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FINANCIAL REVIEW FAST100 2020 IN COOPERATION WITH statista

iCandy – Proudly Ranked 25th of Australia's Fastest Growing

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

30 October 2020

Updates for the Quarter Ended 30 September 2020 – Improved Cash Receipt And Well Bid Capital Raise

iCandy Interactive Limited (ASX: ICI) ("ICI" or **the "iCandy")** is pleased to provide an update to its activities for the quarter ended 30 September 2020 (the "**Quarter**").

1. Maintaining the Trend of Improved Cash Receipt

ICI continues to maintain the trend in increasing cash receipt from its operations. During the Quarter ICI saw a marked increase in cash receipt of A$475,000 from its operation compared to A$435,000 for the last quarter. This represents a 9% increase over the last quarter's cash receipt.

It is important to note that this was prior to the launch of new game *Masketeers: Idle of Fallen*, which ICI expects to have a material contribution in revenues in the upcoming quarter.

2. Heavily Over-subscribed Capital Raise

On 15 September 2020, ICI successfully raised A$1.25 million via a heavily over-subscribed capital raising.

Approximately 1 week later on 21 September 2020, ICI raised a further A$1.20m from strategic investors with track-records in digital marketing in North America at a 125% premium over the last issue price.

With the fresh capital, ICI is now better positioned to expand its mobile gaming and esports business and drive new marketing initiatives in Australia and Asia.

3. Successful Pre-Launch of New Game - Masketeers

During the Quarter, ICI completed a highly successful early access trial for its new game, Masketeers: Idle Has Fallen ("**Masketeers**"). ICI conducted the trial in collaboration with Google Play and saw more than 80,000 gamers playing Masketeers during the trial. Subsequently, Masketeers was put onto the pre-order mode and received more than 1 million pre-orders – the highest number iCandy has ever seen in its game portfolio. Masketeers has successfully launched into 70

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countries on 6 October 2020.

ICI recently advised that the first 10 days revenue of Masketeers was $265,000, which was significantly higher than management expectations

4. Partnership with 9Games (Alibaba)

On 24 September 2020, ICI announced that 9Games, a unit of Alibaba Digital Media and Entertainment Business Group, has completed the documentation for the regulatory application to the Chinese authorities to register iCandy's musical hit game, Groove Planet, for the People's Republic of China (PRC).

Apart from Groove Planet, iCandy has identified 5 other games that it intends to market in the Chinese game market at a later date.

Listing Rule 4.7C.3
In Item 6 of the Company's Appendix 4C of the cash flow report for the quarter, it has been reported that there were payments to Related Parties of approximately $5,000. This was payment for directors' fees.

This announcement has been authorized by the Board of Directors of the Company.

— ENDS —

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 information visit www.icandy.io

For more information, please contact:
ir@icandy.io

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of Entity

ICANDY INTERACTIVE LIMITED

ABN	**Quarter ended ("current quarter")**
87 604 871 712	30 SEPTEMBER 2020

Consolidated Statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	475	1,104
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(54)	(141)
	(c) advertising and marketing	(271)	(493)
	(d) leased assets	-	-
	(e) staff costs	(288)	(743)
	(f) administration and corporate costs	(163)	(450)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	(6)
1.7	Government grants and tax incentives	138	289
1.8	Other (provide details if material)	-	-
1.9	**Net cash from/(used in) operating activities**	**(163)**	**(440)**

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(14)	(24)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(33)	(33)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	126
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from/(used in) investing activities**	**(47)**	**69**

		Current quarter $A'000	Year to date (9 months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,533	2,533
3.2	Proceeds from issue of convertible debt securities	150	150
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or co0nvertible debt securities	(83)	(83)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from/(used in) financing activities**	**2,600**	**2,600**

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	251	414
4.2	Net cash from /(used in) operating activities (item 1.9 above)	(163)	(440)
4.3	Net cash from /(used in) investing activities (item 2.6 above)	(47)	69
4.4	Net cash from /(used in) financing activities (item 3.10 above)	2,600	2,600
4.5	Effect of movement in exchange rates on cash held	-	(2)
4.6	**Cash and cash equivalents at end of period**	**2,641**	**2,641**

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	2,641	251
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,641**	**251**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	5
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	**Financing Facilities** *Note: the term "facility" includes all forms of financing arrangements available to the entity* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end** **$A'000**	**Amount drawn at quarter end** **$A'000**
7.1	Loan facilities	-	
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

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

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from/(used in) operating activities (item 1.9)	(163)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,641
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,641
8.5	**Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)**	**16**

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not ?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet is business objectives and, if so, on what basis ?

N/A

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Compliance Statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: By the Board of Directors

Notes:

1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the {name of board committee - eg *Audit and Risk Committee]".* If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system risk management and internal control which is operating effectively.