

Fatfish Blockchain Limited (ASX: FFG) (OTCQB: FFTTF)

Equity | Australia
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VIRIATHUS[®]

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Company Description:

Fatfish Blockchain Limited (FFG) is a global Internet venture investment and development firm. The Company focuses on the growing Internet markets, where it is helping build Internet ventures with the potential to scale globally through its “seed-to-exit” strategy. The Company was founded in 2011 and operates dual headquarters in Melbourne and Singapore.

Overview Report Highlights:

- **Successful track-record of building value.** FFG has a solid track-record of incubating and realizing value from its investments. One of FFG’s most successful ventures is iCandy Interactive, which generated an approximate 1,900% ROI over a 2-year investment period. Importantly, FFG has been with iCandy since its inception and through its public IPO in February 2016. Clouaron represents another successful venture that yielded FFG a 700% ROI over a two-year period. FFG was also involved from seed stage through its IPO in Malaysia in November 2017.
 - **Dual growth strategy positioned to capture growth.** At present, FFG is investing and building technology businesses in 2 main sectors, (1) Blockchain & crypto-assets and (2) Consumer Internet. FFG is aggressively investing in the highly disruptive blockchain and crypto market. Its current portfolio contains four crypto & blockchain investments, positioning FFG to capture the massive growth in cryptocurrencies.
- On the Consumer Internet side, FFG is leverage to the rapid growth in Southeast Asia (SEA). According to a 2016 study by Google-Temasek, SEA is one of the world’s fastest growing Internet regions. In fact, the study predicts that the SEA Internet economy should reach USD\$200 billion by 2025, a 6.5x increase over a 10-year period. With a portfolio of more than 10 companies that has over 380 million active users, FFG is well positioned for growth.
- **Strong management to support growth.** FFG is led by Mr. Kin-Wai Lau, a tech investor and entrepreneur with broad experience across Asia and Europe. Mr. Lau was name by the media as one of the youngest Managing Directors of a publicly traded firm in Southeast Asia when he took his first company to a successful IPO at the age of 28. Mr. Lau co-founded FFG and has built a strong management team around him with deep experience in building businesses, investment banking, and accounting. Through this management team, FFG enhances the value of investee companies through its capital, its network, and its resources. As a result, FFG offers unique opportunities for investors to invest in a diversified portfolio of early-stage Blockchain and Internet businesses.

Financial Data (AUD):

Share Price: 0.018
Market Capitalization (mln): 9.28
Shares Outstanding (mln): 515.32
Float (mln): 258.61
Average Volume (90 Day - mln): 1.31
52 Week Range: 0.015 – 0.127
Exchange: ASX



Near-Term 2018 Milestones:

- Q4’18 – Kryptos-X virtual currency exchange goes live.
- Q4’18 – FFG’s Swedish subsidiary seeks potential IPO on Swedish public market.
- Q1’19 – FFG’s 51% crypto-mining business to list on the London Stock Exchange.

Corporate Contact Information:

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Australia
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<http://www.fatfish.co/>

Balance Sheet (AU\$)	LTM June 2018
Cash	775,462
Assets	29,879,081
Shareholders' Equity	23,436,905
Current Ratio	0.9x
LT Debt to Equity Ratio	5.3%

P&L Data AU\$ (000)	2016	2017	LTM 2018
Revenues	1,083	1,387	2,992
Gross Profit	888	766	1,330
Net Profit	22,778	1,849	11,917
EPS	0.14	0.01	0.03

Cash flow: (AU\$) (000)	2016	2017	LTM 2018
From Operations	2,166	1,246	1,737
Used in Investing	2,361	1,473	5,038
From Financing	4,015	5,643	6,585

Financial Metrics



Fatfish Blockchain Limited
(ASX: FFG) (OTCQB: FFTTF)

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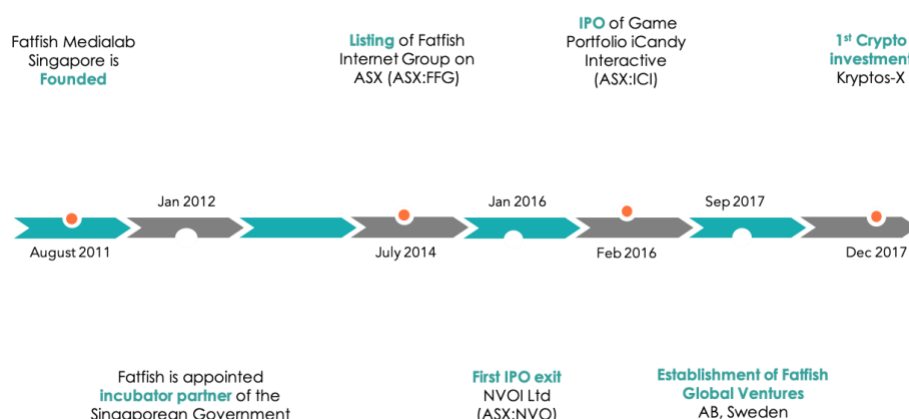
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Company Overview

Fatfish Blockchain Limited (Fatfish) is a global Internet venture investment and development firm. The Company's focus is on growing Internet markets. Through the use of its "seed-to-exit" strategy, Fatfish seeks to help build Internet ventures with the potential to scale globally. The Company was founded in 2011 and operates dual headquarters in Melbourne and Singapore.

Through Fatfish's deep expertise and guidance of investee companies, Fatfish has created a unique opportunity for investors to invest in a diversified portfolio of early-stage Blockchain and Internet businesses.

Fatfish enhances the value of investee companies through its capital, its network, and its resources. As a result, Fatfish offers unique opportunities for investors to invest in a diversified portfolio of early-stage and growth-stage Blockchain and Internet businesses. At present, Fatfish is investing and building technology businesses in 2 main sectors, (1) Blockchain & crypto-assets and (2) Consumer Internet.

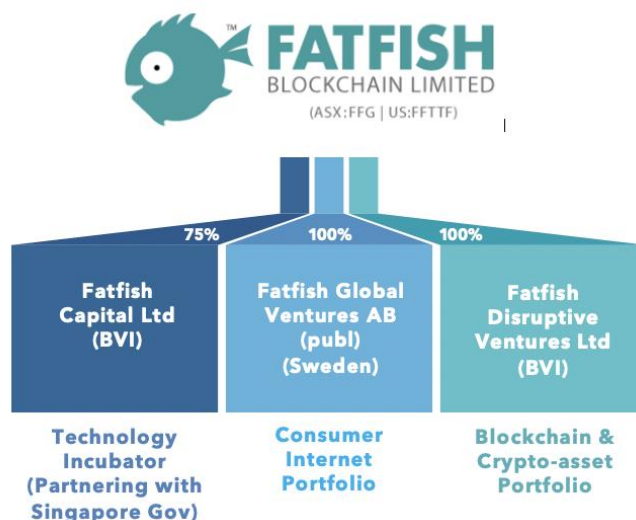


Source: Company Reports

The Company operates in three lines of business. First, as a technology incubator. Here its subsidiary, Fatfish Capital, has partnered with the Singapore Government in managing seed funding. Next, is the Company's Consumer Internet sector. Through its subsidiary Fatfish Global Ventures AB, the Company is focused on building a Consumer Internet venture portfolio. Lastly, is the Blockchain and Crypto-Assets sector. The Company's subsidiary, Fatfish Disruptive Ventures, is focused on strategic investments in blockchain and cryptocurrencies.

