



Fatfish Group Limited
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14 May 2024

ASX and Media Announcement

Fatfish agrees to acquire up to 51% strategic stake in AI-Powered gaming innovator, AIGC

Fatfish Group Ltd (ASX:FFG, "FFG" or the "Company") is pleased to provide an update on its proposed acquisition of a strategic stake in AI Gaming Co. Pte Ltd ("**AIGC**").

Following the execution of the binding term sheet as announced in April 2024, the Company has now completed its due diligence exercise on AIGC, and has progressed towards execution of a share subscription agreement ("**SSA**"). This SSA confirms our intention to invest in AIGC, underlining our confidence in their vision and potential to emerge as a market leader in the gaming industry through innovative applied AI technologies.

Details of the SSA

The SSA envisages a series of investments by FFG of up to SG\$2.5M (A\$2.8M) comprising the following, in return for up to **51%** of in AIGC ("**Acquisition**"):

- (a) Initial investment in AIGC, 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 **46.49%** of AIGC. In the event FFG completes both the Initial Investment and exercises its Option, it will own **50.85%** of AIGC.

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 SSA is set out at Annexure A.

About AIGC

AIGC, 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

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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.

AIGC is currently developing its second game, **The Waifu Maker**, which uses Generative AI to transform Neo-Tokyo art into a virtual girlfriend immersive experience.

Shareholders' agreement with AIGC & its existing shareholders

In alignment with the Company's strategic objectives and commitment to long-term partnerships, we have formalized our relationship with AIGC and its existing shareholders by signing a shareholders' agreement ("**SHA**"). The SHA sets forth customary terms and conditions governing our collaboration, ensuring transparency, accountability, and mutual benefit for all parties involved.

As we move forward, we are enthusiastic about the synergies and opportunities that lie ahead. By combining FFG's expertise in incubating and nurturing early-stage tech companies, we are poised to unlock new frontiers in gaming experiences and create significant value for our shareholders.

Corporate Advisors Appointed

FFG announced in April 2024 that Reign Advisory Pty Ltd, led by Managing Director Sonny Didugu, had 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

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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 new products planned.

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Annexure A: Material Terms of the SSA

Transaction	Subject to FFG's 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	<p>The Initial Investment is conditional upon:</p> <ol style="list-style-type: none"> FFG and AIGC having obtained the necessary consent, approvals, authorisations, and/or waivers, including but not limited to the approval of its Board of Directors; the share subscription agreement and the shareholders' agreement have been duly executed; FFG having obtained the approval of ASX and/or other applicable regulators of the transaction contemplated herein, if necessary; and there being no material adverse change or occurrence of an event which may give rise to a material adverse change in AIGC
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;



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	<ul style="list-style-type: none"> • 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.
ASX Listing Rules	<p>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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