FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
APPENDIX 4D
HALF-YEAR REPORT FOR THE PERIOD ENDED 30 JUNE 2020

1. Details of the reporting period and the prior corresponding period

Current period:	1 January 2020 - 30 June 2020
Prior corresponding period:	1 January 2019 - 30 June 2019

2. Results for announcement to the market

Results for announcement to the market	Half-year ended 30 June 2020	Half-year ended 30 June 2019	Up/Down	Change %
Revenue from ordinary activities	344,916	1,492,261	Down	77%
Loss from ordinary activities after tax attributable to members of the parent	(4,130,002)	(4,899,700)	Down	16%
Total comprehensive income for the period attributable to members of the parent	(6,444,847)	(5,606,836)	Down	15%

3. Dividend Information

Dividend Information	Amount per share (cents)	Franked amount per share (cents)
Interim Dividend	-	-
Previous corresponding period	-	-
Record date for determining entitlements to the dividend	N/A	N/A

4. Net Tangible Assets per security

Net Tangible Assets per security	Half-year ended 30 June 2020 (cents)	Half-year ended 30 June 2019 (cents)
Net tangible assets per security (with the comparative figures for the previous corresponding period)	1.22	3.56

5. Details of entities over which control has been gained

Name of Entity:	Abelco Investment Group AB
Date of control:	6 January 2020

FATFISH GROUP LIMITED
AND CONTROLLED ENTITIES
(FORMERLY KNOWN AS FATFISH BLOCKCHAIN LIMITED)

ABN: 88 004 080 460

Financial Report For The Half-Year Ended 30 June 2020

FATFISH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN: 88 004 080 460

Financial Report For The Half-Year Ended 30 June 2020

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

Your directors of Fatfish Group Limited ("the Company") formely known as Fatfish Blockchain Limited present their report on the consolidated entity ("Group"), consisting of Fatfish Group Limited and the entities it controlled at the end of, or during, the half-year period ended 30 June 2020.

General Information

Directors

The following persons were directors of Fatfish Blockchain Limited during or since the end of the half-year up to date of this report:

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

Unless otherwise stated, all directors were in office for the period under review, and up to the date of this report.

DIRECTORS' REPORT

In accordance with continuous disclosure requirements, it is recommended that this half-year report be read in conjunction with any public announcements lodged with the Australian Securities Exchange for the half-year.

Review of Operations

The consolidated loss for the six month period ended 30 June 2020 was $6,222,649. (2019 loss: $4,221,876).

The net assets of the Group as at 30 June 2020 was $10,128,868. (31 December 2019: $11,553,028)

During the first half of 2020, the world faced an unprecedented health crisis with the outbreak of Covid-19, leading to travel restrictions and lockdowns. This unfortunate event has severely impacted the economy around the world, across industries and sectors.

Against these strong headwinds, the Group has remained resilient and focused in executing its business strategy to invest in digital businesses and expand its presence in Europe. In March 2020, the Group completed the merger of its Swedish subsidiary, Fatfish Global Ventures AB ("**FGV**") with Swedish listed Abelco Investment Group AB ("**Abelco**").

The management has now completed the post-merger integration with Abelco and is now focused on various initiatives to create value for shareholders of the Group by bringing Swedish innovation to the high growth market of Southeast Asia.

Operation Matters

During 1H2020, Abelco has founded RightBridge Ventures AB ("RightBridge"), which has the mandate to invest in innovative digital companies such as gaming and esports.

Very recently in August, RightBridge signed its first conditional agreement to acquire Gamma Innovations Inc, a startup counting gaming hardware giant, Razer Inc., as a business partner which provides PC gamers with ability to take advantage of their gaming PC's free processing power to contribute to a cloud based data mining process and earn game rewards for their processing power contribution.

Despite the Bitcoin halving in May, the Group's cblockchain mining operations (via its investee company Minerium Technology Ltd) continues to thrive as the price of Bitcoin continues its uptrend from circa USD$7,200 in the beginning of the year to circa USD$11,500 as at the date of this report.

Change in accounting treatment

Subsequent to the merger of Abelco and FGV, the Group now owns 50.1% of Abelco, which in turn owns 100% of FGV.

Under the new corporate structure, the Group will no longer consolidate FGV and subsidiaries of FGV including iSecrets AB, which contributed to the drop in the Group's revenue. Instead, the Group will mark to market its investment in Abelco, based on the share price of Abelco.

