



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

ASX Announcement
4 October 2018

iCandy Signs Definitive Agreement to Acquire Joyseed

Reference is made to the ASX announcement made by iCandy Interactive Limited ("**iCandy**", "**ICI**", or the "**Company**") (ASX: ICI) on 18 May 2018, regarding the signing of a termsheet for iCandy to acquire 70% of PT Joyseed Berbagi Sukses ("**Joyseed**"), an Indonesian mobile gaming development studio.

iCandy is pleased to announce that it has entered into a definitive agreement with Bernardus Boy Dozan Poerniawan and Joseph Putra Wibawa (both referred to as "**Vendors**") to acquire 70% of Joyseed ("**Agreement**").

The salient terms of the acquisition are as follows:

1) Consideration

The consideration for the acquisition of 70% of Joyseed shall be up to AUD350,000, to be wholly satisfied in 9 tranches via the issuance of new iCandy shares at an issue price of AUD0.09 per share ("**Issue Price**").

For the 1st tranche, iCandy will issue AUD31,250 worth of iCandy shares to the Vendors within 5 business days from the date the Agreement becomes unconditional ("**First Closing Date**").

For each of the 2nd to 8th tranche, iCandy will issue AUD31,250 worth of iCandy shares to the Vendors on a quarterly basis, with the 2nd tranche being issued 3 months after the First Closing Date, and each subsequent tranche being issued 3 months after the preceding tranche, subject to both Vendors' continued employment with iCandy at all times up to the relevant issue date. For the avoidance of doubt, if either of the Vendors resign from iCandy, then all tranche payments subsequent to the resignation date will be forfeited.

For the 9th tranche, iCandy will issue AUD100,000 worth of iCandy shares at the Issue Price to the Vendors within 10 business days from the date Joyseed achieves a performance milestone of AUD350,000 in revenue within 24 months from the First Closing Date ("**Second Closing Date**").

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For the avoidance of doubt, if Joyseed does not achieve the revenue milestone of AUD350,000 within 24 months from the First Closing Date, then the 9th tranche payment will be forfeited.

2) Conditions Precedent

The completion of the Agreement is subject to the following conditions precedent being met within 3 months from the date of the Agreement, unless extended or waived by iCandy in its sole discretion (to the extent permitted by law and the ASX Listing Rules):

- (i) Satisfactory completion of a financial and legal due diligence of Joyseed by iCandy;
- (ii) iCandy obtaining all relevant approvals and consent from its shareholders for the transaction, if required;
- (iii) iCandy obtaining the approval from ASX for the transaction, if required;
- (iv) The approval of Badan Koordinasi Penanaman Modal Republik Indonesia (BKPM) having been obtained, if required;
- (v) The approval of the Ministry of Law and Human Rights of Indonesia having been obtained, if required; and
- (vi) The approval of any other relevant governmental or regulatory bodies deemed necessary by iCandy for the purchase of 70% of Joyseed having been obtained, if required.

3) Board of Directors and Senior Management

Upon the First Closing Date, Joyseed shall have:

- (i) a maximum of 3 Directors in its Board of Directors, whereby iCandy has the right to appoint up to 2 Directors of its choice; and
- (ii) a maximum of 2 Commissioners in its Board of Commissioners, whereby iCandy has the right to appoint up to 1 Commissioner of its choice.

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iCandy shall have the right to retain and promote the senior management of Joyseed.

4) Provision of Marketing Services

All games developed by Joyseed will be published under the "Joyseed" brand, but marketing operations shall be provided and managed by AppXplore (iCandy) Ltd, a wholly-owned subsidiary of iCandy.

As consideration, AppXplore (iCandy) Ltd will be entitled to 30% of the net profit (after deduction from channel and advertising cost) for the games developed by Joyseed.

5) Moratorium

All the iCandy shares issued to the Vendors under the Agreement shall be listed on the ASX and will be subject to a moratorium of 2 years from the date of issuance.

All the Joyseed shares held by iCandy and the Vendors shall be subject to a moratorium of 2 years from the First Closing Date.

- End -

About PT Joyseed Berbagi Sukses

Joyseed is an award winning mobile game development studio surging amidst the expanding Southeast Asia's mobile game market. Based in Jakarta, Indonesia, Joyseed's team is made up of the skilled artists and developers from the region dedicated to planting the seed of joy in the hearts of everyone.

On 9 August 2018, Joyseed released its first game, Hollywhoot: Idle Hollywood Parody. The game was a success – within a month, Hollywhoot has generated more than 250,000 unique downloads from Google Play and Apple App Store.

For more information visit www.joyseedgametribe.com

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About iCandy Interactive Limited

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 are being played by over 350 million gamers worldwide and has won multiple awards in various coveted international events. For more information visit www.icandy.io.

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