

15 November 2019

## ASX Announcement

# **Fatfish (ASX: FFG) Accepts A\$12.7 million Offer for its Swedish Subsidiary (FGV) From Swedish-listed Abelco**

## Highlights

- **FFG has received and accepted, subject to shareholder approval, an offer worth approximately A\$12.7 million for the merger of its Swedish venture builder subsidiary Fatfish Global Ventures AB (“FGV”)**
- **The offer came from Swedish-listed Abelco Investment Group AB (“Abelco”), a well traded venture investment firm by way of a merger proposal**
- **Under the offer, FFG will dispose of 81% shareholding in FGV to Abelco in return for listed shares worth A\$12.7 million or 50.1% of the enlarged share capital of Abelco**
- **FFG will retain its existing blockchain portfolio and its A\$1,100,000 in cash reserves on hand**
- **The merger will create a tech “powerhouse” – a leading venture investment company with an international presence from the Nordic region to Southeast Asia with a portfolio exceeding 20 holdings**
- **FFG currently has a market capitalisation of approximately A\$7.4 million and has net assets of A\$28.5 million as at 30 June 2019**

The Board of Directors of FFG is pleased to announce that it has received a binding offer regarding FGV from Swedish-listed Abelco Investment Group AB (publ) (“**Abelco**”). The offer proposes a purchase consideration worth A\$12.7 million (based on the market price of Abelco shares at the date of this announcement), payable to FFG, to merge FGV with Abelco. FFG has decided to accept the offer, which will complete subject to shareholder approvals. FFG sees this transaction as an alternative path for FGV to pursue its listing in Sweden that can fast-track the growth of FGV.

The merger will create a leading investment company with an international presence from the Nordic countries to Southeast Asia with a portfolio exceeding 20 holdings.

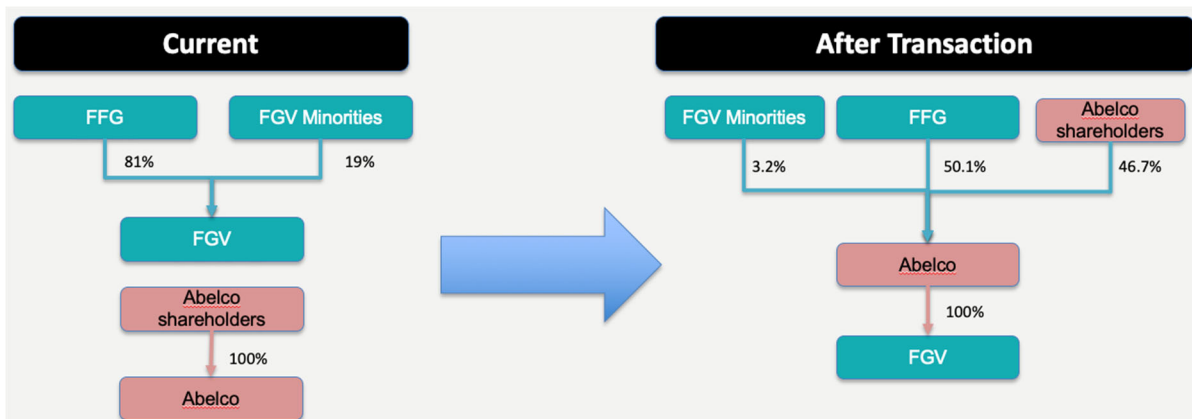
## About Abelco

Listed on the NGM Nordic MTF, Abelco invests in companies in areas such as industry, engineering and technology which are in need of growth capital. Abelco's market capitalisation is approximately SEK85 million (approximately A\$12.87 million), and has total asset of approximately SEK76.9 million (approximately A\$11.6 million) as at 30 June 2019.

Notable investments by Abelco include Quickbit AB, which is also listed on the NGM Nordic MTF with a market capitalisation of approximately SEK867.2 million (approximately A\$130.6 million). Abelco has provided strategic assistance to Quickbit AB as its strategic shareholder since its early days and currently holds a 6.76% stake in it.

## Transaction Structure

Under the transaction, Abelco will acquire FFG's 81% shareholding in FGV for a purchase consideration value of SEK 84.5 million (approximately A\$12.7 million), which will be settled via the issuance of 704,410,476 new shares in Abelco at an issue price of SEK0.12 per share. Post the transaction, FGV will hold approximately 50.1% of the enlarged share capital of Abelco.



The completion of the transaction is subject to the fulfilment of the following conditions:

- (i) the approval of the transaction by the shareholders of Abelco at an extraordinary general meeting having been obtained; and
- (ii) FFG obtaining shareholder approval, pursuant to Listing Rule 11.4, for the spin-out of FGV.

Abelco has pre-sought an exemption from Swedish Security Council to exempt FFG from undertaking a mandatory bid for all outstanding shares in Abelco and that exemption has been granted.

Post the merger, an extraordinary general meeting of Abelco will be held to amend the board composition to better represent the changed ownership structure.

### **FGV's Pre-merger Restructuring**

Prior to the merger transaction, FGV shall restructure its outstanding convertible notes as follows:

<b>Convertible No.</b>	<b>Amount (SEK)</b>	<b>Restructuring Plan</b>
<b>1</b>	988,000	To be settled in cash by December 2020
<b>2</b>	520,000	To be settled in cash by December 2020

### **Moratorium**

352,205,238 Abelco shares (50% of the consideration to be received by FFG under the transaction) received by FFG will be subject to a 6 month moratorium from completion of the merger. The remaining 352,205,238 Abelco shares shall be subject to an additional 6 month moratorium (i.e. being a total 12 month moratorium).

### **Post-Transaction FFG Structure**

Upon completion of the proposed transaction, FFG's main assets will include:

- (i) listed Abelco shares worth A\$12.7 million or 50.1% of the enlarged share capital of Abelco. Abelco shares are well traded (high liquidity);
- (ii) Blockchain related investment portfolio that includes Minerium Technology Limited and Kryptos-X Pte. Ltd; and
- (iii) Technology Incubator business carried out by subsidiary Fatfish Medialab Pte. Ltd.

### **Rationale**

FFG CEO Kin Wai Lau commented "We are extremely excited to be working with Abelco and welcome this offer. From a shareholder's perspective, we are impressed by the Swedish market and its advanced position and capabilities regarding start-ups in most areas, including fintech and other digital services. Being able to combine this with combined organizational strength of Abelco and FGV through our offices in Stockholm and Singapore and our portfolio holdings provide good conditions for an accelerated growth in Europe, with a focus on the Nordic region, as well as the market in Southeast Asia. It is with great hope that we look forward to working closely with the Abelco team."



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Abelco Chairman Kenneth Arnström commented “A combined Abelco-Fatfish creates good opportunities for expansion of the portfolio companies through joint hubs in both Stockholm and Singapore. In addition, the new Abelco is given a far more advanced position with the possibility of more acquisitions and a faster path to the market for acquired companies. Through the transaction, Abelco will gain access to important structural capital that significantly improves the company's future opportunities in attracting important Swedish start-ups given scope to Southeast Asia. The new Abelco achieves important synergies such as more efficient exit processes and lower operational costs in relation to the number of holdings in the portfolio, while increasing the potential of attracting new investment and faster value creation. It is with great confidence that I look forward to the new Abelco.”

– End –

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### 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 focussed 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, Wheellys 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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