Investment Approach and Strategy

Fatfish is positioning itself to invest in high growth markets including Blockchain and Crypto assets, as well as Consumer Internet ventures.



Source: Company Reports

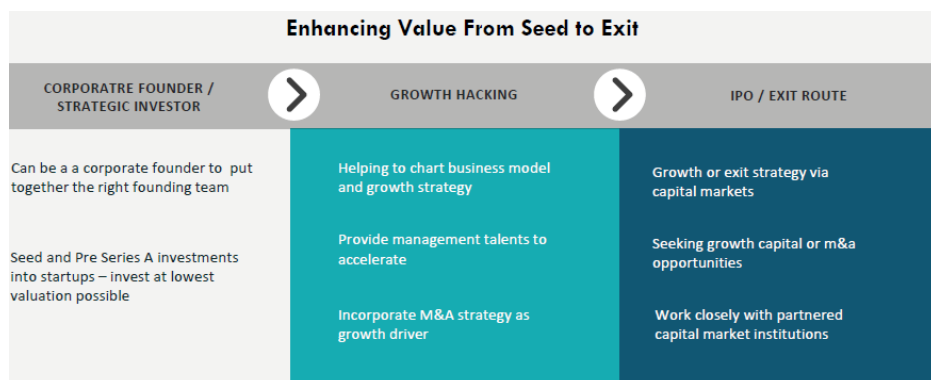
Fatfish seeks to partner with entrepreneurs and experienced executives to build and grow technology-based businesses through a co-entrepreneurship model. Given management's years of experience as serial entrepreneurs, Fatfish is well equipped to identify, invest, and help build successful technology ventures. Importantly, Fatfish's investment approach spans from seed to exit.

Fatfish is uniquely qualified to help entrepreneurs build and grow technology-based businesses. FFG's unique abilities span access to seed funding, providing talent capital, strong regional presence, M&A execution, brand value, and access to capital markets.

Because of Fatfish's experience and strategy, Fatfish will work directly with a corporate founder to put in place the right team to grow the venture. Typically, Fatfish seeks seed and/or pre-series A investments into start-ups, at the lowest possible valuations.

Next, leveraging on its years of experience, Fatfish helps chart a business model and growth strategy for its portfolio companies. Steps here may include providing additional management talent to accelerate organic growth along with potentially incorporating an M&A strategy to drive additional growth.

Lastly, Fatfish works closely with its portfolio company's entrepreneurs to devise the most appropriate exit. This could include an exit strategy via capital markets such as an IPO; additional growth capital investments; and/or potential M&A transactions. Importantly, Fatfish works closely with all of its partnered capital market institutions to plan and obtain the highest shareholder value.



Source: Company Reports

As of December 2017, Fatfish has over 10 companies in its portfolio.

Portfolio Overview

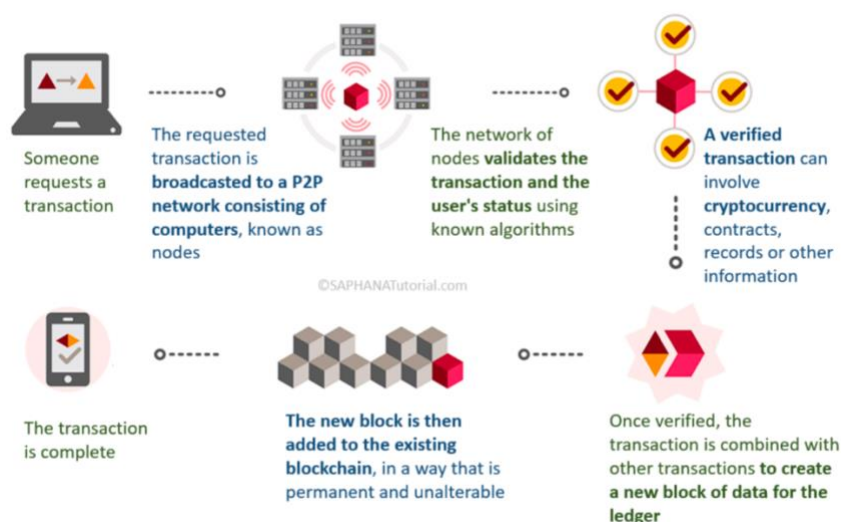
Cryptocurrency and Blockchain Venture Portfolio

Cryptocurrency is a disruptive technology. It is starting the adoption of digital currencies over a globalized, decentralized, and secure network over the Internet.

Fatfish is aggressively investing in the highly disruptive blockchain and crypto market. Cryptocurrencies are a medium of exchange (think currency, but its digital) that are transacted through and recorded on a decentralized ledger system called the “blockchain.” The blockchain is built by a chronological addition of transactions, which are grouped into blocks. Importantly, each new block requires a mathematical problem to be solved (called mining) before it can be confirmed and added to the blockchain. Once this problem is solved and a block is added to the blockchain, a certain amount of a cryptocurrency (Bitcoin, Ethereum, etc.) is created and given to the miner.

While blockchain is the underlying technology, whose uses ranges from applications in banking to supply chains, it is cryptocurrencies that receive much of the headlines. Fatfish believes cryptocurrency is a disruptive technology as it is starting the adoption of digital currencies over a global, decentralized, and secured network over the Internet.

What is Blockchain and Cryptocurrency?



Source: Company Reports

Kryptos-X

In November 2017, Fatfish announced a USD\$1M (AUD\$1.28M) investment into the start-up Kryptos-X for a 27% ownership. Kryptos-X was set-up by Australian entrepreneur, Tony Mackay in Singapore. It was established as an electronic marketplace to trade Bitcoin and other major virtual currencies online. Operations are expected to start on 28 October 2018.

The strategy is to operate exchanges in regulated environments. While operations will start in Singapore, Kryptos-X will seek to expand into other areas where the regulatory environment permits the trading of crypto currencies. This investment will expose Fatfish to the annually estimated US\$1.5T cryptocurrency trading industry.

Minerium Technology Ltd

In January 2018, Fatfish made a US\$1M (AU\$1.27M) investment into Minerium Technology Ltd (f.k.a APAC Mining Corp), a cryptocurrency mining startup located in Singapore. In return, Fatfish received a 51% ownership shares. The seed capital allowed



Minerium to start building and managing crypto-mining farms in Asia, with its first computing farm in Malaysia.

The company has plans to expand in the near-term to Mongolia to take advantage of the low-energy costs there. It is currently mining Bitcoin, Ethereum, Litecoin and Dash. Minerium plans to raise funds via an IPO on the London Stock Exchange in Q1'2019, in order to scale towards having 100,000 mining machines.



Altairian Holdings Limited

In December 2017, Fatfish invested US\$250,000 (AU\$320,000) into Altairian Holdings Limited (AHL), which launched Altairian Capital, the first UK Financial Conduct Authority (FCA) approved hedge fund with a dedicated focus on crypto investments. In return, Fatfish obtained a 12.5% of preference shares in AHL.

AHL's strategy will be to invest in currencies and cryptocurrencies or listed businesses that are pursuing blockchain and digital currency business models.



