

19 August 2021

ASX & Media Announcement

Fatfish Raises A\$8 million Funding to Grow Its BNPL and Fintech businesses in Southeast Asia

Highlights:

- **Funding of A\$8million (in single tranche) from US-based fund Arena Investors L.P.**
- **Funding will be via convertible notes that convert at fixed price A\$0.07 per share, an 18% premium to the prior day closing price**
- **Funding is for further expansion of FFG's BNPL and fintech businesses in Southeast Asia**

With reference to its announcement dated 12 April 2021 in which Fatfish Group Limited ("**FFG**" or the "**Company**") announced its intention to roll out retail Buy-Now-Pay-Later ("**BNPL**") business in Southeast Asia, the Company is pleased to announce that it has raised A\$8 million in fresh funding from US-based fund, Arena Investors L.P. ("**Arena Investors**") to accelerate the growth of its BNPL and fintech businesses in Southeast Asia ("**New Funding**").

Funding Mechanics - Convertible Notes Converting at Fixed Price A\$0.07 per share, an 18% premium to prior day closing price

FFG has an existing strategic long term funding agreement entered with Arena Investors. This fresh funding has been secured by a definitive Deed of Amendment to the earlier Convertible Note Deed that FFG has entered into with Arena Investors on 21 November 2018 (the "**New Funding Agreement**").

The New Funding Agreement will see Arena Investors providing an immediate A\$8 million in cash consideration to subscribe to Convertible Notes issued by FFG. The Convertible Notes have **a tenure of 12 months** (mutually extendable) and will carry coupon rate of **1% per annum**, convertible into ordinary shares of FFG at a **fixed conversion price of A\$0.07 per share** at the request of Arena Investors.

The convertible notes under the New Funding will be issued within the placement capacity of the Company under ASX Listing Rules 7.1.

The salient terms of the New Funding round are enclosed in the Appendix section of this announcement.

Strategic Investor and Driving Growth

CEO of FFG, Kin W. Lau comments “ We have partnered with Arena Investors for 3 years now. They have been an incredibly supportive investor, working with the management of the Company to grow our business. They have provided funding to the Company at key inflection points of the Company. Over and beyond, they have also bought more shares in the open market. In addition, Arena Investors has extensive experience in funding lending related tech businesses globally. They are a long-term strategic investor that we value. We are pleased to work alongside them again to drive growth for the Company for the next level”.

Arena Investors is an institutional asset manager founded in partnership with The Westaim Corporation (TSXV: WED). With \$2.2 billion of committed assets under management as of January 2, 2021, and a team of over 80 employees in offices globally, the firm is led by management team with decades of experience in corporate transactions and investment.

The New Funding will be used to further expand FFG's BNPL and other fintech businesses in Southeast Asia. FFG has been actively building an extensive suite of next-generation BNPL and digital lending services in Southeast Asia. To recap, some of FFG's fintech businesses in Southeast Asia include:

- **Smartfunding** Pte. Ltd., a Singapore Central Bank MAS licensed online lending platform;
- **Foreverpay** Sdn. Bhd. holds a money-lending license in Malaysia;
- **Payslowslow** is launching consumer BNPL across Southeast Asia;
- **Pay Direct** Sdn. Bhd. is operating an online payment gateway service in partnership with major banks of Southeast Asia
- **Fatberry.com** is a leading insurtech business operating a digital insurance platform in Malaysia

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

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About Fatfish Group Limited

Fatfish Group Limited (**ASX: FFG**) is a publicly traded tech venture firm with businesses in the Southeast Asia and internationally. FFG has been building ventures across gaming, esports and fintech.

FFG owns a majority stake in Abelco Investment Group AB (NGM:ABIG), which is publicly traded on the Swedish exchange, Nordic Growth Market.

FFG and Abelco operate from innovation hubs located in Singapore, Kuala Lumpur and Stockholm. For more details email ir@fatfish.co or visit www.fatfish.co.

Appendix I

Salient Terms of Deed of Amendment

Issuer:	Fatfish Group Limited (the “ Issuer ”).
Investor:	Arena Investors, LP or its affiliates (collectively, the “ Investor ”).
Funding Amount:	A\$ 8,000,000 in one single tranche
Closing Date:	25 August 2021 or any mutually agreed upon date. The Investor and Issuer will use commercially reasonable efforts to close the financing as quickly as prudently possible following execution of the Deed of Amendment

Investment Terms	
Convertible Notes (the “Notes”):	Total face value of \$8 million to be subscribed at cash consideration of \$8 million. The Notes may be converted in whole or part at any time upon delivery of a conversion notice by the Investor to the Issuer.
Use of Funds:	Proceeds to be used solely by the Issuer to develop and market its buy now pay later (“ BNPL ”), lending or insurtech businesses.
Coupon:	1.0% per annum, accruing on a daily basis and payable on 30 June and 31 December in each year and on the Maturity Date.
Conversion Price:	The Conversion Price of the Notes shall be set equal to A\$0.07. The Notes shall be convertible into freely tradable registered common shares of the Issuer at a rate determined by dividing the face value of the Notes by the Conversion Price.
Additional Shares:	The Investor shall receive 17,142,857 Additional Shares in the Issuer, being 15% of the face value of the Notes at the Conversion Price. These Additional Shares shall be subject to a voluntary moratorium by the Investor for 6 months from the date of issue.
Maturity:	12 months from the Closing Date, which shall be extendable upon mutual agreement of the Parties.
Board Seat:	From the date of the Deed of Amendment to the conversion or redemption in full of the Notes, Arena shall be entitled to nominate a director to be appointed to the Issuer’s Board of director.

<p>Conditions Precedent</p>	<ol style="list-style-type: none"> (1) The market capitalisation of the Issuer is at least A\$5,000,000; (2) Evidence that the Issuer has received all necessary Board approvals to enter into the Deed of Amendment and the transactions contemplated by it and comply with their obligations under it; (3) Evidence that the Issuer has sufficient capacity under the listing rules of ASX to issue the Notes, all shares on conversion of the Notes, the Additional Shares, without shareholder approval; and (4) Written notification by the Issuer that it intends to draw down the Notes.
<p>Events of Default</p>	<p>The New Funding Agreement contains customary Events of Default, including but not limited to:</p> <ol style="list-style-type: none"> (a) ASX making a determination that the terms of the Notes do not comply with the Listing Rules; (b) the Issuer failing to obtain the approval of its shareholders for any transaction under the New Funding Agreement, if required; (c) the Issuer failing to issue any Shares to the Investor within the due date required under the New Funding Agreement; and (d) an insolvency event occurs in relation to the Issuer. (e) the Issuer incurs any significant financial indebtedness other than under the New Funding Agreement, in the ordinary course of business; (f) the Issuer or any of its subsidiaries transfers or otherwise disposes of all or substantially all of its assets to any person; and
<p>Consequence of Events of Default</p>	<p>If an Event of Default occurs, and continues unremedied for a period of 5 business days, then the Investor may declare that the entire outstanding amount accrued under the New Funding Agreement is either payable on demand or immediately due for payment and payable. In such a case, the Issuer must redeem in cash all Notes on issue.</p> <p>In addition, any amount payable to the Investor under the New Funding Agreement which is not paid in full when due will accrue interest at a rate of 2.0% per annum (accruing on daily balances of the outstanding amount, on the basis of a 365 day year), which must be paid on the last business day of each month.</p>