Auditor's Independence Declaration

The lead auditor's independence declaration is included on page 2 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to S.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Kin Wai Lau
Director
Dated this 31 August 2020

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Fatfish Group Limited for the half year ended 30 June 2020, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

BENTLEYS	**MARK DELAURENTIS** CA
Chartered Accountants	**Partner**

Dated at Perth this 31st day of August 2020

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Group 30 June 2020 $	Group 30 June 2019 $
Continuing operations			
Revenue		344,916	1,492,261
Cost of sales		(146,384)	(909,901)
		198,532	582,360
Other income/(expenses)	2	(12,291)	(156,492)
Loss on deemed disposal of subsidiaries	17	(193,335)	-
Unrealised gain/(loss) on investments at fair value		(4,753,370)	(2,217,775)
Unrealised gain/(loss) in fair value of intangibles		61,783	92,488
Employee benefits expense		(64,599)	(472,360)
Depreciation and amortisation expense		(159,645)	(148,656)
Impairment expense		(1,012,403)	(781,166)
Administration expenses	2	(218,207)	(638,551)
Marketing expenses		(12,080)	(7,688)
Listing and filing fees		(7,397)	(25,706)
Occupancy expenses		(49,637)	(234,453)
Finance costs		-	(213,877)
(Loss) before income tax		(6,222,649)	(4,221,876)
Tax expense		-	-
Net (Loss) from continuing operations		(6,222,649)	(4,221,876)
Discontinued operations			
Profit/(loss) from discontinued operations after tax		-	-
Net (Loss) for the half-year		(6,222,649)	(4,221,876)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserve recycled on deemed disposal of subsidiaries		(2,511,497)	-
Exchange differences on translating foreign operations, net of tax		203,452	32,143
		(2,308,045)	32,143
Items that will not be reclassified subsequently to profit or loss when specific conditions are met:			
Investments in equity instruments designated as Fair Value - OCI, net of tax		-	(454,646)
		-	(454,646)
Total other comprehensive income/(loss) for the half-year		(2,308,045)	(422,503)
Total comprehensive income for the half-year		(8,530,694)	(4,644,379)
Net loss attributable to:			
Members of the parent entity		(4,130,002)	(4,899,700)
Non-controlling interest		(2,092,647)	677,824
		(6,222,649)	(4,221,876)
Total comprehensive income attributable to:			
Members of the parent entity		(6,444,847)	(5,606,836)
Non-controlling interest		(2,085,847)	962,457
		(8,530,694)	(4,644,379)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(0.51)	(0.80)
Diluted earnings per share (cents)		(0.51)	(0.80)

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Group 30 June 2020 $	Group 31 December 2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		392,727	596,472
Trade and other receivables		60,453	353,031
Inventories		-	130,989
Other financial assets	5	806,529	845,069
Other assets	9	48,934	53,421
TOTAL CURRENT ASSETS		1,308,643	1,978,982
NON-CURRENT ASSETS			
Financial Assets - Fair value OCI	4	-	2,782,785
Other financial assets	5	3,536,472	-
Property, plant and equipment	7	839,462	879,313
Investments at fair value through profit or loss	6	5,247,553	8,487,135
Intangible assets	8	178,647	532,573
Other non-current assets	9	9,264	1,180,372
Right-of-use assets		11,003	39,776
TOTAL NON-CURRENT ASSETS		9,822,401	13,901,954
TOTAL ASSETS		11,131,044	15,880,936
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	296,172	1,063,951
Lease liabilities		19,274	40,459
Borrowings		-	387,593
Other financial liabilities	11	686,730	2,783,851
TOTAL CURRENT LIABILITIES		1,002,176	4,275,854
NON-CURRENT LIABILITIES			
Borrowings		-	52,054
TOTAL NON-CURRENT LIABILITIES		-	52,054
TOTAL LIABILITIES		1,002,176	4,327,908
NET ASSETS		10,128,868	11,553,028
EQUITY			
Issued capital	12	39,171,854	39,159,136
Reserves	16	(683,252)	(5,112,673)
Retained earnings		(27,908,339)	(24,127,887)
Equity attributable to owners of the parent entity		10,580,263	9,918,576
Non-controlling interest		(451,395)	1,634,452
TOTAL EQUITY		10,128,868	11,553,028