Epsilon Capital Management

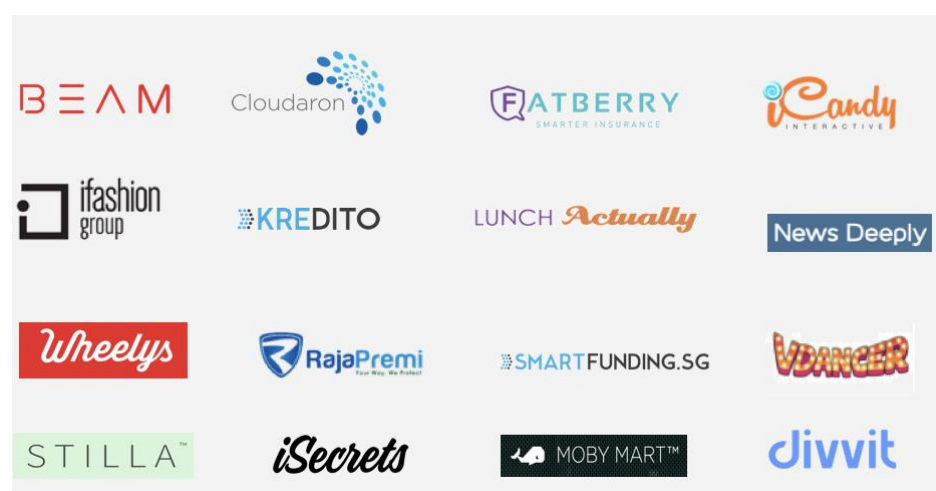
Epsilon Capital

In May 2018, Fatfish spun out Epsilon Capital Management. Epsilon is a UK based fund of funds investment manager exclusively focused on blockchain and cryptocurrencies. Epsilon will use quantitative and qualitative means to find, select, and invest in leading hedge funds and venture capital funds.

Epsilon was incubated at Fatfish for over 6 months prior to the spin-off. For its incubating efforts, Fatfish received a 10% ownership stake and will invest a further US\$500,000 (AU\$66,000) in the fund to receive further 10% ownership stake, bringing Fatfish's ownership to 20%.

Consumer Internet Portfolio

As mentioned, Fatfish's Consumer Internet Portfolio is held by its subsidiary Fatfish Global Ventures AB, located in Sweden. The portfolio holds ventures in software, interactive media, fintech, and e-commerce.



Source: Company Reports

Below we review a few of Fatfish's more recent successful ventures and exits.



iCandy Interactive

One of Fatfish's most successful ventures is iCandy Interactive, which generated an approximate 1,900% ROI over a 2-year investment period. Importantly, Fatfish has been with iCandy since its inception and through its public IPO in February 2016. As of 30 June 2018, Fatfish owns approximately 62% of iCandy and the company currently trades on the ASX under the code ICI.

iCandy Interactive is a leading mobile games studio in Southeast Asia. The company was awarded Google's Top Developer award. Furthermore, many of its games have won awards for its action-oriented casual games for mobile devices. Its top games include: Light A Way and Crab War.

In November 2015, iCandy announced the acquisition of a portfolio of 318 mobile casual games from ASX-listed Animoca Brands Limited. The acquisition was completed in June 2018, and iCandy is currently in the process of integrating the game portfolio into iCandy's existing platform. Following the completion, iCandy will have a combined portfolio of more than 340 mobile games serving 350m.

iCandy's track record has also attracted the attention of eSports.com Group AG, which in July 2018 signed an investment agreement to invest AU\$1.3 million in iCandy.



Cloudearon

Cloudearon represents another successful venture that yielded Fatfish a 700% ROI over a two-year period. Importantly, Fatfish was involved from seed stage through its IPO in Malaysia in November 2017. Cloudearon trades on the KLSE under the code CLOUD.

Cloudearon develops and delivers cloud-based solutions for its clients. It enables clients to migrate from a traditional, legacy computing platform to a cloud-based computing environment. Through its software and system integration services, Cloudearon supports over 150 companies throughout Malaysia, Singapore and the Philippines with more than 1M end-users.



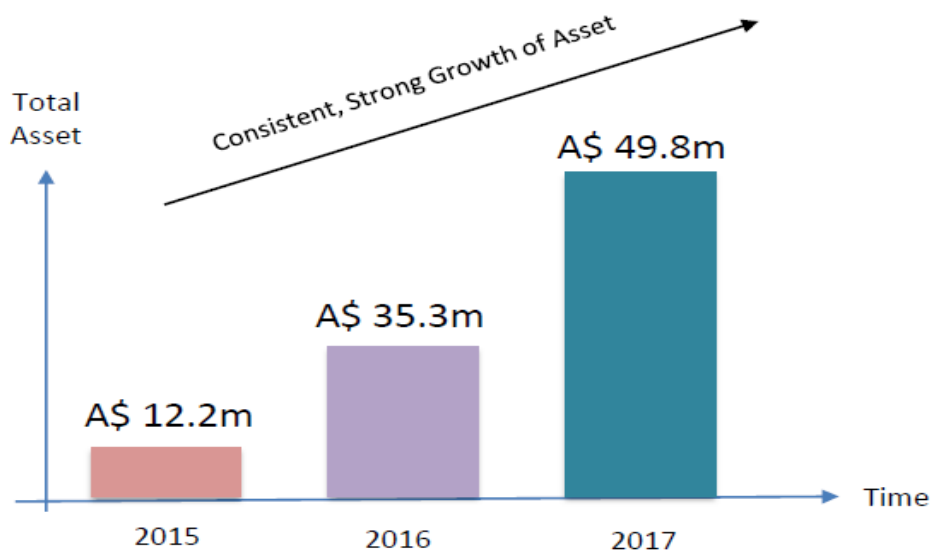
iFashion Group

Fatfish founded iFashion in early 2015 and announced in May 2018, that iFashion was to be acquired by veteran fintech startup, MC Payment. The US\$18.7M (AU\$24.8M) transaction is expected to close by end of 2018. With Fatfish's 17% ownership stake in iFashion Group, Fatfish is expecting to net US\$3.2M (AU\$4.2M) of MC Payment shares from the transaction. Concurrent with the transaction, MC Payment will list on the Singapore Exchange via a reverse merger with Artivision Technologies LTD (SGX:5NK).

iFashion Group is an ecommerce and lifestyle company that used an acquisition and incubation model to grow. Some of its most successful brands include: Dressable, a leading online women's fashion label in Singapore and Malaysia; Megafash, a leading alternative designer market place for Singapore; Invade, an enterprise offering short-term and pop-up retail space in Singapore; and Artbox Singapore, an experimental event combining an alternative music festival and flea market. The company generated over US\$8M in revenue during its last fiscal year and is set to continue on its growth path.

Building portfolio value

Over the past three fiscal years, Fatfish has consistently grown its portfolio and balance sheet assets. As illustrated below, the Company has grown its total assets from AU\$12.2M in 2015 to AU\$49.8M in 2017.



Source: Company Reports

Recently, Fatfish commissioned Deloitte to value its privately held assets, which the Company disclosed in its April 2018 investor presentation.

Deloitte.

