



iCandy Interactive Limited
(ACN 604 871712)
Level 4, 91 William Street
Melbourne, VIC 3000
Australia

31 July 2019

iCandy Update for the Quarter Ended 30 June 2019

Highlights

- **iCandy completed a \$1.5 million capital raise in a well bid private placement**
- **CryptantCrab, iCandy's blockchain-based game, released its highly anticipated competitive battle feature**
- **iCandy and Animoca Brands partnered with 9Games, a unit of Alibaba**
- **Appointment of Senior Technology Executive, Mr. Lum Piew**

Post Quarter Highlights

- **eSports Division to be established**
- **Collaboration with eSports startup Meta.us Pte Ltd**
- **4 new major mobile game titles to be developed in-house**

iCandy Interactive Limited (ASX: ICI) ("iCandy" or the "Company") is pleased to provide an update to its activities for the quarter ended 30th June 2019 (the **"Quarter"**).

Capital Raising

iCandy achieved a capital raise of A\$1.5 million, before costs, through a well-received private placement of 25,000,000 new ordinary shares to institutional and sophisticated investors in the Australian market. These funds will be used to expand iCandy's working capital and to facilitate the Company's merger and acquisition strategy. This will allow iCandy to better realise its corporate plan of monetising its network of 350 million mobile gamers.

CryptantCrab Battle Feature

CryptantCrab, iCandy's first blockchain game, released its highly anticipated competitive battle feature during the Quarter. The battle mode allows players to compete against each other and receive digital rewards. Players are rewarded for participating and winning in the Battle Arenas, with participation also improving the various properties of the virtual Crabs. These incentives of valuable rewards and in-game advancement will grow the CryptantCrab community and allow new contenders to step into the Battle Arena.



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CryptantCrab has also partnered with Lumi Wallet and Infinito Wallet to provide players with mobile accessibility to the game. These mobile compatible wallets will allow players to navigate the world of CryptantCrab on their mobile devices, so that they can participate in the Battle Arena anywhere, anytime.

9Games Partnership

iCandy entered into a Game Cooperation Agreement (the “**Agreement**”) with Animoca Brands Limited and 9Games, a unit of Alibaba digital media and entertainment business group. The Agreement provides for the publishing, localization and marketing in Mainland China of iCandy’s mobile game ‘Groove Planet’ (the “**Game**”). iCandy currently owns the exclusive global rights to the Game while Animoca Brands is the record holder of the ownership rights.

Both iCandy and Animoca Brands are set to reap the benefits of 9Games’ strong Chinese market presence, knowledge of Chinese consumer behavior and established distribution channels. 9Games will localize and publish the Game in Android, while iCandy and Animoca Brands will provide the license and relevant technical support.

Appointment of Mr. Lum Piew

In May 2019, iCandy appointed senior technology executive, Mr. Piew Lum as an Independent Director. Piew Lum spent 25 years engaged in technology and management consulting with Accenture. He has led the Communications, Media and Technology practice in Malaysia as its Managing Director over the last 12 years.

Piew Lum will advise and assist on iCandy international business partnership, publishing and platform development operations.

Material events subsequent to Quarter:

eSports Division

iCandy is establishing an eSports division to advise the board on current and future eSports initiatives. This division will employ a multi-pronged approach to develop business in areas related to technology platform development, development of eSports business via partnership, provision of game content to third-party eSports platforms and eSports community building.

The eSports division will also allow iCandy to refine its monetization mechanics, including in-app purchases, digital advertising, brand and corporate sponsorship, and e-commerce merchandise.



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Collaboration with Meta.us Pte Ltd

In July 2019, iCandy entered into a strategic collaboration agreement with Singapore-based eSports startup Meta.us Pte Ltd ("**Meta.us**"). iCandy has also invested a total of US\$50,000 into Meta.us via subscription of its convertible loan note, with half of the amount paid in shares and half paid in cash.

Founded by Alan Chou – formerly Publishing Director of Southeast Asia at Blizzard – Meta.us aims to develop a free online network and platform that will allow eSports fans, players, tournament organizers and brands to connect and interact with ease.

Under the collaboration, iCandy will contribute its game development experience and its network of 350 million mobile gamers to enhance the interactivity and variety on Meta.us's eSports network. Meanwhile, Meta.us will contribute its technology and platform to assist iCandy in expanding its framework of eSports activities.

As part of the collaboration, iCandy has appointed Alan Chou to its Global Advisory Board to serve as its advisor in matters related to eSports and publishing.

New Mobile Games

iCandy is currently developing 4 new major mobile game titles in-house: "Masketeer", an online role-playing game, "Hamstronauts", an online social-network driven game, "Wonderpants", a physics-driven arcade game, and "Kingdomtopia", an idle simulation game. "Wonderpants" is expected to launch globally in September 2019, while the other game titles are expected to be introduced through the early access programme over the next 6 months, followed by their global launches. iCandy plans to generate revenue from these games through its current monetization mechanics, which largely include in-app or in-game purchases and digital advertising.

For more information, please contact:

MMR Corporate Services Pty Ltd

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About iCandy Interactive

iCandy Interactive Limited (ASX: ICI) is an Australian publicly traded company that has its core business in the development and publishing of mobile games and digital entertainment for a global audience. iCandy Interactive runs a portfolio of mobile games that have been played by over 350 million mobile gamers worldwide and has won multiple awards in various coveted international events. For more info visit www.icandy.io

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ICANDY INTERACTIVE LIMITED

ABN

87 604 871 712

Quarter ended ("current quarter")

30 JUNE 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		431	720
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(53)	(96)
(c) advertising and marketing		(294)	(304)
(d) leased assets		-	-
(e) staff costs		(193)	(390)
(f) administration and corporate costs		(445)	(543)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		15	30
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(539)	(583)

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(5)
(b) businesses	-	-
(c) investments	(223)	(223)
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	68	61
2.4 Dividends received	-	-
2.5 Other (provide details if material)	2	2
2.6 Net cash from / (used in) investing activities	(154)	(165)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares (Note 1)	1,500	1,500
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayments of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(127)	(127)
3.8 Dividends paid	-	-
3.9 Other (Shares issued 9 October 2017)	-	-
3.10 Net cash from / (used in) financing activities	1,373	1,373
4. Net increase / (decrease) in cash and cash equivalents for the period	680	625
4.1 Cash and cash equivalents at beginning of quarter/year to date	306	360
4.2 Net cash from / (used in) operating activities	(539)	(583)
4.3 Net cash from / (used in) investing activities	(154)	(165)
4.4 Net cash from / (used in) financing activities	1,373	1,373
4.5 Effect of movement in exchange rates on cash held	(3)	(2)
4.6 Cash and cash equivalents at end of quarter	983	983

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	983	306
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter	983	306

6. Payments to directors of the entity and their associates

Current quarter \$A'000
18
-

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of Directors fees

7. Payments to related entities of the entity and their associates

Current quarter \$A'000
-
(68)

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Net repayment from related entity loans

Appendix 4C**Quarterly report for entities subject to Listing Rule 4.7B****8. Financing facilities available**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and developments	-
9.2 Product manufacturing and operating costs	60
9.3 Advertising and marketing	50
9.4 Leased assets	-
9.5 Staff costs	120
9.6 Administration and corporation costs	100
9.7 Other	-
9.8 Total estimated cash outflows	330

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Sign here Company Secretary

Date: 31 July 2019

Print Name Jiahui Lan