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FINANCIAL REVIEW FAST 100 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

29 January 2021

4Q2020: iCandy's Best Quarter Ever with 274% Jump in Cash Receipts

iCandy Interactive Limited (ASX: ICI) ("iCandy" or **the "Company")** is pleased to provide highlights to its activities for the quarter ended 31st December 2020 (the "**Quarter**") in conjunction with the 4C quarterly results accompanied in this announcement.

1. 274% Jump in Cash Receipts

iCandy's cash receipt from operations during the Quarter skyrocketed by 274% to A$1.3 million from A$475,000 in the prior quarter. This represents the highest cash receipts ever of a quarter, for the Company.

The cash receipts during the Quarter alone is also **18% higher than the cash receipts of the combined of first 3 quarters of 2020** (A$1.1 million).

The huge growth in cash receipts during the Quarter is mainly attributed to the successfully launching of iCandy's highly anticipated new game *Masketeers: Idle Has Fallen ("**Masketeers**")*, which has proven to be a major winner, recording A$1,000,000 in revenue in just 2 months since its release in early October 2020.

To continue its growth trend, iCandy has embarked on several other initiatives as set out below.

2. Launching of Masketeers on Samsung Galaxy Store USA

To further distribute iCandy's mobile games, iCandy had launched Masketeers on the Samsung Galaxy Store in USA.

Samsung Galaxy Store has a strong presence in North America. The North American market is a key market identified by iCandy based on retention and monetization data collected by iCandy from earlier trials conducted.

iCandy is seeing strong growth in user numbers and downloads since going live with Samsung Galaxy Store.

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3. Partnership with Ohayoo

As reported by MarketingToChina, China recorded over US$36.5 billion in gaming revenue in 2019, putting it just behind the US as the world's largest gaming market.

As such, it is part of iCandy's growth strategy to penetrate the lucrative Chinese mobile games market. To this end, iCandy had entered into a Game Publishing Agreement with the Ohayoo, a leading game publisher in China to localize, publish and market iCandy's smash hit mobile game, Masketeers in China.

Subsequent to the Quarter end, iCandy had further cemented its ties with Ohayoo by entering into another Game Publishing Agreement with Ohayoo to exclusively publish and market its other mobile game, Rocky Rampage globally including China.

4. JV with Lemon Sky Studios

In order to build its product pipeline, iCandy has plans to develop a 3D game with AAA visuals and animation. To do this, iCandy had during the Quarter entered into a JV with Lemon Sky Studios, a leading global game animation and art studio which has impeccable track record working with gaming industry giants such as Disney, Blizzard Entertainment, Electronic Arts, Square Enix, Naughty Dog, 2K Games, Capcom, Bandai Namco and Nickelodeon.

The JV company, Malaysian-based Sky Candy Sdn Bhd has already been incorporated and has since hired its first employee. It is currently in the midst of hiring a dedicated studio team to carry out its game development activities.

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 $80,000. This was payment for directors' fees.

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

— END —

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 video-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

For further communication: 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	31 DECEMBER 2020

Consolidated Statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,301	2,405
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(131)	(272)
	(c) advertising and marketing	(319)	(812)
	(d) leased assets	-	-
	(e) staff costs	(307)	(1,050)
	(f) administration and corporate costs	(267)	(717)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	49	49
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(12)	(18)
1.7	Government grants and tax incentives	-	289
1.8	Other (provide details if material)	-	-
1.9	**Net cash from/(used in) operating activities**	**314**	**(126)**

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

		Current quarter $A'000	Year to date (12 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	(16)	(40)
	(d) investments	-	-
	(e) intellectual property	(908)	(908)
	(f) other non-current assets	(388)	(421)
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**	**(1,438)**	**(1,369)**

		Current quarter $A'000	Year to date (12 months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,949	12,482
3.2	Proceeds from issue of convertible debt securities	1,061	1,211
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or co0nvertible debt securities	(696)	(779)
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**	**10,314**	**12,914**

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

		Current quarter $A'000	Year to date (12 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	2,641	414
4.2	Net cash from /(used in) operating activities (item 1.9 above)	314	(126)
4.3	Net cash from /(used in) investing activities (item 2.6 above)	(1,438)	(1,369)
4.4	Net cash from /(used in) financing activities (item 3.10 above)	10,314	12,914
4.5	Effect of movement in exchange rates on cash held	(5)	(7)
4.6	**Cash and cash equivalents at end of period**	**11,826**	**11,826**

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	11,826	2,641
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)**	**11,826**	**2,641**

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	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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Appendix 4C
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)	314
8.2	Cash and cash equivalents at quarter end (item 4.6)	11,826
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	11,826
8.5	**Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)**	**38**

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

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: 29 January 2021

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.

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