USD	Instrument	Cost	Fair value	Value ¹	Investment date	Method
SmartFunding Pte. Ltd.	Straight equity	117,938	623,161	994,000	30-Jun-16	Price of recent investment (PORI)
PT Mega Value Prosperindo	Straight equity	96,000	959,878	959,878	17-Dec-14	Price of recent investment (PORI)
PT Mega Value Prosperindo (Options)	Call Options	n/a	5,813	n/a	Various	Option pricing model (OPM)
Fatfish Commerce Ventures Ltd. ³	Straight equity	n/a	3,423,404	3,423,404	08-Aug-16	Price of recent investment (PORI)
iFashion Group Pte. Ltd. ³	Equity and preference shares	n/a	3,109,960	3,062,726	16-Sep-15	Price of recent investment (PORI)
V-Dancer Pte. Ltd.	Straight equity ¹	40,365	752,559	752,559	01-May-14	Price of recent investment (PORI)
CloseStyle Pte. Ltd.	Straight equity ¹	36,528	36,695	36,695	29-Mar-16	Price of recent investment (PORI)
Cloudaron Pte. Ltd.	RCPs ²	n/a	1,026,190	1,674,723	31-Oct-16	Option pricing model (OPM) and Price of recent investment (PORI)
HappyApp Pte. Ltd.	Straight equity ¹	36,695	36,695	36,695	12-Oct-15	Price of recent investment (PORI)
Lunch Actually Pte. Ltd.	Straight equity	55,000	115,011	184,997	10-Oct-14	Option pricing model (OPM) and Price of recent investment (PORI)
Lunch Actually Pte. Ltd.	RCPs	1,000,000	1,166,474	1,166,474	27-Jul-16	Price of recent investment (PORI)
Newsdeeply Inc.	6% convertible notes	50,000	50,000	50,000	09-Mar-15	Price of recent investment (PORI)
Shop and Box Pte Ltd	6% convertible notes	36,695	48,654	119,988	05-Feb-16	Option pricing model (OPM) and Price of recent investment (PORI)
BEAM Storage Pte Ltd (3)	Straight equity	517,400	517,400	517,400	nav	Price of recent investment (PORI)
Total		1,986,621	11,871,914	12,979,538		

Notes:

1. Investment under MDA's IJAM scheme

2. Management value based on recent transaction price of the issued security and ignoring rights such as liquidation preference etc.

3. Venture building mode

4. We have been instructed by Fatfish to perform the valuation as if Fatfish was holding RCPs in Cloudaron adjusted for SGD 650,000 cash consideration paid subsequently as at 31 August 2016 instead of it holding in convertible bond and its share of call option on NRF's investment as at Valuation Date.

Source: Company Reports

Lastly, we note that Fatfish owns 62% of iCandy and 5.7% of Cloudaron Group, both of which are publicly traded. At October 16, 2018, the market values of these positions are approximately AU\$11.7M and AU\$4.0M (1 AUD = 2.96 MYR).

Market Overview

Global Cryptocurrency and Blockchain Market

Blockchain's distributed ledger technology is nearly impossible to hack due to its peer-to-peer network of computers worldwide.

Cryptocurrency and blockchain have seen increasing interest and growth in the recent past. As mentioned before, while cryptocurrencies have received much of the headline news, blockchain is rapidly moving into the forefront. Blockchain acts as a distributed ledger technology that underlies Bitcoin and other cryptocurrencies. This decentralized database of transactions/records is linked and grouped into blocks and stored across a peer-to-peer global network of computers. All these computers on the network are responsible for validating and storing the underlying transactions. With each computer on the network having the exact same copy of a blockchain, hacking the records is nearly impossible (i.e. need to change records of transaction on all computers in the network). Given this revolutionary technology, there are multiple potential applications for blockchain as illustrated below.



Source: ACI Worldwide

Bitcoin's meteoric rise ushered in cryptocurrencies into the mainstream.

As blockchain has gained more traction, so has bitcoin and other cryptocurrencies.

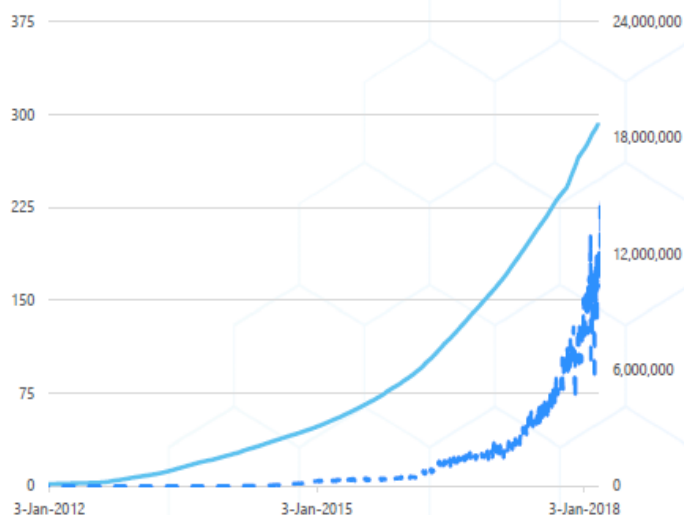
Underlying much of this growth is Bitcoin, which saw a massive appreciation in its share price in late 2017, reaching a peak closing price of US\$19,343.04. Since Bitcoin's inception, it has almost quintupled. As seen below, as the price of Bitcoin rose, its adoption and demand moved in lockstep as evidenced by the rise in total number of transactions.

Bitcoin Price (US\$)



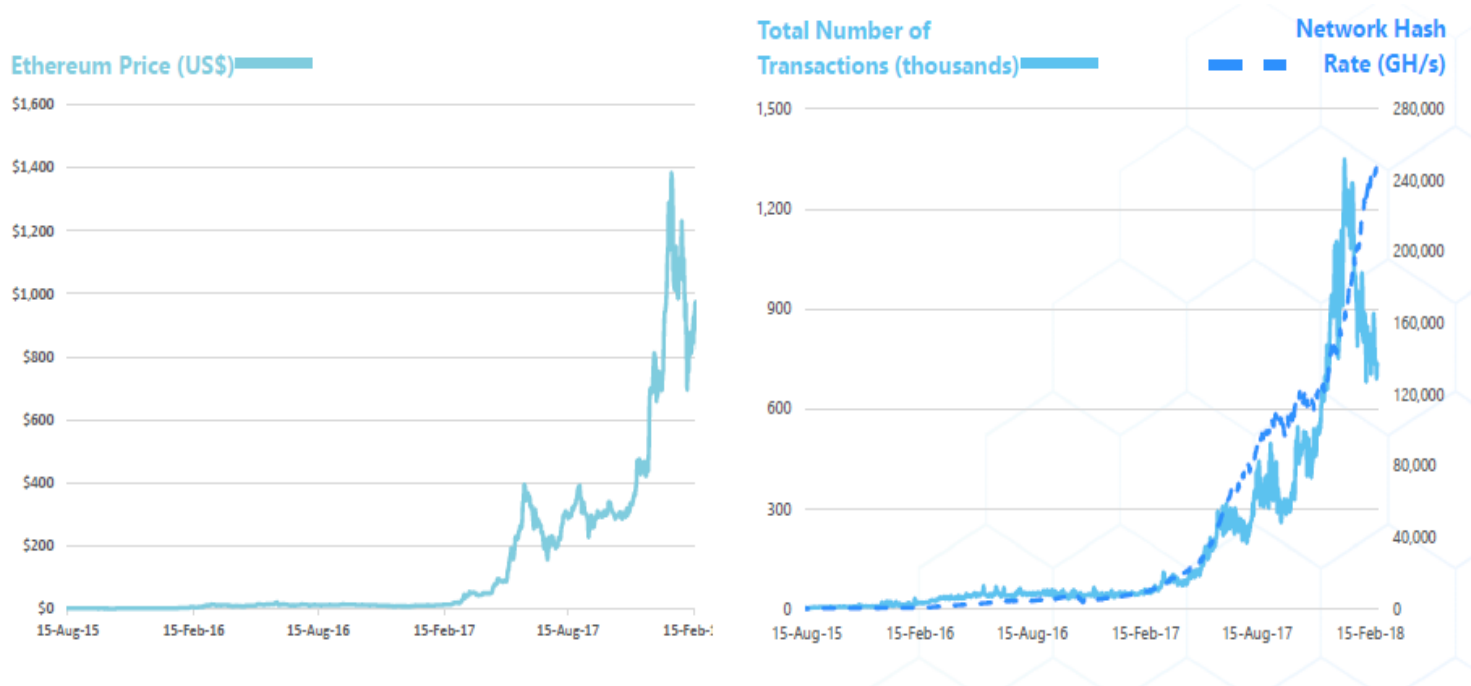
Total Number of Transactions (millions)