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Issued Capital	Accumulated Losses	Reserve Foreign Currency Translation Reserve	Reserve Option Reserve	Reserve Financial Assets Reserve	Subtotal	Non-controlling interests	Total
		$	$	$	$	$	$	$	$
Consolidated Group									
Balance at 1 January 2019		36,248,763	(12,269,671)	2,083,638	389,593	1,023,504	27,484,827	3,653,104	31,137,931
Comprehensive income									
Loss for the period		-	(4,899,700)	-	-	-	(4,899,700)	677,824	(4,221,876)
Other comprehensive income for the period		-	-	(252,490)	-	(454,646)	(707,136)	284,633	(422,503)
Total comprehensive income for the year		-	(4,899,700)	(252,490)	-	(454,646)	(5,606,836)	962,457	(4,644,379)
Transactions with owners, in their capacity as									
Shares issued during the period		2,007,914	-	-	-	-	2,007,914	-	2,007,914
Transaction costs		(42,000)	-	-	-	-	(42,000)	-	(42,000)
Total transactions with owners and other transfers		1,965,914	-	-	-	-	1,965,914	-	1,965,914
Balance at 30 June 2019		38,214,677	(17,169,371)	1,831,148	389,593	568,858	23,843,905	4,615,561	28,459,466
Balance at 1 January 2020		39,159,136	(24,127,887)	1,945,640	398,593	(7,456,906)	9,918,576	1,634,452	11,553,028
Comprehensive income									
Loss for the period		-	(4,130,002)	-	-	-	(4,130,002)	(2,092,647)	(6,222,649)
Other comprehensive income for the period	16(b)	-	-	(2,314,845)	-	-	(2,314,845)	6,800	(2,308,045)
Total comprehensive income for the year		-	(4,130,002)	(2,314,845)	-	-	(6,444,847)	(2,085,847)	(8,530,694)
Transactions with owners, in their capacity as									
Shares issued during the period	12	12,718	-	-	-	-	12,718	-	12,718
Transaction costs		-	-	-	-	-	-	-	-
Expiry of options	16(a)	-	349,550	-	(349,550)	-	-	-	-
Derecognition of subsidiaries upon deemed disposal of subsidiaries	16(c)	-	-	-	-	7,093,816	7,093,816	-	7,093,816
Total transactions with owners and other transfers		12,718	349,550	-	(349,550)	7,093,816	7,106,534	-	7,106,534
Balance at 30 June 2020		39,171,854	(27,908,339)	(369,205)	49,043	(363,090)	10,580,263	(451,395)	10,128,868

The accompanying notes form part of these financial statements.

FATFISH GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 88 004 080 460
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Group	
	30 June 2020	30 June 2019
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	378,515	1,724,129
Interest received	1,021	1,106
Payments to suppliers and employees	(586,811)	(2,907,433)
Net cash generated by operating activities	(207,275)	(1,182,198)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	343,673
Purchase of property, plant and equipment	-	(6,729)
Net cash deconsolidated on deemed disposal of subsidiary	36,856	-
Loans to related parties:	-	
- payments received	-	20,841
- payments made	-	-
Net cash (used in)/generated by investing activities	36,856	357,785
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of options	-	1,313,833
Proceeds from issue of convertible notes	-	1,539,014
Payments for capital raising costs	-	(42,000)
Payments for lease liability	(34,466)	-
Net cash provided by (used in) financing activities	(34,466)	2,810,847
Net increase in cash held	(204,885)	1,986,434
Cash and cash equivalents at beginning of financial year	596,472	336,838
Effect of exchange rates on cash holdings in foreign currencies	1,140	(2,769)
Cash and cash equivalents at end of financial year	392,727	2,320,503

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Fatfish Blockchain Limited and Controlled Entities (the “consolidated group” or “group”).

The financial statements were authorised for issue on 31 August 2020 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 31 December 2019 and any public announcements made by the Company since 31 December 2019 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The condensed consolidated financial statements of Fatfish Group Limited for the six months ended 30 June 2020 have been prepared on the basis of historical cost, except for the revaluation of certain non-cureent assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements as at 31 December 2019, unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Fatfish Blockchain Limited and all of the subsidiaries (including any structured entities) with the exception of subsidiaries accounted for as investments at fair value. Subsidiaries are entities that the Parent controls. The Parent controls an entitiy when it is exposed to, or has rights to, variable returns from its involvement with the entitiy and has the ability to affect those returns through its power over the entity.

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.

Note 1: Summary of Significant Accounting Policies (continued)

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.

(b) Digital Currencies

(i) Intangibles

Digital currencies are indefinite life intangible assets initially recognised at cost. The digital currencies are subsequently measured at fair value by reference to quote price in an active digital currency market.

