



28 February 2023

**ASX and Media Announcement**

**Record Financial Year With Revenue Growth of 15x  
With Growing Demand and Profit Before Tax Positive  
For the First Time**

Highlights:

- **Best full year financial results** recorded for the Group
- **FY2022 Revenue of A\$31.5m, an increase of 1,550%** compared to A\$1.9 million achieved in 2021
- **FY2022 Profit Before Tax of A\$0.5 million – iCandy's first ever**
- **Revenue trend is expected to sustain** with Lemon Sky Studios having a strong pipeline of demand
- **Pipeline of Web3 games and metaverse** in various stages of development
- Strong balance sheet with **Net Asset of \$86million**

iCandy Interactive Ltd (ASX: ICI) ("iCandy" or the "Company") is pleased to provide its unaudited financial results for the 12 months ended 31 December 2022.

Comparative Table		
	2022 (A\$'000)	2021 (A\$'000)
Revenue	\$31,479	\$1,944
Profit before tax	\$523	\$(4,180)

iCandy achieved an **explosive growth of 1,550% in revenue from A\$1.9 million in 2021 to A\$31.5 million in 2022**, following the consolidation of results from Lemon Sky Studios, which iCandy acquired in February 2022.

On the back of its highest ever revenue, **iCandy achieved a positive profit before tax for the first time ever, recording profit before tax of A\$0.5 million.** Furthermore, after excluding one-off acquisition costs of A\$2.25 million related to acquisitions including the acquisition of Lemon Sky Studios, iCandy would have achieved a positive profit after tax of approximately A\$1.5 million.

**Strong Balance Sheet**

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FINANCIAL REVIEW  
**FAST 100 2020**  
iCandy – Proudly Ranked 25<sup>th</sup>  
of Australia's Fastest Growing

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

The net assets of the Group as at 31 December 2022 has improved tremendously to \$86.0 million. (31 December 2021: \$23.9 million). This strong balance sheet positions the Group for future growth and market leading position.

### **Revenue Trend To Continue**

As previously reported, the strong revenue was mainly contributed by iCandy's new subsidiary, Lemon Sky Studios. The management expects the revenue trend to continue to sustain and grow, as Lemon Sky Studios is in continuous strong demand for its game development services for AAA games, having a very strong pipeline of demand.

### **Ongoing Web3 and Metaverse Game Development**

Meanwhile, the management continues to allocate part of the Group's resources into developing its own Web3 games and metaverse. Having done a series of acquisitions in 2022 to strengthen developing skills and technical know-how, iCandy is in a very good position to develop its Web3.0 gaming and metaverse ambition. The global Web3 gaming market has seen some headwind recently but iCandy believes this is temporary as the macro global gaming trend is growing regardless, and Web3 gaming sector remains an exciting growth opportunity for the videogame industry as a whole.

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

— END —

### **About iCandy Interactive**

iCandy Interactive Limited (ASX: ICI) ("**iCandy Group**" or the "**Company**") is an award-winning Australian videogame company publicly traded on the ASX since 2016.

Currently the largest independent game developer in Australia, New Zealand and Southeast Asia with operating bases in Australia, Indonesia, Malaysia, Singapore and Thailand, the Company employs more than 650 full-time talents and has strengths in the development and publishing of traditional games (mobile, console and PC) and Web 3.0 games.

iCandy Group is backed by strategic shareholders that include Animoca Brands, Fatfish Group, Baidu, Singtel, SK Square, AIS, as well as numerous Australian and international funds. For more details, please contact: [ir@icandy.io](mailto:ir@icandy.io) or visit [www.icandy.io](http://www.icandy.io)

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**APPENDIX 4D  
PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**Lodged with the ASX under Listing Rule 4.3A**

**Contents**

- Results for announcement to the market
- Net tangible assets
- Control over other entities
- Associates and joint venture entities
- Preliminary financial statements
- Compliance statement

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## Company Details



Name of reporting entity: iCandy Interactive Limited  
ABN: 87 604 871 712  
Reporting period: 1 January 2022 - 31 December 2022  
Prior corresponding reporting period: 1 January 2021 - 31 December 2021

## Results for announcement to the market

Revenue from ordinary activities	Up	1520%	from	1,943,631	to	31,478,670
Loss from ordinary activities	Down	82%	from	(4,180,260)	to	(734,073)
Net loss for the period attributable to members	Down	86%	from	(4,122,884)	to	(588,462)

No dividend was paid during the financial year. No dividend has been proposed or declared since the end of the financial year.

