



Fatfish Internet Group Ltd
(ACN 004 080 460)
Level 4, 91 William Street
Melbourne
Victoria 3000
Australia
www.fatfish.co

11 September 2017
ASX Announcement

PROPOSED RESTRUCTURE AND EUROPEAN SPIN OUT

- **FFG to restructure core international assets following strategic review**
- **Subject to regulatory approvals and waivers, proposed listing of its venture builder's asset portfolio on NASDAQ First North in Sweden via its subsidiary, Fatfish Global Ventures AB**
- **FFG to retain majority interest in Fatfish Global Ventures AB post listing**
- **FFG's relevant interest in downstream assets, including listed subsidiary iCandy Interactive Limited (ASX code: ICI), to be unaffected under proposed Swedish listing being considered**

The Board of Fatfish Internet Group Limited (**Company** or **FFG**) has completed a strategic review of its core assets and operations following termination of the term sheet with Mountain Partners, as announced on 17 July 2017.

The Board's review focused on assessing the current market and options available to the Company to unlock and monetise the value of its extensive offshore asset holding.

As a result of that process the board has concluded that an initial public offering of a portion of the Company's offshore asset portfolio under the venture-builder business model, to be listed in the European market, is the preferred avenue to maximise value for existing shareholders of FFG and achieve continued growth.

During the Board's review it was concluded that:

- FFG's shares are currently trading at a material discount to the value of the Company's underlying assets
- the Company's international asset portfolio appears undervalued in the local market, limiting future access to capital when compared with

For personal use only



Fatfish Internet Group Ltd
(ACN 004 080 460)
Level 4, 91 William Street
Melbourne
Victoria 3000
Australia
www.fatfish.co

peers listed on comparable foreign exchanges, particularly within Europe;

- the European market, and particularly Sweden, has an appetite for enterprise and investment in the internet technology industry, with a matured understanding of the types of business and industry in which a majority of the Company's assets operate;
- the Company's existing high quality and versatile asset portfolio (comprised of multi-jurisdictional internet enterprises, predominately operating across Asia) are well positioned to take advantage of that market and would benefit from a separate listing in Sweden; and
- the access to additional capital through an IPO undertaken at a valuation more in line with the underlying value of the assets themselves is the preferable method for funding the continued development and growth of those assets.

The Board has appointed Swedish investment bank Remium Nordic AB to assist in its review and to provide advice in respect of the Swedish market and IPO process.

Accordingly, subject to obtaining all necessary regulatory and shareholder approvals and waivers, the Board of FFG proposes to implement the following recommendations:

- i.) restructure FFG's core assets with the Company's wholly owned Swedish subsidiary, Fatfish Global Ventures AB ("**FGV**") to become the vehicle through which those assets identified by the Board will be listed on the NASDAQ First North Stock Exchange in Sweden;
- ii.) identify and appoint additional management to the assets and operations held through FGV, with a particularly focus on European based talent, whilst ensuring that the majority of senior management of FGV remains with members of the FFG Board;
- iii.) apply to ASX for approvals and waivers necessary to undertake the proposal on behalf of FFG and, FFG's listed subsidiary ICI;

For personal use only



Fatfish Internet Group Ltd
(ACN 004 080 460)
Level 4, 91 William Street
Melbourne
Victoria 3000
Australia

www.fatfish.co

- iv.) subject to obtaining all necessary Australian and Swedish regulatory approvals and waivers, conduct an initial public offering of shares in FGV via a prospectus and bookbuild process, to be offered within the European Economic Area (EEA) and such other jurisdictions as determined in consultation with the Company's advisors;
- v.) the possible introduction of strategic partner(s) at the FGV level, either in conjunction with a strategic European asset acquisition or under a pre-IPO equity raising.

The proposed restructure and spin out is subject to the Company obtaining all necessary regulatory and shareholder approvals and waivers (both in Australia and in Sweden) and on any conditions imposed by regulators in granting those approvals or waivers not being prohibitive to achieving the intended benefits for the Company and its Shareholders.

Full details of the proposal are still being determined by the Board however, the transaction will be undertaken such that FFG retains majority ownership of the Swedish listed entity and no other person acquires a controlling interest therein.

The core assets identified by the Board as being appropriate for separately listing in Sweden consist primarily of those assets and interests held through the Company's current wholly owned subsidiary **Fatfish Internet Pte Ltd**, a company incorporated in Singapore that runs the venture-builder business of the Company. Those assets include the Company's stake in Fintech Asia Group, iFashion Group Pte Ltd and listed entity iCandy Interactive Limited, amongst others.

The Company will continue to work with its advisors to formalize the terms of the structure and IPO and update the market accordingly in addition to seeking all regulatory approvals and waivers necessary to undertake the proposed transaction, including Swedish regulatory approvals, in conjunction with preparation of the IPO prospectus.

- End -

For personal use only



Fatfish Internet Group Ltd
(ACN 004 080 460)
Level 4, 91 William Street
Melbourne
Victoria 3000
Australia
www.fatfish.co

About Fatfish Internet Group

Fatfish Internet Group Ltd ('FFG') is a Southeast Asian and Australian based Internet venture investment and development firm. FFG partners with entrepreneurs to help them build and grow Internet businesses via a co-entrepreneurship model.

FFG's co-entrepreneurship model seeks an active involvement from seed funding stage to exit stage of its investee companies. In parallel FFG seeks to provide a collection of resources and expertise to support entrepreneurs in important areas such as business strategy, market access, talent recruitment, product development and corporate strategy.

This unique "seed-to-exit" approach makes FFG a strategic partner that provides the funding, resources and platform to hasten the growth of promising technology businesses.

FFG also offers corporate advisory services specializing in working with tech companies to bring to bear alternative funding and growth models for tech companies through Initial Public Offerings (IPOs) or capital market transactions via trade sales or Mergers & Acquisitions (M&A).

For further question on this release, please contact:

Investor Relations Team

ir@fatfish.co

Field Code Ch

For personal use only