

5 April 2023

ASX and Media Announcement

Fatfish Secures A\$8 million Equity Line of Credit and Extension of Existing Notes

Equity Line of Credit

Fatfish Group Ltd ("**FFG**" or the "**Company**") is pleased to announce that it has secured an equity line of credit ("**ELOP**") of up to A\$8 million from US-based Arena Business Solutions Global SPC II, Ltd and its affiliates.

The salient terms of the ELOP are set out in **Appendix I** and will be subject to approval by shareholders via a shareholder meeting to be called at the soonest possible.

The ELOP is to be drawn down in multiple tranches at the election of the Company at any point it requires capital over the next 24 months. Funds received under any drawdown could be used as working capital for expansion of the Company's businesses and also be used to pare down debt positions of the Company. The Company will seek shareholder approval for the issue of shares upon each draw down under the ELOP.

The Company intends to seek shareholder approval for a certain portion of the ELOP at each shareholder meeting during the term of the ELOP to give it flexibility to draw down under the ELOP and raise funds from the issue shares to Arena Business Solutions Global SPC II, Ltd if it elects to do so during the 3-month period following shareholder approval. There is no guarantee that the Company will draw down the amount for which shareholder approval will be sought. The ELOP will provide the Company with funding when required.

The Company will also be required to issue \$1.5 million worth of shares to Arena Business Solutions Global SPC II, Ltd as consideration for its commitments under the ELOP. The Company will seek shareholder approval for the issue of these Commitment Shares. No funds will be raised by the Company from the issue of the Commitment Shares.

Refer to **Appendix II** for details regarding the potential effect of the ELOP on the capital structure of the Company.

CEO of FFG, Kin W. Lau comments on the ELOP "Arena has been a significant supporter and financier of FFG since 2018. We thank Arena for its support. With this funding facility and its flexibility, we can decide when is the best juncture to draw more financing to suit the needs of the Company, while bearing in mind the need to uphold the interest of our shareholders. We intend to use the funding facility sparingly, and hopefully only when the Company's share price sees improvement."



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Convertible Notes

On 19 August 2021, the Company announced that it had secured funding of AU\$8 million from Arena Investors L.P through the issue of Convertible Notes at a conversion price of \$A0.07. The maturity date of these existing Convertible Notes that were drawn down from Arena Investors LP on 26 August 2021 have been extended to 23 August 2023. The extension is done with an increase of face value of the Convertible Notes by A\$160,000, resulting in the new value of A\$8,160,000 as the new face value of the Convertible Notes, with all other conditions of the Convertible Notes remaining the same. Accordingly, the Company will issue an additional 160,000 Convertible Notes pursuant to its placement capacity under listing rule 7.1.

Neither Arena Business Solutions Global SPC II, Ltd or Arena Investors L.P (individually or collectively with their associates) are currently substantial shareholders of the Company. As at the date of this announcement, Arena Investors L.P holds 34,148,487 shares (representing a percentage shareholding of 3.29%).

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**) ("**FFG**" or the "**Company**") is a publicly traded tech venture firm with businesses in Southeast Asia and internationally, with interests in building ventures across fintech, gaming and other tech-related entities.

FFG owns a majority stake in Abelco Investment Group AB (NGM: ABIG), which is traded on the Swedish exchange, Nordic Growth Market. FFG and Abelco operate from innovation hubs located in Kuala Lumpur, Singapore and Stockholm.

For more details, email ir@fatfish.co or visit www.fatfish.co.

Appendix I

Salient Terms of the ELOP

Issuer:	Fatfish Group Ltd (" Issuer ")
Investor:	Funds affiliated with Arena Business Solutions Global SPC II, Ltd. (" Arena " or " Investor ") and its affiliates through an Arena vehicle to be specified
Securities:	Common stock (to be issued at specified sum and in tranches at the election of the Company using the Drawdown Mechanic)
Funding Amount:	Up to A\$8 million
Interest	N/A
Term:	24 months following shareholder approval for the issue of the Commitment Shares and any of the first tranche which may be drawn down under the ELOP (which the Company will seek at its next shareholder meeting)
Commitment Shares	As consideration for the Investors entering into the ELOP, the Issuer shall issue to the Investor A\$1.5 million equivalent worth of shares on or before 26 August 2023. The dollar value of the Commitment Shares shall be calculated based on the 10-day volume weighted average price of the Issuer's shares immediately preceding the Closing Date. If Investor has not realised A\$1.5 million in cash from the sale of the Commitment Shares by 26-Aug-23, then the Company shall (subject to shareholder approval) issue the Investor an additional A\$500k-equivalent worth of shares of the Company's Common Stock no later than 31-Dec-23
Drawdown Mechanic	The Company may direct Investor to subscribe for shares in the Company under the ELOP that it specifies from time to time in a written notice, subject to satisfaction of the conditions in the ELOP. As set out above, the Company intends to seek shareholder approval for a certain portion of the ELOP at each shareholder meeting during the term of the ELOP to give it flexibility to draw down under the ELOP and raise funds from the issue shares to Arena Business Solutions Global SPC II, Ltd if it elects to do so.

Purchase Price	The purchase price will be equal to 95% of the lower of: (i) The lowest intraday price of the Issuer's common stock on the closing date of the applicable Drawdown; or (ii) The arithmetic average of the 3 lowest closing prices for the Issuer's common stock during the 10 consecutive business days ending on the trading day immediately preceding such closing date, inclusive of the closing date of the applicable Drawdown.
Beneficial Ownership Limitation	The Issuer shall not direct the Investor to purchase any common stock, when aggregated with all other common stock then beneficially owned by the Investor and its affiliates as a result of purchases under the ELOP, would result in the Investor and its affiliates having beneficial ownership of more than 4.99% of the Issuer's then outstanding common stock.
Conditions Precedent	(i) Issuer obtaining its shareholders approval via an Extraordinary General Meeting; (ii) Issuer's shares continue to be trading on the ASX (iii) There has been no breach by the Issuer of the representations and warranties or covenants contained in any related agreements with the Investor which could have a material adverse effect on the Issuer, the Investor or the value of the common stock of the Issuer; (iv) The issuer is not insolvent or threatened to be insolvent
Termination	The Issuer has the right to terminate the ELOP at any time, at no cost or penalty, upon 5 trading days' prior written notice to the Investor.
Expense Reimbursement	The Issuer shall reimburse the Investor up to US\$25,000 for due diligence and legal fees related to this transaction

Appendix II

Set out below is a worked example of the number of Shares that may be issued under the ELOP based on an assumed issue price of \$0.014.

Assumed issue price	Maximum number of Shares which the Company could issue under the ELOP	Current Shares on issue	Increase in the number of Shares on issue assuming the Company issued the maximum amount under the ELOP	Dilution effect on existing Shareholders
\$0.014	887,218,045	1,036,379,877	1,923,597,922	46%

The Company notes that the above workings are an example only and the actual issue price may differ (refer to Appendix I). This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

Further details regarding the ELOP will be set out in the Company's notice of meeting which will include resolutions seeking approval to issue shares under the ELOP. The Company intends to seek shareholder approval for a certain portion of the ELOP at each shareholder meeting during the term of the ELOP to give it flexibility to draw down under the ELOP and raise funds from the issue shares to Arena Business Solutions Global SPC II, Ltd if it elects to do so. There is no guarantee that the Company will draw down the amount for which shareholder approval will be sought.