Revenue from ordinary activities increased by 1520% to \$31,478,670 from last year's revenue of \$1,943,631

Net loss attributable to members \$734,073 compared to last year's loss of \$4,122,884.

Loss per share of (0.048 cent) compared with last year's loss of (0.69 cents).

Diluted loss per share of (0.048 cent) compared with last year's loss of (0.69 cents).

## Review of Operations

iCandy achieved an explosive growth of 1,550% in revenue from A\$1.9 million in 2021 to A\$31.5 million in 2022, following the consolidation of results from Lemon Sky Studios, which iCandy acquired in February 2022.

On the back of its highest ever revenue, iCandy achieved a positive profit before tax for the first time ever, recording profit before tax of A\$0.5 million. Furthermore, after excluding one-off acquisition costs of A\$2.25 million related to acquisitions including the acquisition of Lemon Sky Studios, iCandy would have achieved a positive profit after tax of approximately A\$1.5 million.

Strong Balance Sheet.

The net assets of the Group as at 31 December 2022 has improved tremendously to \$86.0 million. (31 December 2021: \$23.9 million). This strong balance sheet positions the Group for future growth and market leading position

## Net tangible assets

Net tangible asset backing per ordinary share at 31 December 2022 2.84 cents, and at previous corresponding period, 4.06

## Control over other entities

Name of entity: Lemon Sky Studios Sdn Bhd  
Date of control gained: 31 January 2022  
Contribution to reporting entity's profit: Profit of \$7,713,715

Name of entity: Digital Games International Pte Ltd  
Date of control gained: 24 February 2022  
Contribution to reporting entity's profit: Loss of \$1,997,418

Name of entity: Hashcode Studio Sdn Bhd (formerly known as Gameconomy Sdn Bhd)  
Date of control gained: 24 Mar 2022  
Contribution to reporting entity's profit: Loss of \$49,121

Name of entity: Flying Sheep Studios GmbH  
Date of control gained: 14 June 2022  
Contribution to reporting entity's profit: Loss of \$59,698



**PRELIMINARY STATEMENT OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**For the year ended 31 December 2022**

	Note	Group	
		2022 (unaudited) \$	2021 \$
<b>Continuing operations</b>			
<b>Revenue</b>			
Other income	2	31,478,670	1,943,631
Cost of sales	2	1,130,991	101,434
		(13,614,136)	(1,199,011)
		<u>18,995,525</u>	<u>846,054</u>
Loss on disposal of subsidiary		-	(466,865)
Unrealised foreign currency gain/(losses)		(31,844)	(173,774)
Acquisition costs		(2,250,000)	-
Doubtful debt expense		(89,294)	-
Marketing expenses		(451,831)	(79,729)
Audit fees		(99,690)	(42,620)
Legal and professional fees		(1,539,127)	(462,636)
Occupancy expenses		(524,319)	-
Employee benefits expense		(6,627,124)	(1,212,127)
Depreciation and amortisation expense		(3,077,351)	(1,200,517)
Gain on fair value of put option		516,533	-
Impairment expense		32,479	(381,296)
Computer expenses		(312,199)	(68,263)
Share based payments		(170,846)	(388,271)
Other expenses		(3,277,385)	(493,392)
Travel expenses		(376,510)	(5,022)
Share of profits of associates and joint ventures		-	(45,066)
Finance costs		(194,413)	(6,736)
<b>Profit/(Loss) before income tax</b>		<u>522,604</u>	<u>(4,180,260)</u>
Tax expense		(1,256,677)	-
<b>Net loss for the year</b>		<u>(734,073)</u>	<u>(4,180,260)</u>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Foreign currency translation reserve recycled on disposal of subsidiary		-	308,886
Exchange differences on translating foreign operations, net of tax		(304,126)	147,267
Fair value increase/(decrease) in investment holdings		(4,966,039)	472,323
Fair value increase/(decrease) in digital asset holdings		(935,644)	527,483
		<u>(6,205,809)</u>	<u>1,455,959</u>
<b>Total other comprehensive income/(loss) for the year</b>		<u>(6,205,809)</u>	<u>1,455,959</u>
<b>Total comprehensive income for the year</b>		<u>(6,939,882)</u>	<u>(2,724,301)</u>
Net profit attributable to:			
Owners of the parent entity		(588,462)	(4,122,884)
Non-controlling interest		(145,611)	(57,376)
		<u>(734,073)</u>	<u>(4,180,260)</u>
Total comprehensive income attributable to:			
Members of the parent entity		(6,738,201)	(2,669,109)
Non-controlling interest		(201,681)	(55,192)
		<u>(6,939,882)</u>	<u>(2,724,301)</u>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings per share (cents)	11	(0.05)	(0.69)
Diluted earnings per share (cents)	11	(0.05)	(0.69)