Network Hash Rate (TH/s)



Source: Blockchain.info

With Bitcoin's success came other cryptocurrencies. Ethereum also saw the same massive appreciation in its share price, but adoption rates were quicker.



Source: etherscan.io

As investor interest started to rise, multiple other cryptocurrencies came to market. According to CoinMarketCap.com, the total cryptocurrency market capitalization hit about US\$700 billion at the peak.

Total Cryptocurrency Marketcap: Approx. US\$700 billion at the peak



Source: Company Reports; coinmarketcap.com

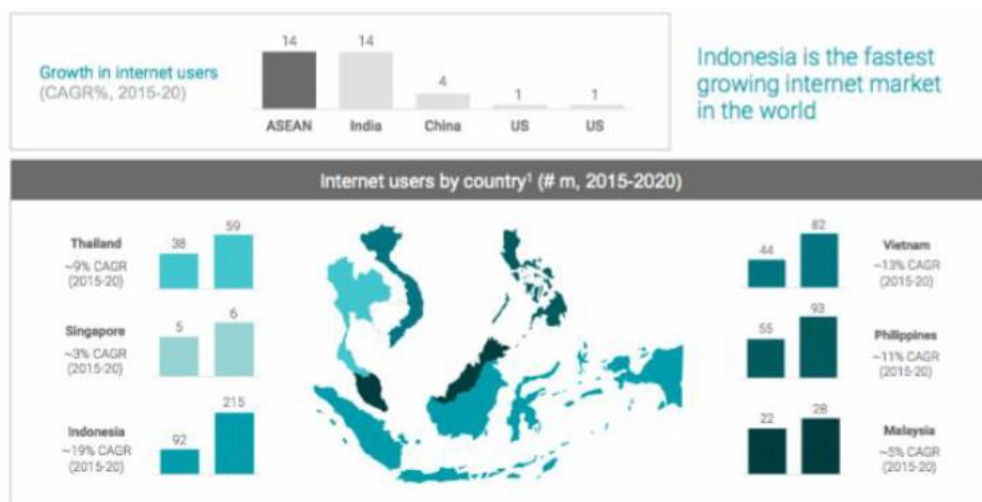
According to CoinMarketCap.com, there are about 1,500 different cryptocurrencies. As cryptocurrencies became more prevalent, additional options for investors to seek exposure to blockchain and cryptocurrencies started to hit the market. In fact, in early 2018, the Chicago Board of Options Exchange (CBOE) and the Chicago Mercantile Exchange (CME) both introduced Bitcoin futures.

Southeast Asia is one of the world's fastest growing internet regions, with an expectation for its Internet e-economy to grow by 6.5x over a 10-year period and reach US\$200 billion by 2025.

Consumer Internet and Southeast Asia Market

According to a Google-Temasek e-conomy SEA study released in 2016, Southeast Asia (SEA) is one of the world's fastest growing Internet regions. In fact, the study predicts that the SEA Internet e-economy should reach US\$200 billion by 2025, a 6.5x increase over a 10-year period.

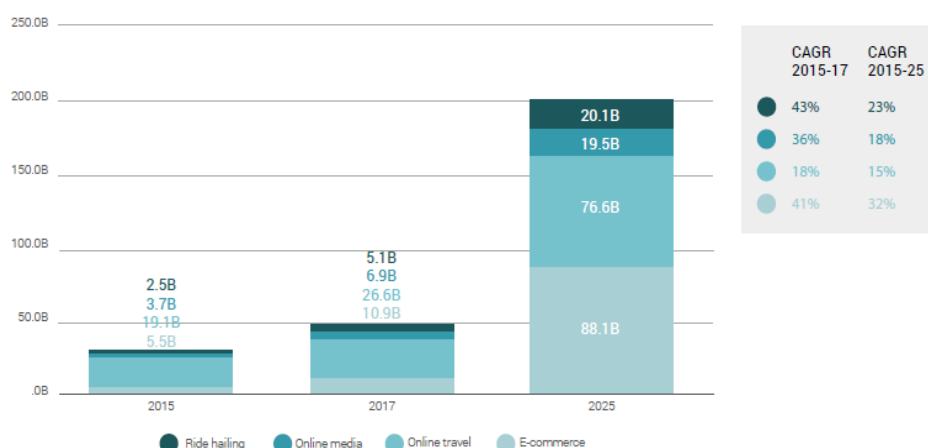
SEA growth is being driven by its existing user base. The study showed an existing user base of 260M users in May 2016, with a prediction to reach 480M users by 2020



Source: Company Reports

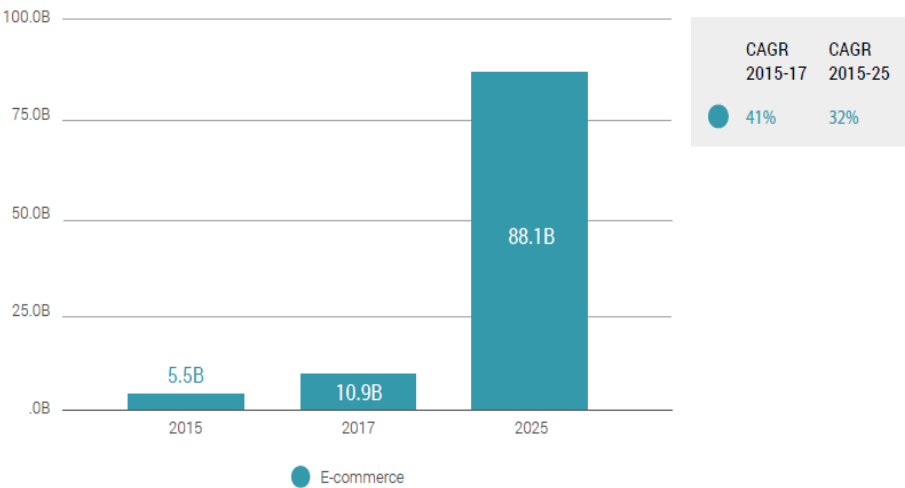
E-Commerce in Southeast Asia is expected to grow at over a 40% CAGR in 2017.

Importantly, mobile drives SEA growth in the Internet. Its estimated that 90% of SEAs Internet users are on smartphones and use these same smartphones to access the Internet. While all sectors of the Internet economy have experience solid growth in 2017, e-commerce is experiencing the one of the fastest growth rates at over 40% CAGRs.