Any increase or decrease in the fair value of the digital currencies are recognised through the profit and loss, similar to any gains or losses upon the disposals of digital currencies.

(ii) Inventory

Digital currencies inventory fair value measure is a Level 1 fair value as it is based on a quoted (unadjusted) market price in active markets for identical assets.

Digital currencies inventory is derecognised when the Group disposes of the inventory through its trading activities or when the Group otherwise losses control and, therefore, access to the economic benefits associated with ownership of the Digital Currencies Inventory.

(c) Financial Instruments

(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.

Note 1: Summary of Significant Accounting Policies (continued)

(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. elimates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it climates 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 detoriated significan;y 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 increassed 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.

Note 1: Summary of Significant Accounting Policies (continued)

(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 recogised initially at fair value plus directly attributable transaction costs.

The Group derognises 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 dischartged 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 settled the liability simultaneously.

(d) 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.

Note 1: Summary of Significant Accounting Policies (continued)

(e) 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 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 the 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.

Online store sales

Revenue from online store sales are recognised at the time of the item purchase.

Services revenue

Revenue from services performed in relation to those that has a contract would be recognised at the end of the month. Ad hoc services revenue would be recognised once the service has been performed.

Interest revenue

Interest revenue is recognised using the effective interest method.

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

(f) 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 judgements and estimates - Intellectual Property - Software

Intangible assets include the Group's aggregate amounts spent on computer software development costs.

In determining the development expenditures to be capitalised, the Group makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures. Other important estimates and assumptions in this assessment process are the distinction between R & D and the estimated useful life.

Development costs associated with intangible assets are only capitalised by the Group when it can demonstrate the technical feasibility of completing the asset so that the asset will be available for use or sale, how the asset will generate future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect to software are internally generated and have a finite useful life. The amortisation method is straightline over the period of the expected benefit, being 5 years. Impairment testing is undertaken when impairment indicators exist.

(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.

(iii) Key Estimate - Impairment of Goodwill

Refer to Note 8 - Intangible Assets

Note 1: Summary of Significant Accounting Policies (continued)

(g) Going Concern

The financial statements have been prepared on a 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 period ended 30 June 2020 of $6,222,649 (30 June 2019: $4,221,876) and had a working capital surplus of $306,467. (31 December 2019: $2,296,872 deficit).

The company currently has in place a convertible loan facility of $10m of which $2,000,000 was drawn down during the year ended 31 December 2019 and at the date of this report $8.0m remains available. We note this is available subject to certain conditions being met, including the average VWAP of the Company’s shares over the 30 trading days prior to closing is higher than the floor price of $0.013 and the Company’s share price is above the floor price for all of the 5 trading days prior to closing and the Company’s market capitalisation not falling below $5m. The Company’s share price at the date of this report is $0.011.

The ability of the Company to continue as a going concern is principally dependent on the Company to increase cashflow from existing businesses, managing cashflow in line with available funds and the ability of the Company to draw down on the convertible note facility. These conditions indicates uncertinty that may cast doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Group 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.

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 $6.42m and is made up of Abelco Investment Group A.B ($6.3m) and iCandy Interactive Limited ($120k).

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 Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company 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 relation to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2 Profit for the Year

Profit before income tax from continuing operations includes the following specific expenses:	Group 30 June 2020 $	 30 June 2019 $
(a) Other income/(expenses)		
— foreign exchange gain/(loss)	(12,220)	(732)
— unrealised foreign exchange gain/(loss)	(71)	(155,760)
— other income	-	-
	(12,291)	(156,492)
(b) Included in administration expenses		
— accounting fees	18,000	22,418
— audit fees	16,912	33,574
— consulting fees	69,093	111,948
— subscriptions	131	16,366
— motor vehicle costs	522	2,236
— legal fees	20,316	13,542
— professional fees	49,029	315,307
— travel and accomodation	10,669	48,557
— office related expenses	15,825	54,209
— other miscellaneous expenses	17,710	20,394
	218,207	638,551

Note 3 Dividends

No dividends have been paid, declared or recommended for payment during the reporting period.

Note 4 Financial Assets - Fair Value OCI

	Group 30 June 2020	Group 31 December 2019
	$	$
NON CURRENT		
Fair assets - Fair value OCI	-	2,782,785
TOTAL NON CURRENT ASSETS	-	2,782,785

(a) Financial assets - Fair Value OCI

NON CURRENT		
Listed and unlisted investments at fair value		
- shares in listed corporations	-	2,609,485
- shares in unlsited corporations	-	173,300
	-	2,782,785

Listed Corporations

- Financial Assets - Fair vaue OCI's listed corporations have been valued using quoted prices in active markets.