The above statement should be read in conjunction with the accompanying notes.



**PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2022**

	Note	Group	
		2022 (unaudited) \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		17,423,664	18,306,705
Trade and other receivables	3	8,455,992	1,364,023
Other financial assets	4	3,146,577	2,585,473
Other assets		2,334,242	3,020,141
<b>Total Current Assets</b>		<b>31,360,475</b>	<b>25,276,342</b>
<b>Non-Current Assets</b>			
Financial Assets - Fair value OCI	5	2,270,162	6,804,467
Property, plant and equipment	6	11,566,502	106,822
Investments accounted for using equity method		-	35,934
Deferred tax assets		161,075	-
Intangible assets	7	51,093,171	3,692,987
Right-of-use assets		75,336	130,411
<b>Total Non-Current Assets</b>		<b>62,896,084</b>	<b>3,966,154</b>
<b>Total Assets</b>		<b>94,256,559</b>	<b>29,242,496</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	3,286,548	1,662,402
Lease liabilities		468,075	75,228
Borrowings	9	3,886,428	-
Other financial liabilities		342,856	-
Current tax liabilities		254,113	546,725
Provisions		-	-
<b>Total Current Liabilities</b>		<b>8,238,020</b>	<b>2,284,355</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		-	58,426
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>58,426</b>
<b>Total Liabilities</b>		<b>8,238,020</b>	<b>2,342,781</b>
<b>Net Assets</b>		<b>86,018,539</b>	<b>26,899,715</b>
<b>Equity</b>			
Issued capital	10	117,689,373	58,100,866
Reserves		(18,929,051)	(11,586,115)
Retained earnings		(11,483,009)	(12,892,619)
Equity attributable to owners of the parent entity		87,277,313	33,622,132
Non-controlling interest		1,011,388	82,050
<b>TOTAL EQUITY</b>		<b>88,288,701</b>	<b>33,704,182</b>

The above statement should be read in conjunction with the accompanying notes.

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**PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December 2022**

