



30 April 2024

**ASX and Media Announcement**

## **Cash Receipt Up 8% for Quarter Ended 31 March 2024**

iCandy Interactive Ltd (ASX: ICI) ("**iCandy**" or the "**Company**") is pleased to provide the quarterly summary of its activities for the quarter ended 31 March 2024 ("**Quarter**").

During the Quarter, iCandy recorded cash receipts of A\$7.21 million, **an increase of approximately 8% from** A\$6.67 million recorded in the previous quarter.

Meanwhile, we had also significantly reduced our operating costs during the Quarter, resulting in lower net cash used in operating activities of A\$365,000 versus A\$1,171,000 recorded in the previous quarter.

Management remains committed towards driving its on-going strategic optimisation of costs to reduce non-essential expenses via a corporate wide cost review and right-sizing initiatives which had commenced in early 2023.

Further, we remain upbeat with our forthcoming zkCandy project launches for the year. zkCandy is a strategic collaboration with US-based Matter Labs. This initiative aims to pioneer the development of a gaming-focused Layer2 hyperchain. The Layer2 hyperchain is poised to incorporate tailored gaming and AI-specific tools, decentralized gaming infrastructure, comprehensive developer resources, and a robust game development ecosystem.

zkCandy is looking to operate its testnet to evaluate and gather feedback on the performance, reliability, and scalability of our network infrastructure during the month of May 2024.

Leveraging on Matter Lab's Zero-Knowledge Stack framework, the board believes that the zkCandy project stands as a significant opportunity for iCandy within the burgeoning Web3 market, which has demonstrated notable recovery following an extended period of softer activity.

### **Listing Rule 4.7C.1**

In accordance with Listing Rule 4.7C.1, a summary of the net cash operating cash outflows for the quarter ended 31 March 2024 are as follows:

Receipts from customers	\$7,213,000
Interest received	\$69,000
Government grants and tax incentives	\$42,000

Payments for:

Product manufacturing and operating costs	\$1,171,000
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Advertising and marketing	\$170,000
Leased assets	\$168,000
Staff costs	\$5,246,000
Administration and corporate costs	\$640,000
Interest and other costs of finance paid	\$24,000
Income taxes paid	\$270,000

### **Listing Rule 4.7C.3**

In accordance with Listing Rule 4.7C.3 under Item 6 of the Company's Appendix 4C of the cash flow report for the Quarter, it has been reported that payments to Related Parties are approximately \$29,000.

The Company's Appendix 4C statement is herein attached at the back of this announcement.

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

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### **About iCandy Interactive**

iCandy Interactive Limited (ASX:ICI) is an award-winning, publicly traded video games company that has been listed on the Australian Securities Exchange since 2016.

With headquarters in Melbourne, Australia, and offices across Malaysia, Singapore, Indonesia, and Germany, we are one of the largest independent game developers in the region. Our team of more than 650 full-time game developers, artists, and engineers has delivered more than 350 mobile, console, PC, and Web 3.0 titles. The Company has worked with some of the biggest names in the business on some of the most widely known titles and iconic franchises in video games history. For more information, please visit our website at <https://icandy.io/>.

iCandy Group is supported by a strong network of strategic shareholders, including Animoca Brands, Fattfish Group, Baidu, Singtel, SK Square, AIS, IncubateFund, as well as several Australian and international funds.

For more details, please contact: [ir@icandy.io](mailto:ir@icandy.io)

## Appendix 4C

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

#### Name of Entity

ICANDY INTERACTIVE LIMITED

#### ABN

87 604 871 712

#### Quarter ended ("current quarter")

31 MARCH 2024

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (3 mths) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	7,213	7,213
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,171)	(1,171)
(c) advertising and marketing	(170)	(170)
(d) leased assets	(168)	(168)
(e) staff costs	(5,246)	(5,246)
(f) administration and corporate costs	(640)	(640)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	69	69
1.5 Interest and other costs of finance paid	(24)	(24)
1.6 Income taxes paid	(270)	(270)
1.7 Government grants and tax incentives	42	42
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from/(used in) operating activities</b>	<b>(365)</b>	<b>(365)</b>

## Appendix 4C

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

	Current quarter \$A'000	Year to date (3 mths) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(683)	(683)
(d) investments	(241)	(241)
(e) intellectual property	(86)	(86)
(f) other non-current assets	-	-
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	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from/(used in) investing activities</b>	<b>(1,010)</b>	<b>(1,010)</b>

	Current quarter \$A'000	Year to date (3 mths) \$A'000
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	965	965
3.6 Repayment of borrowings	(1,165)	(1,165)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - payments for share buyback	-	-
<b>3.10 Net cash from/(used in) financing activities</b>	<b>(200)</b>	<b>(200)</b>

## Appendix 4C

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

	Current quarter \$A'000	Year to date (3 mths) \$A'000
<b>4. Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,384	6,384
4.2 Net cash from/(used in) operating activities (item 1.9 above)	(365)	(365)
4.3 Net cash from/(used in) investing activities (item 2.6 above)	(1,010)	(1,010)
4.4 Net cash from/(used in) financing activities (item 3.10 above)	(200)	(200)
4.5 Effect of movement in exchange rates on cash held	(60)	(60)
4.6 Effect on deconsolidation of subsidiaries that have been deemed investment entities	-	-
<b>4.7 Cash and cash equivalents at end of period</b>	<b>4,749</b>	<b>4,749</b>

	Current quarter \$A'000	Previous quarter \$A'000
<b>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.</b>		
5.1 Bank balances	4,749	6,384
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,749</b>	<b>6,384</b>

#### 6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
29
-

## Appendix 4C

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

7. Financing Facilities	Total facility amount at quarter end	Amount drawn at quarter end
	\$A'000	\$A'000
7.1 Loan facilities	5,029	4,168
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>5,029</b>	<b>4,168</b>

7.5 Unused financing facilities available at quarter end 861

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.

Lemon Sky has financial covenants imposed by the bank. So long as part of its indebtedness or facilities remains unpaid, Lemon Sky shall not without the prior written consent of the Bank:

(i) permit the ratio of external borrowings to tangible net worth calculated annually in accordance with the formula below, to exceed

Formula:

$$\text{External Gearing} = \frac{\text{Total External Borrowings}^*}{\text{Tangible Net Worth}^{**} + \text{Minority Interest}}$$

\* Total External Borrowings = Overdraft + Trade Finance + Bank Borrowings + Other Borrowings + HP or Leasing + Convertible Bonds (Notes) + Redeemable Preference Shares

\*\* Tangible Net Worth = Ordinary Shares + Non-redeemable Preference Shares + Share Premium + Retained Earnings + Reserves + Proprietary or Partners Funds - Treasury Stock - Intangibles

(ii) in any financial year of Lemon Sky, declare or pay any dividends (including stock dividends) upon any present or future capital stock of the company where the amount of all such dividends declared or paid in such year exceeds or will exceed 50% of after-tax profit for such year.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(365)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,749
8.3 Unused finance facilities available at quarter end (Item 7.5)	861
8.4 Total available funding (Item 8.2 + Item 8.3)	5,610
<b>8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)</b>	<b>15.37</b>

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 its business objectives and, if so, on what basis ?

N/A

## Appendix 4C

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

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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 April 2024

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.