

iCandy Interactive Limited (ASX:ICI)

AGM - Company Presentation

May 2024



1	Overview / Introduction
2	Business Updates + FY2023 Overview
3	Select Project Updates
4	Strategy for 2024 & Beyond
5	Q & As



ICANDY AT A GLANCE



- 2015: Incorporated
- 2016: Listed as ICI

LARGEST ASX-listed Game Developer (by no. of FTE)

700+ full time professionals

FY 2022 (31 Dec 2022) Financials

A\$26.1m
Revenue

Core Business

- WFH Studios
- Own IP Development (Web2/Web3)

International -6 Studios in 5 Countries

H5, Mobile, Web3 Game Dev & Publishing



storms



Flying Sheep



AAA Game Dev, Art & Animation



lemon sky STUDIOS

Backend/ Web 3.0 Tech

HASHCODE

Stellar Work-For-Hire Development of Global Clientele



Strategic Shareholders include



Singtel



AIS



SK square



Baidu 百度

Own IPs

400+

Game titles across H5, Mobile, Web3

Featured Awards

50

Technology **Fast 50**
2023 AUSTRALIA
Deloitte.

Group Structure - Business Function



iCANDY INTERACTIVE GROUP

Web3 / Mobile / Casual

Co-Development (work-for-hire)

Community

Web3 Development

HTML5 / Mobile Game Development

AAA Game Dev / Animation

Esports Platforms

HASHCODE

appxplore

FLYING SHEEP



lemon sky STUDIOS

ESPL
Esports Players League

RIGHTBRIDGE VENTURES

Upstream

Downstream

personal use only

Studio Capabilities

Our Full Stack A-Z Capabilities

CONCEPT

Concept Design

UI/UX Design

Game Mechanics

Economic Design

GAME DEVELOPMENT

Character Design

SFX

Software Development

Smart Contract

NFT Design

2D/3D Game Assets

In-game Animation

Cinematics

Motion Capture

Rigging

PUBLISHING

Marketing

Community / QA

Esports

Game, Animation & Metaverse Builder

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The Opportunity



We are uniquely positioned to own established business in Web2 (traditional) gaming and significant growing Web3 gaming business

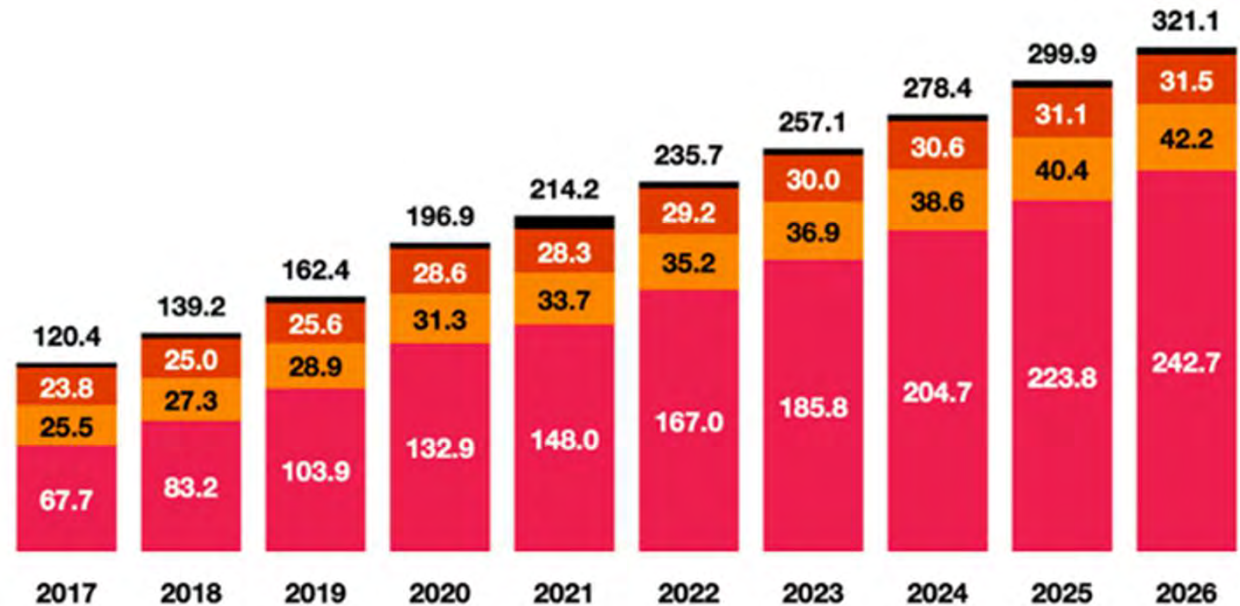


GLOBAL GAMING MARKET OVERVIEW

- Continuous technological advancements in the gaming industry are significantly propelling the industry's growth

Total global video games revenue, by segment (US\$bn)