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Reserves			Subtotal	Non-controlling interests	Total
					Financial Assets Revaluation Reserve	Digital Assets Revaluation Reserve	Other Components of Equity			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Consolidated Group</b>										
<b>Balance at 1 January 2021</b>	42,700,446	(8,985,878)	(282,918)	2,041,737	-	133,467	(20,289,999)	15,316,855	137,242	15,454,097
<b>Comprehensive income</b>										
Loss for the year	-	(4,122,884)	-	-	-	-	-	(4,122,884)	(57,376)	(4,180,260)
Other comprehensive income for the year	-	-	453,969	-	472,323	527,483	-	1,453,775	2,184	1,455,959
<b>Total comprehensive income for the year</b>	-	(4,122,884)	453,969	-	472,323	527,483	-	(2,669,109)	(55,192)	(2,724,301)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>										
Shares issued during the year	18,412,779	-	-	(56,876)	-	-	-	18,355,903	-	18,355,903
Transaction costs net of tax	(1,902,782)	-	-	-	-	-	-	(1,902,782)	-	(1,902,782)
Shares bought back during the year	(1,109,577)	-	-	-	-	-	-	(1,109,577)	-	(1,109,577)
Options expired during the year	-	216,143	-	(216,143)	-	-	-	-	-	-
Options and rights issued during the year	-	-	-	388,271	-	-	-	388,271	-	388,271
Deconsolidation of subsidiary	-	-	-	-	-	-	5,242,571	5,242,571	-	5,242,571
<b>Total transactions with owners and other transfers</b>	15,400,420	216,143	-	115,252	-	-	5,242,571	20,974,386	-	20,974,386
<b>Balance at 31 December 2021</b>	58,100,866	(12,892,619)	171,051	2,156,989	472,323	660,950	(15,047,428)	33,622,132	82,050	33,704,182
<b>Balance at 1 January 2022</b>	58,100,866	(12,892,619)	171,051	2,156,989	472,323	660,950	(15,047,428)	33,622,132	82,050	33,704,182
<b>Comprehensive income</b>										
Profit for the year	-	(588,462)	-	-	-	-	-	(588,462)	(145,611)	(734,073)
Other comprehensive income for the year	-	-	(248,056)	-	(4,966,039)	(935,644)	-	(6,149,739)	(56,070)	(6,205,809)
<b>Total comprehensive income for the year</b>	-	(588,462)	(248,056)	-	(4,966,039)	(935,644)	-	(6,738,201)	(201,681)	(6,939,882)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>										
Shares issued during the year	68,170,923	-	-	(20,667)	-	-	-	68,150,256	-	68,150,256
Transaction costs net of tax	(2,575,472)	-	-	-	-	-	-	(2,575,472)	-	(2,575,472)
Shares bought back during the year	(6,006,944)	-	-	-	-	-	-	(6,006,944)	-	(6,006,944)
Options expired during the year	-	1,998,072	-	(1,998,072)	-	-	-	-	-	-
Options issued during the year	-	-	-	654,696	-	-	-	654,696	-	654,696
Vesting of performance rights and options during the year	-	-	-	170,846	-	-	-	170,846	-	170,846
Recognition of non-controlling interests in Hashcode Studios Sdn Bhd (formerly known as Gameconomy Sdn Bhd)	-	-	-	-	-	-	-	-	211,737	211,737
Recognition of non-controlling interests in Flying Sheep Studios GmbH	-	-	-	-	-	-	-	-	919,282	919,282
<b>Total transactions with owners and other transfers</b>	59,588,507	1,998,072	-	(1,193,197)	-	-	-	60,393,382	1,131,019	61,524,401
<b>Balance at 31 December 2022</b>	117,689,373	(11,483,009)	(77,005)	963,792	(4,493,716)	(274,694)	(15,047,428)	87,277,313	1,011,388	88,288,701

The above statement should be read in conjunction with the accompanying notes.

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**PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2022**

Note	Group	
	2022 (unaudited)	2021
	\$	\$
<b>Cash flows from Operating Activities</b>		
Receipts from customers	29,154,142	1,852,654
Interest received	128,355	948
Payments to suppliers and employees	(29,754,690)	(3,814,408)
Finance costs	(194,413)	-
Income tax paid	(1,246,856)	-
Net cash used in operating activities	<u>(1,913,462)</u>	<u>(1,960,806)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,807,189)	(35,620)
Purchase of intangibles	(714,340)	(240,240)
Payments made for short-term investments	(1,095,371)	-
Payment made for acquisition of subsidiaries	(20,647,256)	(1,249,335)
Acquisition of subsidiary cash	12,146,452	-
Payments made for joint ventures	-	(81,000)
Purchase of investments	-	(2,002,524)
Net loan to related parties	(699,128)	(771,898)
Deconsolidation of subsidiary	-	(4,703)
Net cash used in investing activities	<u>(12,816,832)</u>	<u>(4,385,320)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	23,232,205	17,839,027
Proceeds from exercise of options	674,990	-
Payments for capital raising costs	(32,780)	(3,815,000)
Repayment of lease liabilities	167,820	(77,085)
Share buy-back payment	(6,006,944)	(1,109,577)
Proceeds from borrowings	(229,378)	-
Repayment of borrowings - other	(3,975,238)	-
Net cash provided by financing activities	<u>13,830,675</u>	<u>12,837,365</u>
Net (decrease)/increase in cash held	(899,619)	6,491,239
Cash and cash equivalents at beginning of financial year	18,306,705	11,826,228
Effect of exchange rates on cash holdings in foreign currencies	16,578	(10,762)
Cash and cash equivalents at end of financial year	<u>17,423,664</u>	<u>18,306,705</u>

The above statement should be read in conjunction with the accompanying notes.