Source: APAC Google-Temasek 2017 Spotlight report

With the SEA e-commerce market highly fragmented, there is room for multiple business model to capture the rapid growth. The Google-Temasek 2017 spotlight report predicts that the ecommerce market will reach US\$10.9 billion in gross merchandise value in 2017, which represents a 41% CAGR from 2015. Additionally, ecommerce is expected to grow at a 32% CAGR between 2015 and 2025.

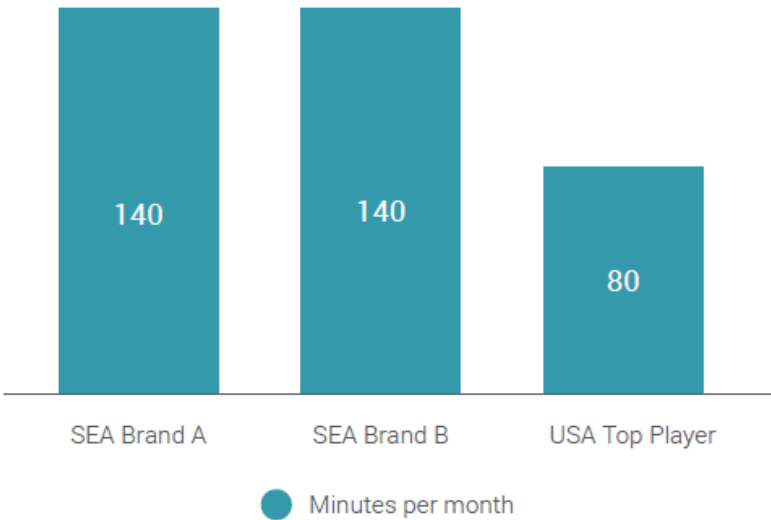


Source: APAC Google-Tenasek 2017 Spotlight report

SEA e-commerce growth rates are being driven by the use of mobile-first platforms to engage consumers and some of the most actively engaged users that spend on average 140 minutes online per month.

Helping drive this growth has been multiple marketplaces where SMBs sell goods to consumers on mobile-first platforms. These marketplaces are often scalable and readily accessible platforms that can reach consumers within SEA and beyond.

Furthermore, SEA’s mobile Internet users are some of the most engaged globally. For example, on average, SEA mobile Internet users spend about 140 minutes per month on ecommerce platforms vs. 80 minutes per month for leading US ecommerce marketplaces



Source: APAC Google-Temasek 2017 Spotlight report

Management Team

Kin-Wai Lau
*CEO & Director***Mr. Kin-Wai Lau**

Mr. Lau is a tech investor and entrepreneur with broad experience across Asia and Europe. Mr. Lau founded his first company at the age of 23 and has since been building companies across the Internet, media, software and biotechnology sectors. He was named by the media as one of the youngest Managing Directors of a publicly traded firm in Southeast Asia when he took his first company to a successful IPO at the age of 28. To date, Mr. Lau has led half a dozen technology companies with some of them being listed on major stock exchanges in the Asia Pacific region. Mr. Lau co-founded Fatfish Internet Group as a regional venture incubator that focuses on building Internet businesses in Southeast Asia and Australia. Mr. Lau received his MBA from the University of Oxford and a Bachelor of Engineering, with first class honours, from the University of Manchester. Mr. Lau was also a faculty research staff and PhD candidate at the Digital Communications Department of the Imperial College London.

Dato' Larry Gan
*Non-Executive Chairman***Mr. Larry Gan**

Mr. Gan is a trained chartered accountant and a certified management consultant. He spent 26 years with Accenture and has held many global leadership roles, consulted on strategic projects for multinational corporations and worked with innovative technologies around the world. He was the Managing Partner for Asia, and between 1999 to 2003 he managed the firm's multibillion-dollar venture fund in Asia Pacific and concluded investments in China, Japan, Australia, and Singapore. Mr. Gan has held, and currently holds various board positions.

Donald H. Low
*Secretary, Non-Executive Director***Mr. Donald Low**

Mr. Low has worked in the corporate advisory and corporate finance sector with experience covering the whole business cycle, ranging from start-up, business creation and exits via Initial Public Offerings (IPOs), Reverse Take Overs (RTO), Trade Sales, and Merger & Acquisitions (M&A). Mr. Low has served as CEO and as a director on boards of private and publicly listed companies in Asia, Australia, and Europe across various sectors, including agriculture, logistics, finance, mining, manufacturing, food and service, the telecommunications, media, and technology space, and Internet. Mr. Low holds a B.Econs, from the University of Western Australia.

Chow Yen-Lu
*Director, Fatfish Medialab***Mr. Chow Yen-Lu**

Mr. Yen-Lu was formally a Distinguished Technologist at Apple Computer. He led the development of several award-winning technology products including Best-of-Best Product Award in Comdex Asia for Apple's Chinese Dictation kit. Mr. Yen-Lu founded AsiaWorks, and was involved in the turnaround of WholeTree.com, a Nasdaq OTC listed digital globalization company. Mr. Yen-Lu served as venture partner to Venture TDF, a Singapore venture capital firm with a global footprint, and venture advisor to SAIL Port Asia Pacific, regional incubation center for voice and language technologies. He was an adjunct professor to NUS Entrepreneurship Center and served as Executive Advisor to NUS Enterprise and SMU Incubators, and a Mentor & Friend to Insead Business School. Mr. Yen-Lu is the co-founder and president of WholeTree Foundation, a family foundation focused on youth wellness, particularly in health and education. Mr. Yen-Lu is a holder of 6 international patents and graduated with MS and BS degrees in electrical engineering from MIT.

Pete Kellock
*Entrepreneur-In-Residence, Advisor***Mr. Pete Kellock**

Mr. Kellock is a serial entrepreneur and inventor. He is the co-founder and former CEO of muvee Technologies, a Singapore based venture-backed firm that has millions of users of its automatic video editing product. Muvee has shipped more than 100 million copies of its software worldwide and has bundled sales through HP and others and embedded

its engines into PC software (Sony), smartphones (Nokia) and cameras (Nikon). Prior to muvee Technologies, Mr. Kellock was a Senior R&D member at Kent Ridge Digital Labs, Singapore. There he was in charge of applied R&D projects, notably the 'Dynamic Media' video/audio research project which ultimately evolved into the muvee venture. He led the development of the core IP, acquired and analyzed competitive intelligence to define the key value proposition and competitive advantage, wrote patents and managed the team. Mr. Kellock is the inventor of 18 patents to date and received his PhD in Electronic Music from the University of Aberdeen, UK.

Phillip Lord*Director of Crypto Financial Markets***Mr. Phillip Lord**

Mr. Lord has been an Executive Director at iCandy Interactive Limited since October 2017. Mr. Lord has been Senior Investor Relations Advisor of The Marketing Group Plc since December 2, 2016. He is responsible for expanding The Marketing Group's institutional ownership and brokerage relationships and advising on its investor relations strategy. He has been Director of Crypto Financial Markets at Fatfish Internet Group Ltd since December 2017. Mr. Lord leads the Company's strategy into the blockchain and decentralized digital cryptographic asset technology area. He has been a serial investor in tech and early stage companies and has more than 20 years of extensive investment bank experience in Asia and Europe. Mr. Lord served as Managing Director for Jefferies & Nomura, working in Tokyo, Hong Kong, Singapore & London. Since 2011, he served as Managing Director of Montreux Capital Group. Prior to that, he held senior positions in the capital markets teams of leading international banks and investment firms including Queen Street Capital, Jefferies LLC, Nomura, HSBC and Capital Group.