Opening Balance	2,649,485	4,519,693
Movement in foreign currency	-	85,280
Deconsolidation of subsidiaries	(2,649,485)	-
Movement in fair value of financial assets - fair value OCI	-	(1,955,488)
	-	2,649,485

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	173,300	7,251,010
Additions	-	105,955
Disposals	-	(343,673)
Movement in foreign currency	-	(269,791)
Deconsolidation of subsidiaries	(173,300)	-
Movement in fair value of financial assets - fair value OCI	-	(6,570,201)
Closing Balance	-	173,300

Note 5 Other Financial Assets

	Group	
	30 June 2020	31 December 2019
	$	$
CURRENT		
Amounts receivable from:		
- related parties - others	50,553	22,775
- related parties - subsidiaries (unconsolidated)	755,373	569,030
- others	603	6,105
Less:		
Provision for impairment of amounts receivable from related parties	-	(24,083)
	-	573,827
Convertible Notes - Related Parties	-	271,242
	806,529	845,069
NON-CURRENT		
Promissory Note - subsidiaries (unconsolidated)	3,536,472	-
	3,536,472	-
Total Other Financial Assets		
Current	806,529	845,069
Non Current	3,536,472	-
	4,343,001	845,069

Terms of Financial assets - subsidiaries (unconsolidated)

Issuer:	Fatfish Global Ventures AB
Maturity:	14 November 2024
Interest on loan:	Accrue a yearly interest of 5%

Note 6 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.

		Ownership interest held by the Group		Proportion of non-controlling interests	
Name of subsidiary	Principal place of business	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Fatfish Disruptive Ventures Limited	British Virgin Island	100%	100%	-	-
Minerium Limited	Guemsey	100%	100%	-	-
Minerium Technology Limited	British Virgin Island	51%	51%	49%	49%
D2K Ventures Sdn Bhd	Malaysia	51%	51%	49%	49%
Fatfish Capital Limited	British Virgin Island	75%	75%	25%	25%
Fatfish Medialab Pte Ltd	Singapore	75%	75%	25%	25%
Abelco Investment Group AB	Sweden	50.1%	-	49.9%	-
Fatfish Global Ventures AB	Sweden	50.1%	81%	49.9%	19%
Snaefell Ventures AB	Sweden	50.1%	81%	49.9%	19%
iSecrets AB	Sweden	24%	38%	76%	62%
Fatfish Internet Pte Ltd	Singapore	50.1%	81%	49.9%	19%
Fatfish Ventures Sdn Bhd	Malaysia	50.1%	81%	49.9%	19%
vDancer Pte Ltd	Singapore	48%	77%	52%	23%
Fintech Asia Group Limited	British Virgin Island	26%	53%	74%	47%
Smartfunding Pte Ltd	Singapore	16%	27%	84%	73%
Peer Direct Sdn Bhd	Malaysia	14%	53%	86%	47%
Fatberry Sdn Bhd	Malaysia	15%	30%	85%	70%
iCandy Interactive Limited	Australia	27%	56%	73%	44%
iCandy Digital Pte Ltd	Singapore	27%	56%	73%	44%
Appxplore (iCandy) Limited	British Virgin Island	27%	56%	73%	44%
Appxplore (iCandy) Sdn Bhd	Malaysia	27%	56%	73%	44%
Inzen (iCandy) Pte Ltd	Singapore	27%	56%	73%	44%
PT Joyseed Berbagi Sukses	Indonesia	18%	37%	82%	63%
iCandy Play Limited	British Virgin Island	27%	56%	73%	44%
iCandy Games Limited	British Virgin Island	18%	56%	82%	44%
Beetleroar Sdn Bhd	Malaysia	7%	22%	93%	78%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

(b) Significant Restrictions

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

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

The Board adopted the exception to consolidation for investment entities as described in AASB 10. The direct effect of the change in accounting policy sees Abelco Investment Group AB treated as an investment entity which permits the company to value is subsidiaries and relevant investments at fair value. Table below shows the subsidiaries fair value brought into account.

