

30 April 2019

Fatfish Update for the Quarter Ended 31 March 2019

Highlights

- **Epsilon Capital Receives U\$1 million investment**
- **Updates on Fatfish Global Ventures AB**
- **Termination of iFashion disposal agreement**
- **Updates on Minerium**
- **Updates on eSports.com**

International venture investment and development firm, Fatfish Blockchain Limited ("**Fatfish**", "**FFG**" or the "**Company**") (ASX: FFG, OTCQB: FFTF), is pleased to provide an update on its quarterly activities for the period ended 31 March 2019.

1. Epsilon Capital receives U\$1 million investment

On 24 January 2019, FFG announced that Epsilon Capital has received a U\$1 million investment from strategic investor, Explosive Growth Limited ("**Explosive Growth**") for 33% of the enlarged capital of Epsilon Capital.

Following the investment by Strategic Growth, FFG's wholly-owned subsidiary, Fatfish Disruptive Ventures ("**FDV**") will no longer continue with the second tranche investment of U\$250,000 for a further 5% equity in Epsilon Capital.

Post the new investment by Explosive Growth, FDV's shareholding in Epsilon Capital have been diluted from 15% to 10%.

2. Updates on Fatfish Global Ventures AB

On 27 February 2019, FFG announced that the acquisition of Snaefell AB, by FFG's Swedish subsidiary, Fatfish Global Ventures AB ("**FGV**"), has been fully completed.

As announced on 20 July 2018, Snaefell AB is a Sweden based tech venture investment firm, specialising in investing in innovative, unlisted start-up technology companies. Snaefell's current portfolio of companies include Wheelys Inc, White Whale AB, Divvit AB and Stilla Inc. Post the completion of the transaction, FFG's shareholding in FGV has been diluted to approximately 81%, with the remaining 19% being held by the previous shareholders of Snaefell AB. For further details, please refer to FFG's announcement dated 20 July 2018.

FGV is currently planning for an IPO in Sweden ("**Proposed Swedish IPO**"), and has recently appointed Mangold Fondkommission AB ("**Mangold**"), a prominent Swedish independent securities broker that offers a comprehensive range of corporate finance and investment banking services, to advise on the Proposed Swedish IPO.

FFG wishes to note that the Proposed Swedish IPO is still at the formulation stage, and is subject to obtaining all necessary regulatory approvals.

3. Termination of iFashion disposal agreement

On 12 March 2019, FFG announced that following the non-fulfilment of conditions precedent, the management of iFashion Group Pte Ltd ("**iFashion Group**") has decided to terminate the proposed disposal to Mobile Credit Payment Pte Ltd ("**MC Payment**").

FFG was further informed by the management of iFashion Group that the underlying business of iFashion Group are developing well, and has suggested to shareholders to give it more time and space to further create shareholder value.

4. Updates on Minerium

On 12 March 2019, FFG announced that after several discussions with the management of its 51% owned Minerium Technology Ltd ("**Minerium**"), it has been decided that in view of the uncertain market sentiment in cryptocurrency, the proposed IPO of Minerium at the London Stock Exchange has been postponed. In addition, Minerium has put on hold its expansion plan to Mongolia.

FFG notes that sentiment surrounding cryptocurrencies has been improving in recent weeks. FFG continues to believe that the cryptomining business and will continue to support the Minerium management.

5. Updates on eSports.com

On 1 August 2018, FFG announced that it has entered into a share exchange agreement with eSports.com AG ("**eSports.com**") whereby FFG will exchange 45,656,105 shares in iCandy Interactive Ltd ("**iCandy**") for 3% of the issued share capital in eSports.com.

On 4 April 2019, FFG announced that it has been advised that eSports.com has recently been placed into provisional liquidation in Germany. FFG confirmed that the share exchange has not taken place, and that not carrying out the share exchange will have no impact on the financials of FFG. FFG is currently seeking advice with respect to the matter.

FFG will update the market when there is further development on this matter.

– End –

About Fatfish Blockchain Limited

Fatfish Blockchain Limited (**ASX: FFG, US: FFTF**) is a publicly traded international venture investment and development firm. FFG partners with entrepreneurs and experienced executives to build and grow tech businesses via a co-entrepreneurship model. FFG focuses on emerging global technology trends, specifically FFG has been investing strategically across various sectors of **blockchain, fintech and consumer internet** technologies.