Board of Directors

Dato' Larry Gan, Non-Executive Chairman**Kin-Wai Lau**, CEO & Executive Director**Anthony Mackay**, Non-Executive Director**Jeffrey Tan**, Non-Executive Director**Donald Low**, Non-Executive Director

Competition

Fatfish competes effectively against competitors via its experienced management team and board; its exclusive focus on the Consumer Internet market and the Blockchain and Cryptocurrency markets; its effective seed-to-exit strategy; and its successful track-record.

While there are few publicly traded venture capital enterprises in Asia, even fewer focus exclusively on cryptocurrencies.

Fatfish competes for attractive investment opportunities with other financial institutions such as business development companies, junior capital lenders, banks, and other venture capital firms. Fatfish competes with other entities based on the experience of its management team and board; its exclusive focus on the Consumer Internet market and Blockchain and Cryptocurrency markets; its effective investment strategy of “seed to exit”; and its successful track-record.

We also note that there are very few publicly listed venture capital firms. Furthermore, of the publicly listed venture capital firms targeting the Asia Pacific region, even fewer are explicitly targeting the cryptocurrency market. Below we list a few publicly listed venture capital focused companies with a location and focus in Asia.

EVE Investments Limited (ASX: EVE): Eve Investments is a venture capital firm that specializes in startup investments in the technology sector. The firm prefers to invest in Australia. EVE is based in Subiaco, Australia.

JAFECO Co., Ltd (TSE: 8595): JAFECO Co., Ltd. is a private equity and venture capital firm specializing in direct and fund of fund investments. Within direct investments, it invests in incubation, startup, early stage, middle stage, late stage, buyout, business succession, and spin-out related investments. It seeks to invest in many fields such as life science, new drug development, regenerative medicine, medical equipment and healthcare, robotics, electronics, software, IT services, manufacturing, logistics, retail, restaurants, housing, and finance among others. The firm invests in the US, Japan, and Europe. JAFECO Co., Ltd. was founded on April 1973 and is based in Tokyo, Japan.

Powerhouse Ventures Ltd (ASX: PVL): Powerhouse Ventures is a venture capital firm specializing in incubation, start-up, early stage, and growth capital investments. It seeks to invest in engineering and clean technology; biotechnology and agri-science; health and medical devices; food; and information technology, software, and electronics. The firm also makes investments in intellectual property and research. The firm primarily makes investments in companies from Canterbury, New Zealand.

Chapmans Ltd (ASX: CHP): Chapmans Ltd is a venture capital firm specializing in early-stage, mature investments, special situation companies, growth capital investments in public and private companies. The firm prefers to invest in growth industries including Energy & Resources, Specialist Engineering and Technical services, Media, Waste, Enterprise and mobile commerce-based technology, Property, Manufacturing, mobile technology and specialist engineering and technical services. It considers opportunities outside of these focus industries on a case by case basis. Chapmans Limited is based in Sydney, Australia with an additional office in Kuala Lumpur, Malaysia.

Investment Risks

Portfolio volatility

Fatfish is building a unique portfolio of investments in the Blockchain and cryptocurrency markets, and consumer Internet markets. While Fatfish has a diversified pool of companies within each sector, both markets are technology industry specific investments. Any major disruptions of the cryptocurrency market and/or consumer Internet markets, respectively, could cause Fatfish portfolio to suffer volatility.

Underlying portfolio company risk

Fatfish is investing in venture stage companies in the growing Internet markets via a “seed-to-exit” strategy. As expected, early-stage companies often do not generate substantial cash flows and require additional capital to help it reach its growth objectives. As a result, access to capital is often necessary and investing in companies at this stage of the business lifecycle typically carry a higher level of risk.

Capital resources dependence

Fatfish is seeking to invest in early stage Internet companies that it can help grow. However, Fatfish needs investment capital to enable it to achieve its growth objectives. There are no assurances that the Company may be able to raise the necessary capital and/or at a reasonable cost. Should the Company be unable to raise additional capital, its growth objectives could be slowed. Additionally, if equity capital is raised, existing shareholders could be diluted.

Key management dependence

Fatfish investment strategy is highly reliant on Fatfish’s key management, namely Mr. Kin-Wai Lau. Should there be changes to key management positions, Fatfish’s portfolio and growth plans could become less successful.

Regulatory uncertainties

Part of Fatfish’s portfolio is invested in the high growth cryptocurrency and blockchain industry. The rapid rise of cryptocurrencies has led many regulatory bodies and governments to make various announcements around cryptocurrencies that lack consensus. Changes in laws and regulations that hamper or prevent participation in cryptocurrencies could negatively impact the growth of the market and hence Fatfish’s investments.

Cybersecurity risk

Fatfish’s portfolio of investments are all levered to the Internet. Cryptocurrencies are digital currencies transacted over the Internet. Fatfish’s consumer Internet portfolio consists of entities looking to sell goods and services over the Internet to consumers. Any theft of cryptocurrencies, hacks of cryptocurrency exchanges, theft of consumer financial and/or personal information, power outages etc., could all negatively impact the value of Fatfish’s portfolio holdings.

Summary

Fatfish Blockchain Limited (Fatfish) is a global Internet venture investment and development firm. The Company's focus is on growing Internet markets, where it is can help build Internet ventures with the potential to scale globally through its "seed-to-exit" strategy. Importantly, Fatfish enhances the value of investee companies through its capital, its network, and its resources. As a result, Fatfish offers unique opportunities for investors to invest in a diversified portfolio of early-stage and growth-stage Internet businesses.

Fatfish has built a successful track-record of building value

Fatfish has a solid track-record of incubating and realizing value from its investments. One of Fatfish's most successful ventures is iCandy Interactive, which generated an approximate 1,900% ROI over a 2-year investment period. Importantly, Fatfish has been with iCandy since its inception and through its public IPO in February 2016. Cloudaron represents another successful venture that yielded Fatfish a 700% ROI over a two-year period. Fatfish was also involved from seed stage through its IPO in Malaysia in November 2017.

Dual growth strategy positioned to capture growth

At present, Fatfish is investing and building technology businesses in 2 main sectors, (1) Blockchain & crypto-assets and (2) Consumer Internet. Fatfish is aggressively investing in the highly disruptive blockchain and crypto market. Its current portfolio contains five crypto & blockchain investments, positioning Fatfish to capture the massive growth in cryptocurrencies.

On the Consumer Internet side, Fatfish is leverage to the rapid growth in Southeast Asia (SEA). According to a 2016 study by Google-Temasek, SEA is one of the world's fastest growing Internet regions. In fact, the study predicts that the SEA Internet e-economy should reach US\$200 billion by 2025, a 6.5x increase over a 10-year period. With a portfolio of more than 10 companies that has over 380 million active users, Fatfish is well positioned for growth.

Fatfish is uniquely qualified to help entrepreneurs build and grow technology-based businesses

Fatfish seeks to partner with entrepreneurs and experienced executives to build and grow technology-based businesses through a co-entrepreneurship model. Given Fatfish's management's years of experience as serial entrepreneurs, Fatfish is well equipped to identify, invest, and help build successful technology ventures. Importantly, Fatfish investment approach spans from seed to exit.