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## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### For the year ended 31 December 2022

#### Note 1: Summary of Significant Accounting Policies

Other than the following, there have been no material change in the Company's application of its significant accounting policies as presented in the Company's financial statements for the year ended 31 December 2021. Readers of this report should refer to Note 1: Summary of Significant Accounting Policies in the afore-mentioned financial statements for details of those accounting policies.

#### Note 2: Revenue and Other Income

	Group	
	2022 (unaudited)	2021
	\$	\$
Sales revenue		
- sale of in-app applications	1,036,608	1,203,340
- ads and sponsorships	784,730	482,565
- publishing income	425,405	239,766
- services	29,231,927	17,960
	<u>31,478,670</u>	<u>1,943,631</u>
Other revenue		
- interest received	128,355	52,819
- other income	1,002,636	48,615
	<u>1,130,991</u>	<u>101,434</u>

#### Note 3: Trade and Other Receivables

	Group	
	2022 (unaudited)	2021
	\$	\$
<i>Current</i>		
Trade receivables	7,674,095	1,090,729
Provision for impairment	(616,855)	(327,481)
	<u>7,057,240</u>	<u>763,248</u>
Other receivables	1,380,105	342,386
GST receivables	18,647	258,389
Total current trade and other receivables	<u>8,455,992</u>	<u>1,364,023</u>

#### Note 4: Other Financial Assets

	Group	
	2022 (unaudited)	2021
	\$	\$
<i>Current</i>		
Amount receivable from:		
- other related parties	2,362,394	2,121,987
- others	2,800	1,012
	<u>2,365,194</u>	<u>2,122,999</u>
Other short-term investments	499,371	462,474
Promissory note	282,012	-
	<u>3,146,577</u>	<u>2,585,473</u>

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## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

For the year ended 31 December 2022

### Note 5: Financial Assets - Fair value OCI

	Group	
	2022 (unaudited) \$	2021 \$
<i>Non-Current</i>		
Fair assets - Fair value OCI	2,270,162	6,804,467
	<u>2,270,162</u>	<u>6,804,467</u>
<b>(a) Financial assets - Fair value OCI</b>		
<i>Non-Current</i>		
Listed and unlisted investments at fair value		
- shares in listed corporations	1,557,712	1,885,018
- shares in unlisted corporations	712,450	4,919,449
	<u>2,270,162</u>	<u>6,804,467</u>
<b>Listed Corporations</b>		
- Financial Assets - Fair value OCI's listed corporations have been valued using quoted prices in active markets.		
Opening Balance	1,885,018	-
Reclassification	4,919,449	-
Additions	-	1,596,846
Movement in fair value of financial assets - fair value OCI	(4,966,039)	288,172
Movement in foreign currency	(280,716)	-
	<u>1,557,712</u>	<u>1,885,018</u>
<b>Unlisted Corporations</b>		
- Financial Assets - Fair value OCI's unlisted corporations have been valued using the market approach. The valuation techniques uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities		
Opening Balance	4,919,449	-
Reclassification	(4,919,449)	-
Additions	712,450	4,884,736
Movement in fair value of financial assets - fair value OCI	-	184,151
Movement in foreign currency	-	(149,438)
	<u>712,450</u>	<u>4,919,449</u>

### Note 6: Property, Plant and Equipment

	Group	
	2022 (unaudited) \$	2021 \$
<b>Land and Buildings</b>		
Building		
At cost	7,965,008	-
Accumulated depreciation	(532,076)	-
Total Land and Buildings	<u>7,432,932</u>	<u>-</u>
<b>Plant and Equipment</b>		
Plant and equipment		
At cost	4,483,884	224,825
Accumulated depreciation	(1,847,341)	(132,290)
	<u>2,636,543</u>	<u>92,535</u>
Leasehold improvements		
At cost	1,375,634	67,062
Accumulated depreciation	(699,976)	(53,555)
	<u>675,658</u>	<u>13,507</u>
Signage		
At cost	1,706	1,683
Accumulated depreciation	(1,086)	(903)
	<u>620</u>	<u>780</u>
Furniture and fittings		
At cost	638,498	-
Accumulated depreciation	(326,506)	-
	<u>311,992</u>	<u>-</u>
Motor Vehicles		
At cost	1,012,205	-
Accumulated depreciation	(503,448)	-
	<u>508,757</u>	<u>-</u>
Total plant and equipment	<u>4,133,570</u>	<u>106,822</u>
Total Property, plant and equipment	<u>11,566,502</u>	<u>106,822</u>

