

24 January 2019

**ASX and Media Announcement**

**Fatfish Investee Epsilon Capital Receives US\$1 Million Investment and Fatfish election to not continue with second tranche of Investment**

Reference is made to the ASX announcement made by Fatfish Blockchain Limited ("**Fatfish**", "**FFG**" or the "**Company**") on 3 May 2018 and 10 July 2018 regarding the Company's incubation and investment in Epsilon Capital.

FFG's wholly owned subsidiary, Fatfish Disruptive Ventures Ltd ("**FDV**") has completed the first tranche investment by investing US\$250,000 for 5% equity in Epsilon Capital. Together with the 10% equity that FDV received for providing support and services to incubate the founding of Epsilon Capital, FDV currently holds a total of 15% equity in Epsilon Capital.

Epsilon Capital is a fund-of-funds management business aiming to offer exposure to the rise of digital assets through a diversified portfolio of digital asset managers.

FFG is pleased to further announce that Epsilon Capital has received a US\$1,000,003.47 investment from strategic investor, Explosive Growth Limited ("**Explosive Growth**") for 33% of the enlarged capital of Epsilon Capital.

As a strategic shareholder of Epsilon Capital, Explosive Growth will be contributing its expertise in international marketing and expansion to grow Epsilon Capital's fund-of-funds business. To this end, Explosive Growth is entitled to appoint one representative to join Epsilon Capital's board of directors.

In view of the strategic investment by Explosive Growth, FDV will no longer continue with the second tranche investment of US\$250,000 for 5% equity in Epsilon Capital. Post the new investment by Explosive Growth, the existing 15% shareholding of FDV will translate into 10% of the enlarged capital of Epsilon Capital.

The investment by Explosive Growth is a significant sum into Epsilon Capital and is expected to provide adequate working capital for Epsilon Capital to carry out its business model effectively. As such, Fatfish expects its shareholding in Epsilon Capital to appreciate in valuation positively and materially over the next 12 to 18 months.

**Jeremy Sparrow, Chairman and Founder of Epsilon Capital commented** "The Epsilon Capital team has spent a significant amount of effort and time in the last 9 months to develop a robust fund-of-funds business. We have also taken a strong data driven

analytical approach to evaluate the investment opportunities in the technology sectors we are interested in. This new investment is a great testament to the value and capability that Epsilon Capital has been building on an on-going basis.”

#### **Cautionary Statement – Cryptocurrency Related Business Activities**

Fatfish notes the following in relation to cryptocurrency-related business activities:

- investment into cryptocurrency is high risk in nature as cryptocurrency is currently highly speculative;
- cryptocurrency prices are currently volatile; and
- cryptocurrency-related businesses have a number of other risks factors, including but not limited to the following: the development of new regulatory framework involving cryptocurrencies;
  - i. cryptocurrencies, cryptocurrency exchanges and its related topics of Initial Coin Offerings (ICO) have raised regulatory issues across multiple jurisdictions. A number of regulators have issued guidance on the relevance of their existing securities and financial services laws with regards to ICOs that have underlying cryptographic tokens that are securities or investment in nature; and
  - ii. in many countries cryptocurrencies are subject to anti-money laundering and counter-terrorism funding legislations.

For its cryptocurrency-related business activities, Fatfish will always endeavour to the best of its ability to ensure that Fatfish and its subsidiaries comply with relevant local in-country regulatory requirement.

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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 focusses 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:

**Cryptocurrency Exchanges** – Kryptos-X cryptocurrency exchange.

**Cryptocurrency Mining** – Minerium Technology Limited, a large-scale cryptocurrency mining business in emerging market locations.



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**Blockchain Fund Management** – Epsilon Capital, a blockchain and cryptocurrency 'fund-of funds'.

**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), Clouaron 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.

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