Fatfish is currently invested in the highly viable sectors of Blockchain and Consumer Internet:

- (i) **Blockchain Technology** – cryptocurrency exchange, cryptomining business, blockchain focused fund management business; and
- (ii) **Consumer Internet** – A portfolio of companies that focus on digital entertainment, fintech, e-commerce and enterprise software. The portfolio includes iCandy Interactive Ltd (ASX: ICI), Cloudearon Berhad (MYX: CLOUD), Beam Space, iFashion Group, Fatberry, Lunch Actually, iSecrets, Stilla, Wheelys and many others.

FFG operates from its international venture hubs located in Singapore, Kuala Lumpur and Stockholm.

For more details, please contact:

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Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

FATFISH BLOCKCHAIN LIMITED

ABN

88 004 080 460

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	802	802
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(786)	(786)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(256)	(256)
(f) administration and corporate costs	(470)	(470)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Others	64	64
1.9 Net cash from / (used in) operating activities	(646)	(646)

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Quarterly report for entities subject to Listing Rule 4.7B

	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(11)	(11)
(b) businesses	-	-
(c) investments	344	344
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	75	75
2.4 Dividends received	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	408	408
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares (Note 1)	-	-
3.2 Proceeds from issue of convertible notes	1,200	1,200
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayments of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,200	1,200
4. Net increase / (decrease) in cash and cash equivalents for the period	962	962
4.1 Cash and cash equivalents at beginning of quarter/year to date	337	337
4.2 Net cash from / (used in) operating activities	(646)	(646)
4.3 Net cash from / (used in) investing activities	408	408
4.4 Net cash from / (used in) financing activities	1,200	1,200
4.5 Effect of movement in exchange rates on cash held	2	2
4.6 Cash and cash equivalents at end of quarter	1,301	1,301

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Quarterly report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,301	337
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter	1,301	337

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
9
-

Directors Fees & Directors Salaries

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
(75)

Net payment from related entity loans

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Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (Convertible Note)	10,000	2,000

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Company entered into a definitive legally binding agreement with US based Arena Investors, LP for the issuance of up to \$10 million convertible notes. Salient terms of the Notes are as follows:

(i) To be drawn over 10 tranches;

(ii) Investor may elect to convert the Notes at any time up to the Maturity Date, at the lower of 125% of the average of the closing prices of Fatfish's shares for the 25 trading days immediately prior to the issue date of the Notes which is being converted and 90% of the average of the closing price of Fatfish's shares for any 5 consecutive trading days (specified by the Investor) during the period of 25 trading days immediately preceding the last trading day before the conversion date, provided always that in any event, the conversion price shall not be lower than A\$0.013);

(iii) Maturity date is 12 months from date of issue of each tranche, after which the Company shall redeem the relevant Notes in cash, provided that they have not been converted into shares by the Investor;

(iv) Coupon rate of 1.0% per annum; and

(v) A Termination Payment of A\$500,000 less an amount equivalent of the number of tranches drawn down (up to a maximum of 5 tranches) multiplied by A\$100,000 at the relevant time the Termination Payment Obligation arises. The Termination Payment obligation arises if:

(a) the Company does not satisfy the conditions precedent for the follow on tranches prior to the proposed date of issue of the relevant follow on tranche;

(b) the Company terminates the Subscription Agreement prior to the 3 year anniversary of the issuance of the first tranche or before all of the follow on tranches have been drawn;

(c) the Company has not issued follow on tranches, that the Investor has consented to subscribe for, by the date 12 months from the date of the Subscription Agreement having an aggregate face value not less than A\$5,000,000, unless the Company's failure to do so is solely due to the Investor not having agreed to subscribe for a follow on tranche; or

(d) an event of default or early redemption event occurs.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and developments	-
9.2 Product manufacturing and operating costs	300
9.3 Advertising and marketing	15
9.4 Leased assets	-
9.5 Staff costs	150
9.6 Administration and corporation costs	200
9.7 Other	-
9.8 Total estimated cash outflows	665

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.



Sign here _____
Company Secretary

Date: 30 April 2019

Print Name Jiahui Lan

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