Subsidiary	**Country of Incorporation**	**Fair value at 30 June 2020**	**Fair value at 31 December 2019**
vDancer Pte Ltd	Singapore	-	-
Fatfish Investments Pte Ltd	Singapore	-	-
iCandy Interactive Limited(i)	Australia	85,000	5,762,125
Fintech Asia Group Limited(i)	British Virgin Island	-	2,725,010
Abelco Investment Group AB(ii)	Sweden	5,162,553	-
		5,247,553	8,487,135

(i) The fair value of iCandy Interactive Limited is based on its last trade price for the financial period ended 30 June 2020. $85,000 relates to the value of its investments held by the company's subsidiary, Fatfish Medialab Pte Ltd. The remaining interest in iCandy Interactive Limited and Fintech Asia Group Limited is now fair valued through a different subsidiary, Abelco Investment Group AB.

(ii) The fair value of Abelco Investment Group AB is based on its last trade price for the financial period ended 30 June 2020.

Note 7 Property, Plant and Equipment

	Group	
	30 June 2020	31 December 2019
	$	$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,719,541	2,506,707
Accumulated depreciation and impairment losses	(1,935,371)	(1,790,794)
	784,170	715,913
Leasehold improvements		
At cost	117,410	111,689
Accumulated depreciation	(63,755)	(48,910)
	53,655	62,779
Furniture and fittings		
At cost	-	14,776
Accumulated depreciation	-	(14,134)
	-	642
Computer Equipment		
At cost	14,369	119,391
Accumulated depreciation	(12,732)	(72,884)
	1,637	46,507
Motor Vehicle		
At cost	-	120,272
Accumulated depreciation	-	(66,800)
	-	53,472
Total plant and equipment	839,462	879,313

(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 Improvements	Furniture and Fittings	Computer Equipment	Motor Vehicle	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 1 January 2019	373,676	86,972	2,615	62,725	91,637	617,625
Additions	465,701	-	-	7,450	-	473,151
Depreciation expense	(127,225)	(23,380)	(2,019)	(19,986)	(39,897)	(212,507)
Movement in foreign currency	3,761	(813)	46	(3,682)	1,732	1,044
Balance at 31 December 2019	715,913	62,779	642	46,507	53,472	879,313
Additions	160,603	-	-	-	-	160,603
Depreciation expense	(111,920)	(12,242)	-	(1,017)	-	(125,179)
Deconsolidation of subsidiary	-	-	(642)	(43,944)	(53,472)	(98,058)
Movement in foreign currency	19,574	3,118	-	91	-	22,783
Balance at 30 June 2020	784,170	53,655	-	1,637	-	839,462

Note 8 Intangible Assets

	Group 30 June 2020	Group 31 December 2019
	$	$
Goodwill		
Cost	-	2,387,012
Accumulated impairment losses	-	(2,387,012)
Net carrying amount	-	-
Computer software:		
Cost	-	730,878
Accumulated amortisation and impairment losses	-	(380,501)
Net carrying amount	-	350,377
Cyrptocurrency		
Cost	678,038	744,068
Accumulated amortisation and impairment losses	(499,391)	(561,872)
Net carrying amount	178,647	182,196
Total intangible assets	178,647	532,573

Consolidated Group:

	Goodwill	Computer Software	Cryptocurrency	Total
	$	$	$	$
Year ended 31 December 2019				
Balance at the beginning of the year	1,679,299	474,612	17,851	2,171,762
Additions	-	-	187,462	187,462
Disposals	-	-	-	-
Amortisation charge	-	(114,134)	-	(114,134)
Impairment losses	(1,679,299)	-	(23,118)	(1,702,417)
Movement in foreign currency	-	(10,100)		(10,100)
Closing value at 31 December 2019	-	350,378	182,195	532,573
Six months ended 30 June 2020				
Balance at the beginning of the year	-	350,378	182,195	532,573
Additions	-	-	270,187	270,187
Disposals	-	-	(336,216)	(336,216)
Movement in fair value	-	-	61,783	61,783
Deconsolidation of subsidiaries	-	(350,378)	-	(350,378)
Movement in foreign currency	-	-	698	698
Closing value at 30 June 2020	-	-	178,647	178,647

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.

Note 9 Other Assets

	Group 30 June 2020 $	Group 31 December 2019 $
CURRENT		
Prepayments	48,934	53,421
	48,934	53,421
NON-CURRENT		
Prepayment for investment [(i)]	-	1,004,920
Deposits paid	9,264	175,452
	9,264	1,180,372
Total Other Assets		
Current	48,934	53,421
Non-Current	9,264	1,180,372
	58,198	1,233,793

[(i)] An impairment charge for Kryptos-X was incurred during the financial period.

