfolio and enhancement of shareholder value. Further, the acquisition presents opportunities for potential collaborations and/or corporate exercises such as capital fundraising, mergers and acquisitions or future spin-outs and initial public offerings.



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The Company will use the month of April to complete any further due diligence on AIGC and its vendors. The Company has sufficient cash to fund the cash component of the Initial Investment and the exercise of the Option.

A further summary of the material terms of the Term Sheet is set out at Annexure A.

Transaction Rationale

AI-driven technologies present a great opportunity for the gaming development industry to revolutionise the creation and personalisation of content, enabling the procedural generation of vast worlds, adaptive gameplay, and immersive, realistic NPC interactions. Further, it streamlines development processes through automated testing and enhances player experiences by tailoring games to individual behaviours and preferences. AIGC presents an excellent opportunity to capitalise on this paradigm shift.

FFG, renowned for its expertise in incubating and nurturing early-stage tech companies, recognises AIGC's immense potential. By investing in AIGC, FFG aims to capitalise on these emerging trends and position itself at the forefront of the next wave of innovation in gaming.

With this strategic investment, FFG aims to provide AIGC with the necessary resources and guidance to accelerate its growth trajectory. Leveraging FFG's extensive network and industry know-how, AIGC will be well-positioned to secure funding from investors and expand its market reach.

Furthermore, FFG sees significant potential synergies between AIGC and FFG's portfolio of investee companies involved in video game development and digital entertainment, which could lead to improved efficiency and scalability of their businesses.

Corporate Advisors Appointed

FFG is pleased to announce that Reign Advisory Pty Ltd, led by Managing Director Sonny Didugu, has been appointed Corporate Advisor to FFG and has advised the Company on this acquisition and will advise on the future development of AIGC. Reign Advisory brings significant experience in the corporate development and strategic guidance of micro-cap ASX listed entities in addition to corporate governance advisory services. FFG and AIGC look forward to continuing to work with Reign Advisory on the development of this investee company.

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

— ENDS —

For further information, please contact:

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About Fatfish Group Limited (fatfish.co)

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

About AI Gaming Co Pte Ltd

The Ai Gaming Co (AIGC) is a company that dedicates itself to building games and digital entertainment services using Generative AI tools. It is focused on Applied AI technologies (not core AI technologies). It is among the first of its kinds to entirely build products and services that heavily rely on or based on Generative AI technologies. It already has products launched with traction and with upcoming products planned.

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Annexure A: Material Terms of the Term Sheet

Transaction	Subject to the completion of due diligence to FFG's satisfaction and satisfaction or waiver of all conditions precedent, FFG will acquire the Securities in AIGC.
Securities	<p>FFG will subscribe for:</p> <ul style="list-style-type: none"> • 252,000 Shares in AIGC at an issue price of SG\$8.33333 per Share totalling SG\$2,100,000 (the initial Investment); and • 48,000 Options exercisable at SG\$8.33333 per Option totalling SG\$400,000 (the Options). <p>The Initial Investment comprises (a) a SG\$100,000 cash consideration; and (b) a SG\$2,000,000 payment by the commitment of services from FFG to AIGC over a 12 month period.</p> <p>The Options expire upon the later of six months from Completion of the Initial Investment or the completion of a capital raising event by AIGC. In the event that AIGC raises capital or otherwise issues capital at an issue price less than the Option exercise price, the Options will become exercisable at that lower price. The exercise price of the Options must be paid in cash.</p>
Conditions Precedent	The Transaction is conditional upon AIGC and its shareholders entering into a shareholders agreement on terms satisfactory to FFG (which will set out the structure of AIGC's board, provide for drag and tag rights, and enable FFG to have certain voting rights on certain actions by AIGC). These provisions are expected to be broadly customary for shareholders agreements in similar circumstances.
Services Provided by FFG to AIGC	<p>The Services to be provided by FFG to AIGC in consideration for the SG\$2 million in AIGC shares includes;</p> <ul style="list-style-type: none"> • Technical support in game development including game mechanics design, troubleshooting, bug fixing, and performance optimisation; • Training and knowledge transfer including organising technical and corporate related workshops and mentoring programs; • Strategic consulting services including strategic advice on the project roadmap, planning, feature prioritisation and market positioning; and • Corporate advisory in relation to the operation of the corporate vehicle including corporate project management, legal and compliance support.
Due Diligence	<p>During the Due Diligence Period which ends 30 April 2024 (unless extended) FFG will have unfettered access to the books, records, source code, and other similar documentation for AIGC.</p> <p>AIGC has granted exclusivity to FFG during the Due Diligence Period and is accordingly restrained from soliciting, inviting,</p>

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	<p>encouraging, or initiating any discussions as to a competing transaction to FFG.</p> <p>AIGC is also restrained from the issuance of new securities in the Company without FFG's consent during the Due Diligence Period.</p>
Expected Date of Completion	<p>Subject to the completion of due diligence, FFG expects completion to occur within weeks of formal full form documentation being executed.</p>
ASX Listing Rules	<p>Additionally, the transaction is conditional on the seeking of any shareholder or regulatory approvals that may be needed by FFG, although none are expected to be required.</p> <p>The Company does not consider that this transaction enlivens Chapter 11 of the ASX Listing Rules having regard to the guidance in ASX Guidance Note 12. Further, neither AIGC nor its current directors or shareholders are persons to whom Chapter 10 of the ASX Listing Rules apply.</p>

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