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## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### For the year ended 31 December 2022

#### Note 6: Property, plant and equipment (continued)

##### Reconciliation

	Building	Plant and Equipment	Leasehold Improvements	Signage	Furniture and Fittings	Motor Vehicles	Total
Opening net book value	-	92,535	13,507	780	-	-	106,822
Additions as a result of business combinations	7,715,470	1,158,927	813,781	-	411,836	189,896	10,289,910
Additions	-	1,102,295	110,869	-	18,964	487,358	1,719,486
Disposals	-	(25,823)	-	-	-	-	(25,823)
Depreciation expense	(142,977)	(181,352)	(243,100)	(167)	(111,966)	(159,484)	(839,046)
Movement in foreign currency	(139,561)	489,961	(19,399)	7	(6,842)	(9,013)	315,153
	<u>7,432,932</u>	<u>2,636,543</u>	<u>675,658</u>	<u>620</u>	<u>311,992</u>	<u>508,757</u>	<u>11,566,502</u>

#### Note 7: Intangible Assets

	Group	
	2022 (unaudited)	2021
	\$	\$
<i>Goodwill</i>		
Cost	45,165,101	-
Accumulated impairment losses	-	-
Net carrying amounts	<u>45,165,101</u>	<u>-</u>
<i>Games Portfolio</i>		
Cost	-	2,600,000
Accumulated amortisation and impairment losses	-	(2,600,000)
Net carrying amounts	<u>-</u>	<u>-</u>
<i>Computer software</i>		
Cost	1,100,043	1,021,798
Accumulated amortisation and impairment losses	(531,833)	(207,769)
Net carrying amounts	<u>568,210</u>	<u>814,029</u>
<i>Research and Development</i>		
Cost	6,027,308	1,272,506
Accumulated amortisation and impairment losses	(2,613,786)	(305,783)
Net carrying amounts	<u>3,413,522</u>	<u>966,723</u>
<i>Gaming Platform</i>		
Cost	1,346,660	1,257,390
Accumulated amortisation and impairment losses	(224,443)	(83,826)
Net carrying amounts	<u>1,122,217</u>	<u>1,173,564</u>
<i>Digital Assets</i>		
Cost	824,121	738,671
Accumulated amortisation and impairment losses	-	-
Net carrying amounts	<u>824,121</u>	<u>738,671</u>
Total intangible assets	<u>51,093,171</u>	<u>3,692,987</u>

##### Reconciliation

	Goodwill	Computer Software	Research and Development	Gaming Platform	Digital Assets	Total
Opening net book value	-	814,029	966,723	1,173,564	738,671	3,692,987
Additions as a result of business combinations	43,587,981	171,926	4,116,751	-	-	47,876,658
Additions	-	-	-	-	714,310	-
Amortisation charge	-	(192,622)	(1,176,594)	(131,331)	-	(1,500,547)
Movement in fair value	-	-	-	-	(935,644)	(935,644)
Movement in foreign currency	1,577,120	(225,123)	(493,358)	79,984	306,784	1,245,407
	<u>45,165,101</u>	<u>568,210</u>	<u>3,413,522</u>	<u>1,122,217</u>	<u>824,121</u>	<u>50,378,861</u>

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## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

For the year ended 31 December 2022

### Note 8: Trade and Other Payables

	Group	
	2022 (unaudited)	2021
	\$	\$
Current		
<i>Unsecured liabilities</i>		
Trade payables	606,704	51,117
Sundry payables and accrued expenses	2,679,844	1,611,285
	<u>3,286,548</u>	<u>1,662,402</u>

### Note 9: Borrowings

	Group	
	2022 (unaudited)	2021
	\$	\$
Current		
<i>Secured liabilities - amortised cost:</i>		
Other loans	684,533	-
Bank loans	3,201,895	-
	<u>3,886,428</u>	<u>-</u>

### Note 10: Issued Capital

#### (a) Share Capital

The share capital of iCandy Interactive Limited (the Company) consists of 1,306,185,684 fully paid ordinary shares as at 31 December 2022.