Note 10 Trade and Other Payables

	Note	Group 30 June 2020 $	Group 31 December 2019 $
CURRENT			
Unsecured liabilities			
Trade payables		57,631	143,456
Sundry payables and accrued expenses		238,541	920,495
		296,172	1,063,951

	Note	Group 30 June 2020 $	Group 31 December 2019 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		296,172	1,063,951
— Total non-current		-	-
		296,172	1,063,951

Note 11 Other Financial Liabilities

	Group	
	30 June 2020	31 December 2019
	$	$
CURRENT		
Amounts payable to:		
- Others	49,558	260,810
- Related parties - subsidiaries (unconsolidated)	637,172	689,111
Convertible loans[(i)]	-	1,833,930
	686,730	2,783,851
Total Other Financial Liabilities		
Current	686,730	2,783,851
Non-Current	-	-
	686,730	2,783,851

[(i)] The Convertible loans were held in Fatfish Global Ventures AB which has now been deconsolidated. Refer to Note 17 for further information.

Note 12 Issued Capital

	Group	
	30 June 2020	31 December 2019
	$	$
815,382,207 fully paid ordinary shares (31 December 2019: 813,565,311 fully paid ordinary shares)	39,171,854	39,159,136
	39,171,854	39,159,136

(a) **Ordinary Shares**

	Number of Shares	Amount
		$
Opening Balance at 1 January 2019	564,267,982	36,248,763
Issued during the year	249,297,329	2,952,373
Less: transaction costs		(42,000)
Closing Balance at 31 December 2019	813,565,311	39,159,136
Issued during the year	1,816,896	12,718
Less: transaction costs	-	-
Closing Balance at 30 June 2020	815,382,207	39,171,854

(b) **Options**

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

	Group	
	30 June 2020	31 December 2019
	No.	No.
At the beginning of the reporting period	58,089,999	191,633,613
Options issued during the year	-	-
Options exercised during the year	-	(119,439,332)
Options expired during the year	(20,000,000)	(14,104,282)
At the end of the reporting period	38,089,999	58,089,999

Note 13 Operating Segments

General Information

Information of reportable 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

(f) **Segment information**

(i) **Segment performance**

	Australia	Singapore	British Virgin Island	Total
Half-year ended 30 June 2020	$	$	$	$
REVENUE	-	62,788	282,128	344,916
Total segment revenue	-	62,788	282,128	344,916
Reconciliation of segment revenue to group revenue				
Total group revenue				344,916
Segment result from continuing operations before tax	(46,727,883)	(116,426)	(33,004)	(46,877,313)
Reconciliation of segment result to group net profit/loss before tax				
Intersegment elimination				40,654,664
Net profit before tax from continuing operations				(6,222,649)

	Australia	Singapore	British Virgin Island	Sweden	Total
Half-year ended 30 June 2019	$	$	$	$	$
REVENUE	1,106	7,686	397,286	1,086,182	1,492,261
Total segment revenue	1,106	7,686	397,286	1,086,182	1,492,261
Reconciliation of segment revenue to group revenue					
Total group revenue					1,492,261
Segment result from continuing operations before tax	(539,556)	(2,517,678)	193,202	(469,466)	(3,333,498)
Reconciliation of segment result to group net profit/loss before tax					
Intersegment elimination					(888,378)
Net profit before tax from continuing operations					(4,221,876)

Note 13: Operating Segments (continued)

(ii) **Segment assets**

	Australia	Singapore	British Virgin Island	Total
30 June 2020	$	$	$	$
Segment assets				
Segment assets include:	12,483,727	229,905	1,606,800	14,320,432
— Additions to non-current assets (other than financial assets and deferred tax)				-
Reconciliation of segment assets to group assets				
Intersegment eliminations				(3,189,388)
Total group assets				11,131,044

	Australia	Singapore	British Virgin Island	Sweden	Total
31 December 2019	$	$	$	$	$
Segment assets					
Segment assets include:	57,347,592	12,598,840	3,020,403	42,266,242	115,233,077
— Additions to non-current assets (other than financial assets and deferred tax)					-
Reconciliation of segment assets to group assets					
Intersegment eliminations					(99,352,141)
Total group assets					15,880,936

(iii) **Segment liabilities**

	Australia	Singapore	British Virgin Island	Total
30 June 2020	$	$	$	$
Segment liabilities	154,514	563,831	3,431,135	4,149,480
Reconciliation of segment assets to group assets				
Intersegment eliminations				(3,147,304)
Total group liabilities				1,002,176

