



**iCandy Interactive Limited**  
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Level 4, 91 William Street  
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Australia

**15 November 2017**

**ASX and Media Announcement**

**ICANDY INTERACTIVE (ASX:ICI) TO ACQUIRE A PORTFOLIO OF MOBILE CASUAL GAMES FROM ANIMOCA BRANDS (ASX:AB1) TO ADD 325 MILLION GAMERS ONTO ITS GAMER NETWORK**

*Key points:*

- *ICI is to acquire a large game portfolio from AB1 for a consideration of A\$5m, with A\$1m to be paid in cash and A\$4m in ICI shares*
- *A further A\$3m performance fees will be payable in ICI if the acquired game portfolio meets the performance milestones over the first 2 years*
- *The proposed acquisition is binding subject to AB1 obtaining relevant ASX and ICI and AB1 obtaining shareholder approval*
- *The proposed acquisition will add on 325 million gamers onto ICI's existing portfolio of games that have 23 million gamers*
- *The upsized publishing and marketing reach will have a positive impact on ICI's business and ongoing publishing partnership with NITRO project announced earlier*

**Acquisition of Game Portfolio from AB1**

ASX-listed mobile games and entertainment group iCandy Interactive Limited (ASX:ICI) is pleased to announce that it has entered into a binding term sheet with ASX-listed Animoca Brands Limited (ASX:AB1) to acquire a portfolio of 318 mobile casual games from AB1 for a purchase consideration of A\$5 million through a combination of cash and shares. The transaction will involve transfer of business and assets related to the portfolio of games from AB1.

**Transaction Structure and Details**



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The purchase consideration is to be paid in A\$1million in cash and the remaining A\$4million in ordinary shares of ICI. The value of the shares calculated at the average price of the closing price of the ICI shares in 15 trading days prior to closing.

There is a performance based payment of up to A\$3million to be paid to AB1 in ICI ordinary shares, subject to the performance of the acquired games portfolio over the first 2 years after the closing of the transaction. In addition to the performance based payment, should the acquired game portfolio achieve a Net Profit of A\$1,000,000 per annum or higher AB1 shall receive a profit share.

There will be a hand-over period after the closing the transaction that AB1 will continue to publish, operate and maintain the game portfolio for a period of at least three months until the ICI team is fully ready to take over all the roles and responsibilities pertaining to the game portfolio. For the services rendered by AB1 during the hand-over period ICI shall pay AB1 the costs of continuing operations of the acquired game portfolio.

Post the hand-over period ICI will seek to integrate the operation of the new portfolio into its existing portfolio. ICI will be funding the acquisition from its existing cash position and operational cash-flow.

The term sheet entered into is binding on AB1 subject to it obtaining the relevant ASX and shareholders approvals. The transaction involves the issuance of shares that will be subject to the approval of shareholders of ICI. A definitive agreement between ICI and AB1 is expected to be entered into within the next 30 days and the transaction is expected to complete over the next 75 days, once ASX and shareholder approval are obtained. Further details will be contained in the notice of meeting.

### **Rationale of the Transaction**



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AB1 is currently on a pathway to restructure its business and the casual mobile games in the acquired game portfolio offer greater upside via ICI's ownership rather than AB1's. In particular ICI is better placed with its game studios across Southeast Asia that provide a lower-cost development footprint and access to a larger talent pool in design and innovation.

Post transaction AB1 will continue to work closely with ICI as a strategic shareholder of ICI to assist on the further development of the casual games business of ICI.

## **Outlook**

The portfolio of casual mobile games to be acquired by ICI from AB1 have generated a community of more than **325 million** gamers on Android and IOS based smartphones and tablets to date. This is likely to have a material positive impact on the marketing and publishing capabilities of ICI, adding onto the existing ICI's portfolio of games that now have about 23 million gamers currently. The combined portfolio will have an estimated 348 million gamers, making ICI's gamers network one of the most powerful gamers community internationally.

"We are excited to work with the extensive casual games portfolio of AB1. This will represent a major milestone for ICI in our strategic plan to become a leading international mobile games and entertainment group. The combined game portfolio will entirely transform our publishing capability and will have a very positive impact on our existing business and the publishing partnership with the Nitro project announced earlier", commented Kin-Wai Lau, Chairman of ICI on the proposed transaction.

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**About Animoca Brands**

Animoca Brands (ASX: AB1) publishes globally a broad portfolio of mobile games and subscription products including several games and e-books based on popular intellectual properties such as Garfield, Thomas & Friends™, Ever After High and Doraemon. Animoca Brands is based in Hong Kong. For more information visit [www.animocabrands.com](http://www.animocabrands.com) or get updates by following Animoca Brands on [Facebook](#), [Twitter](#) or [Google +](#).

**About iCandy Interactive**

iCandy Interactive Limited ("iCandy Interactive") is an Australian incorporated public company that has its core business in the development and publishing of mobile games and entertainment for a global audience. iCandy is listed on the Australian Securities Exchange (ASX) under the symbol ICI.

iCandy Interactive runs multiple award-winning subsidiary games studios in Malaysia, Singapore and Indonesia, including Appxplore and Inzen Studio. It is one of the leading mobile entertainment group in Southeast Asia with over 23 million installs over its gamer network. Top games made by iCandy include Crab War, Alien Path, Star Tap and Dark Dot. Almost all of iCandy's games titles have been recommended and featured on Apple's App Store (iOS) or the Google Play Store. Studios within the iCandy Group have won awards in the coveted International Mobile Game Awards (IMGA) in 2016 and 2017.

For further question on this press release and iCandy, please contact [ir@icandy.io](mailto:ir@icandy.io) or visit [www.icandy.io](http://www.icandy.io)