Strong management team to support growth

Fatfish is led by Mr. Kin-Wai Lau, a tech investor and entrepreneur with broad experience across Asia and Europe. Mr. Lau was name by the media as one of the youngest Managing Directors of a publicly traded firm in Southeast Asia when he took his first company to a successful IPO at the age of 28. Mr. Lau co-founded Fatfish and has built a strong management team around him with deep experience in building businesses, investment banking, and accounting. Through this management team, Fatfish enhances the value of investee companies through its capital, its network, and its resources.

Income Statement

For the Fiscal Period Ending	12 months Dec-31-2016	12 months Dec-31-2017	LTM 12 months Jun-30-2018
Currency	AUD	AUD	AUD
Revenue	1.083	1.387	2.992
Total Revenue	1.083	1.387	2.992
Cost Of Goods Sold	0.195	0.621	1.662
Gross Profit	0.888	0.766	1.33
Selling General & Admin Exp.	2.377	2.129	3.837
Provision for Bad Debts	0.25	0.317	0.269
R & D Exp.	-	-	-
Depreciation & Amort.	0.337	0.083	0.294
Other Operating Exp., Total	2.964	2.53	4.4
Operating Income	(2.077)	(1.764)	(3.07)
Interest Expense	-	(0.023)	(0.041)
Interest and Invest. Income	-	-	-
Net Interest Exp.	-	(0.023)	(0.041)
Currency Exchange Gains (Loss)	0.08	(0.036)	0.031
Other Non-Operating Inc. (Exp.)	(0.05)	(0.059)	(0.12)
EBT Excl. Unusual Items	(2.046)	(1.881)	(3.201)
Impairment of Goodwill	-	-	-
Gain (Loss) On Sale Of Invest.	22.144	3.73	(8.712)
Gain (Loss) On Sale Of Assets	2.681	-	(0.001)
Asset Writedown	-	-	(0.241)
EBT Incl. Unusual Items	22.778	1.849	(12.155)
Income Tax Expense	-	0.008	0.008
Earnings from Cont. Ops.	22.778	1.84	(12.163)
Earnings of Discontinued Ops.	-	-	-
Extraord. Item & Account. Change	-	-	-
Net Income to Company	22.778	1.84	(12.163)
Minority Int. in Earnings	0.067	(0.155)	0.246
Net Income	22.845	1.686	(11.917)
Pref. Dividends and Other Adj.	-	-	-
NI to Common Incl Extra Items	22.845	1.686	(11.917)
NI to Common Excl. Extra Items	22.845	1.686	(11.917)
Per Share Items			
Basic EPS	0.14	0.01	(0.03)
Basic EPS Excl. Extra Items	0.14	0.01	(0.03)
Weighted Avg. Basic Shares Out.	162.332	255.981	397.926
Diluted EPS	0.14	0.01	(0.03)
Diluted EPS Excl. Extra Items	0.14	0.01	(0.03)
Weighted Avg. Diluted Shares Out.	162.332	331.714	397.926

Balance Sheet

Balance Sheet as of:	Reclassified Dec-31-2016	Dec-31-2017	Jun-30-2018
Currency	AUD	AUD	AUD
ASSETS			
Cash And Equivalents	0.399	3.323	0.775
Short Term Investments	-	-	-
Total Cash & ST Investments	0.399	3.323	0.775
Accounts Receivable	0.098	0.514	0.267
Other Receivables	2.242	2.093	2.708
Notes Receivable	-	-	0.906
Total Receivables	2.34	2.607	3.881
Inventory	-	0.38	0.418
Prepaid Exp.	-	0.228	0.025
Other Current Assets	-	-	-
Total Current Assets	2.739	6.539	5.099
Gross Property, Plant & Equipment	0.159	0.171	2.171
Accumulated Depreciation	(0.109)	(0.108)	(0.259)
Net Property, Plant & Equipment	0.05	0.063	1.913
Long-term Investments	32.236	40.044	19.52
Goodwill	-	1.263	1.892
Other Intangibles	0.25	0.473	0.425
Loans Receivable Long-Term	-	0.876	-
Other Long-Term Assets	-	0.567	1.031
Total Assets	35.275	49.825	29.879
LIABILITIES			
Accounts Payable	0.049	0.652	1.418
Curr. Port. of LT Debt	-	-	0.237
Curr. Port. of Cap. Leases	0.01	0.009	-
Unearned Revenue, Current	-	-	-
Other Current Liabilities	0.713	4.186	3.781
Total Current Liabilities	0.772	4.847	5.437
Long-Term Debt	-	1.233	1.006
Capital Leases	0.009	-	-
Other Non-Current Liabilities	2.134	-	-
Total Liabilities	2.915	6.08	6.442
Common Stock	27.787	33.748	35.349
Additional Paid In Capital	-	-	-
Retained Earnings	3.493	5.179	(19.078)
Comprehensive Inc. and Other	1.219	4.785	6.93
Total Common Equity	32.499	43.711	23.201
Minority Interest	(0.139)	0.033	0.236
Total Equity	32.36	43.745	23.437
Total Liabilities And Equity	35.275	49.825	29.879

Cash Flow

For the Fiscal Period Ending Currency	12 months Dec-31-2016 AUD	12 months Dec-31-2017 AUD	LTM 12 months Jun-30-2018 AUD
Net Income	22.845	1.686	(11.917)
Depreciation & Amort.	0.043	0.033	0.192
Depreciation & Amort., Total	0.043	0.033	0.192
Other Amortization	0.295	0.051	0.099
(Gain) Loss From Sale Of Assets	(2.681)	-	-
(Gain) Loss On Sale Of Invest.	(22.114)	(3.73)	(3.73)
Asset Writedown & Restructuring Costs	-	-	0.241
Provision & Write-off of Bad debts	0.25	0.317	0.317
Other Operating Activities	(0.149)	0.354	13.016
Change in Acc. Receivable	(0.558)	(0.418)	(0.418)
Change In Inventories	-	(0.38)	(0.38)
Change in Acc. Payable	(0.096)	1.07	1.07
Change in Other Net Operating Assets	-	(0.228)	(0.228)
Cash from Ops.	(2.166)	(1.246)	(1.737)
Capital Expenditure	(0.026)	(0.021)	(2.145)
Sale of Property, Plant, and Equipment	-	-	0.015
Cash Acquisitions	-	(0.139)	(0.139)
Divestitures	-	-	-
Sale (Purchase) of Intangible assets	(1.092)	(0.384)	(0.384)
Invest. in Marketable & Equity Securt.	0.08	-	(0.195)
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-
Other Investing Activities	(1.322)	(0.93)	(2.19)
Cash from Investing	(2.361)	(1.473)	(5.038)
Short Term Debt Issued	-	-	-
Long-Term Debt Issued	-	0.666	-
Total Debt Issued	-	0.666	1.145
Short Term Debt Repaid	-	-	-
Long-Term Debt Repaid	-	(0.958)	-
Total Debt Repaid	-	(0.958)	(1.271)
Issuance of Common Stock	0.3	6.25	7.106
Total Dividends Paid	-	-	-
Special Dividend Paid	-	-	-
Other Financing Activities	3.715	(0.315)	(0.396)
Cash from Financing	4.015	5.643	6.585
Foreign Exchange Rate Adj.	0.006	(0.001)	(0.003)
Misc. Cash Flow Adj.	(1.192)	-	-
Net Change in Cash	(1.698)	2.924	(0.194)

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