#### (b) Movements in ordinary share capital

Movements in the ordinary share capital of the Company during the past two years were as follows:

	No. of	Amount \$
Opening balance at 1 January 2021	547,313,849	42,700,446
Shares issued during the year	192,248,531	18,412,779
Less: transaction costs	-	(1,902,782)
Less: share buy-backs	-	(1,109,577)
Closing balance at 31 December 2021	<u>739,562,380</u>	<u>58,100,866</u>
Opening balance at 1 January 2022	739,562,380	58,100,866
Shares issued during the year	602,623,304	68,170,923
Less: transaction costs	-	(2,575,472)
Less: share buy-backs	-	(6,006,944)
Closing balance at 31 December 2022	<u>1,342,185,684</u>	<u>117,689,373</u>

### Note 11: Earnings per share

Losses used to calculate basic and dilutive EPS	(588,462)	(4,122,884)
	Number	
	2022	2021
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,226,304,763	594,601,415
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	1,226,304,763	594,601,415
Basic loss per share (cents)	(0.05)	(0.69)
Diluted loss per share (cents)	(0.05)	(0.69)

### Note 12: Segment Information

The Group operates in five geographical segments, Australia, Singapore, Malaysia, Germany and Indonesia.

### Note 13: Events Subsequent to Reporting Date

In the month of January 2023, a total of 150,000 fully paid ordinary shares were bought back on the market by the Company. The total share buy-back amount paid was \$6,860.

In the month of February 2023, a total of 400,000 fully paid ordinary shares were bought back on the market by the Company. The total share buy-back amount paid was \$18,077.

On 14 February 2023, the Company announced it has rebranded its subsidiary Gameconomy Sdn Bhd to Hashcode Studio Sdn

On 17 February 2023, 20,000 fully paid ordinary shares were issued as a result of the exercise of options. A total of \$500 was raised.

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**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

**Note 14: Interest in Subsidiaries**

**(a) Information about Principal Subsidiaries**

Name of subsidiary	Country of Incorporation	Ownership interest held by the Group		Proportion of non-controlling interest	
		2022	2021	2022	2021
Appxplore (iCandy) Limited	British Virgin Island	100%	100%	-	-
Appxplore (iCandy) Sdn Bhd	Malaysia	100%	100%	-	-
Inzen (iCandy) Pte Ltd	Singapore	100%	100%	-	-
PT Joyseed Berhagi Sukses	Indonesia	67%	67%	33%	33%
Beetleroar Sdn Bhd	Malaysia	100%	100%	-	-
iCandy Games Limited	British Virgin Island	100%	100%	-	-
iCandy Media Limited	British Virgin Island	100%	-	-	-
iCandy Digital Pte Ltd	Singapore	-	100%	-	-
iCandy Play Limited	British Virgin Island	-	100%	-	-
Hashcode Studio Sdn Bhd (formerly known as Gameconomy Sdn Bhd)	Malaysia	60%	-	40%	-
Flying Sheep Studios GmbH	Germany	60%	-	40%	-
Lemon Sky Holdings Limited	British Virgin Island	100%	-	-	-
Lemon Sky Animation Sdn Bhd	Malaysia	100%	-	-	-
Lemon Sky Seed Sdn Bhd	Malaysia	100%	-	-	-
Sky Candy Sdn Bhd	Malaysia	100%	-	-	-
Visual Art Workshop Sdn Bhd	Malaysia	100%	-	-	-
Lemon Sky North Sdn Bhd	Malaysia	100%	-	-	-
Lemao Games Sdn Bhd	Malaysia	100%	-	-	-
Digital Games International Pte Ltd	Singapore	100%	-	-	-

**(b) Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

**COMPLIANCE STATEMENT**

The financial information provided in Appendix 4E is based on the annual financial report which is being prepared in accordance with Australian Accounting Standards or standards acceptable to ASX.

The report and the account upon which the report is based use the same accounting policies.

In the Directors' Opinion, this report does not give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited.

The financial report is not likely to be the subject of dispute or qualification.

Kin Wai Lau  
 Director  
 Dated: 28 February 2023

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