

18 February 2021

ASX and Media Announcement

Fatfish's Subsidiary Smartfunding Successfully Launches BNPL

Highlights:

- **Smartfunding successfully launches BNPL service in Southeast Asia**
- **Smartfunding is a Singapore central bank licensed platform**
- **Smartfunding's launch from financial hub Singapore is advantageous to tap into other Southeast Asian economies**
- **The BNPL model is relatively new in Southeast Asia, which has a population of 655m people**

Reference is made to Fatfish Group Limited's ("FFG" or the "**Company**") announcements dated 3 February 2021 and 10 December 2020 regarding FFG's investee company Smartfunding Pte. Ltd.'s ("**Smartfunding**") plans to launch of a Buy-Now-Pay-Later Financing Programme ("**BNPL**") for corporates in Southeast Asia via Smartfunding.

BNPL Launches Successfully

FFG is pleased to announce that Smartfunding has launched its BNPL service today as scheduled. Smartfunding is a Singaporean central bank licensed platform that can conduct any dealings that are considered securities in the context of the Singapore Securities and Futures Act.

The BNPL service begins to take in applications from users immediately, with its processes automated via Smartfunding's proprietary online platform, developed mainly by FFG's in-house venture builder team.

Advantages of Launching From Southeast Asia's Financial Hub

Singapore is indisputably the dominant financial hub for the Southeast Asia region. By being regulated and headquartered out of Singapore, Smartfunding aims to attract businesses not only in Singapore, but as well as from the rest of the Southeast Asian economies.

The BNPL model is relatively new in Southeast Asia, which has a potential market size of **655 million people in terms of population**, made up of a large proportion of middle-class families.

Singapore has been ranked as the **world's most competitive economy** for two consecutive years (2020 and 2019) by IMD World's Competitiveness Ranking. In addition, Singapore has also been ranked world's 6th most advanced country in terms of digital competitiveness by Global Finance (2020).

As per earlier announcement, the management of FFG believes that BNPL Financing – a proven business model in Australia – will resonate well in markets such as Singapore and the rest of Southeast Asia, due to multiple factors:

- **SMBs' demand for alternative financing** will continue to grow, as traditional banks and lenders tighten their credit facilities during a time when Small Medium Businesses (SMB) are cash strapped;
- **Institutional Investors are increasingly turning towards alternative investments such as BNPL Financing** in search for higher yield in the current low interest rate environment;
- **Automated digital process** to onboard SMBs and investors serves the growing market trend that is now **accelerated by user behaviour** due to the Covid-19 pandemic; and
- **Efficiency of fintech platforms like Smartfunding** that provide partial or pseudo neo-banking functionalities will improve transparency across the value chain, which will be beneficial to all stakeholders of the value chain.

FFG's BNPL and Fintech Business Prioritised

FFG holds a 78.7% stake in Smartfunding, of which 19.9% stake is held directly; and the remaining 58.8% is held via FFG's Swedish subsidiary Abelco Investment Group AB. FFG has an option to further increase its direct stake in Smartfunding, subject to Singapore central bank's approval.

FFG intends to focus its group resources into further developing its BNPL business and other complimentary fintech businesses, making them the part of the core businesses of FFG that will receive prioritised attention by the management of FFG.

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

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Fatfish Group Limited

(ACN 004 080 460)
Level 4, 91 William Street
Melbourne VIC 3000
Australia

www.fatfish.co

About Fatfish Group Limited

Fatfish Group Limited (**ASX: FFG**) is a publicly traded tech venture firm with investments in the Southeast Asia and Nordic European region. FFG partners with entrepreneurs to build tech businesses via a co-entrepreneurship model. FFG focuses on emerging global technology trends, specifically FFG has been investing strategically across various sectors of **video-games, esports, fintech and consumer internet** technologies.

FFG owns a majority stake in publicly-traded 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 Singapore, Kuala Lumpur and Stockholm.

For more details, please contact:

ir@fatfish.co or visit www.fatfish.co