	Australia	Singapore	British Virgin Island	Sweden	Total
31 December 2019	$	$	$	$	$
Segment liabilities	207,137	4,701,674	2,948,539	6,705,146	14,562,496
Reconciliation of segment assets to group assets					
Intersegment eliminations					(10,234,588)
Total group liabilities					4,327,908

(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:

	30 June 2020 $	30 June 2019 $
Australia	-	1,106
Singapore	62,788	7,686
British Virgin Island	282,128	397,286
Sweden	-	1,086,184
Total revenue	344,916	1,492,262

Note 13: Operating Segments (continued)

(v) **Assets by geographical region**

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

	30 June 2020 $	31 December 2019 $
Australia	9,718,958	1,822,133
Singapore	229,905	12,341,686
British Virgin Island	1,182,181	1,168,715
Sweden	-	548,402
Total Assets	11,131,044	15,880,936

Note 14 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 20 August 2020, the Company announced the change of name from Fatfish Blockchain Limited to Fatfish Group Limited is effective from 21 August 2020.

Note 15 Fair Value Measurements

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

— 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.

Note 15: Fair value measurements (continued)

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.

		30 June 2020			
Recurring fair value measurements	**Note**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at fair value through profit or loss					
— Investments at fair value	6	5,247,553	-	-	5,247,553
— Intangibles - Cryptocurrencies	8	178,647	-	-	178,647
Total financial assets recognised at fair value on a recurring basis		5,426,200	-	-	5,426,200

Note 16 Reserves

a. **Option Reserve**

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

	Group 30 June 2020	31 December 2019
Balance at beginning of year	398,593	398,593
Options issued	-	-
Options expired	(349,550)	-
	49,043	398,593

b. **Foreign Currency Translation Reserve**

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

	Group 30 June 2020	31 December 2019
Balance at beginning of year	1,945,640	2,083,638
Foreign currency movements during the year	196,652	(137,998)
Deconsolidation of subsidiaries	(2,511,497)	-
	(369,205)	1,945,640

c. **Financial Assets Reserve**

The financial assets reserve records revaluations of financial assets.

	Group 30 June 2020	31 December 2019
Balance at beginning of year	(7,456,906)	1,023,504
Fair value movements during the year	-	(8,480,410)
Deconsolidation of subsidiaries	7,093,816	-
	(363,090)	(7,456,906)

Total Reserves

	Group 30 June 2020	31 December 2019
Option reserve	49,043	398,593
Foreign currency translation reserve	(369,205)	1,945,640
Financial assets reserve	(363,090)	(7,456,906)
	(683,252)	(5,112,673)

Note 17 Deconsolidation of subsidiaries

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.

However, Fatfish Group Limited has entities that are not itself investment entities, therefore, it would consolidate certain subsidiaries according to AASB 10.

On 6 January 2020, Fatfish Group Limited met all conditions precedent to complete the sale and purchase transaction resulting in Fatfish Group Limited receiving 704,410,476 fully paid ordinary shares in Abelco Investment Group which equates to 50.1% of Abelco for its 81% interest in Fatfish Global Ventures AB and all its related subsidiaries.

The deemed disposal date of Fatfish Global Ventures AB is 6 January 2020 when the transaction became unconditional and the shares were transferred on 16 March 2020.

The value of the consideration shares was $9,846,433, based on the market price of Abelco on deemed disposal date.

Table below reflects the effect of the deconsolidation.

	6 Jan 2020 $
Fair value of Abelco Investment Group AB	9,846,433
Non-controlling interest derecognised	2,047,369
Foreign currency translation derecognised	2,511,496
Subtotal	14,405,298
Net assets on deconsolidation	9,712,411
Adjustments on net assets for inter-company loans no longer eliminated	4,018,028
Non-controlling interest component for foreign currency translation reserve	868,194
Net loss on derecognition	**(193,335)**

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

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

1. the financial statements and notes 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 30 June 2020 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 31 August 2020

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Review Report

To the Members of Fatfish Group Limited

We have reviewed the accompanying half-year financial report of Fatfish Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fatfish Group Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(g) in the financial report, which indicates that the Consolidated Entity incurred a net loss of $6,222,649 during the half year ended 30 June 2020. As stated in Note 1(g), these events or conditions, along with other matters as set forth in Note 1(g), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Bentleys	Mark Delaurentis
BENTLEYS	**MARK DELAURENTIS CA**
Chartered Accountants	**Partner**

Dated at Perth this 31st day of August 2020