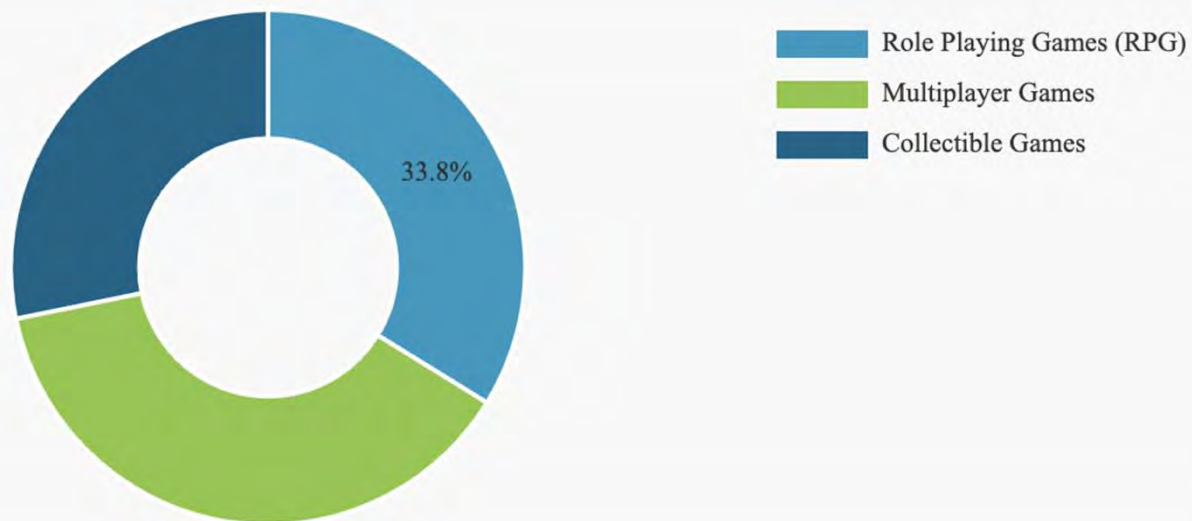
■ Social/casual gaming
 ■ PC games
 ■ Console games
 ■ Integrated video games advertising



Source: World Economic Forum

1 WEB3 GAMING MARKET OVERVIEW

Predicted Genre of Web3 Gaming Market Share



Source: Fortune Business Insight

Private & Confidential.

■ **Web3 Gaming Is Transforming The Gaming Landscape**

~Forbes

■ **Web3 Gaming to grow to US\$615bil in 2023**

~Fortune Business Insight



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Management Commentary :

- The bulk of Company's revenue for FY2023 came from its Work-For-Hire segment. For FY2023 Decline in activities were noticeable in many leading global game studios, amplified by the disruption arising from the writers guild strikes in the US
- The Web3 segment experienced a downturn, dubbed as the "Web3 Winter" for the most part of FY2023
- The Management is optimistic moving forward for FY2024 for two reasons:
 - Signs of early recovery in global traditional gaming market
 - Web3 gaming is recovering strongly (end of Web3 Winter)

2 FYE 31 DEC 2023 RESULTS

A\$ 'M	FY2023	FY2022
Revenue	A\$26.1	A\$29.2
Adj. EBITDA*	A\$0.3	A\$2.1

- Revenue growth moderated in FY2023 following robust growth experienced in FY22.
- This can be attributed to post-pandemic softening in demand, further compounded by various other headwinds including the uncertainty caused by entertainment industry strikes in the US.
- Despite the prevailing challenges, iCandy has demonstrated resilience, maintaining a positive adjusted EBITDA during FY2023 in the midst of various headwinds.

* Adjusted EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation, adjusted for non recurring income and expenses such as acquisition costs and impairment losses.

Navigating WFH Challenges : Long Term Co-Dev Partnership

- The strong track-record and brand of our subsidiary Lemon Sky Studio continues to win us work-for-hire contracts globally. There is sign of recovery in the global work-for-hire marketplace in Q1, 2024.
- That said, we have started to develop a new strategy to work on longer term co-development partnership with major game studios, starting with the Japanese market where the Company has long engagement and successes with many leading game studios there. The co-development partnership model is anticipated to get us longer term and larger contracts.

Web3 Sector Revival - Potential Winner zkCandy

- The Company has entered into a groundbreaking collaboration with Matter Labs (the Company that develops the zkSync Layer2 Ethereum scaling solution) to form a joint venture initiative called zkCandy. zkCandy is to develop a Layer2 chain focussing on Web3 gaming and entertainment.
- The partnership brings about the best of very fast network and a vibrant gaming ecosystem to distinguish itself from other Web3 gaming chains.



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3 LEMON SKY STUDIOS RECENT WORK FOR HIRE PROJECTS

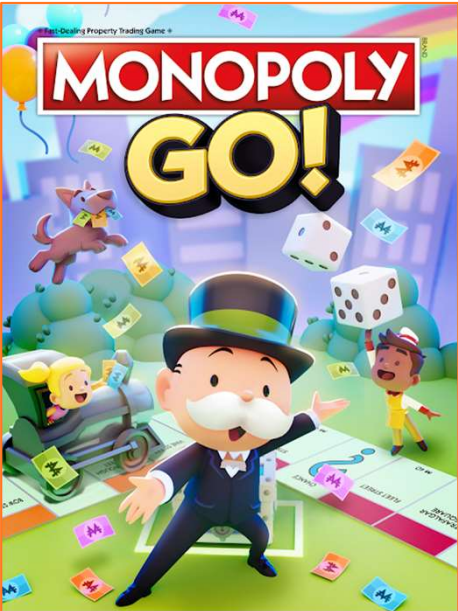


'Monopoly Go' Generates \$1 Billion In Revenue In 7 Months, Scopely Says (amproject.org)

Monopoly Go player spending pulls in \$1bn | GamesIndustry.biz

Not Quite Narwhal (TV Series 2023-) - Awards - IMDb

Select Highlights



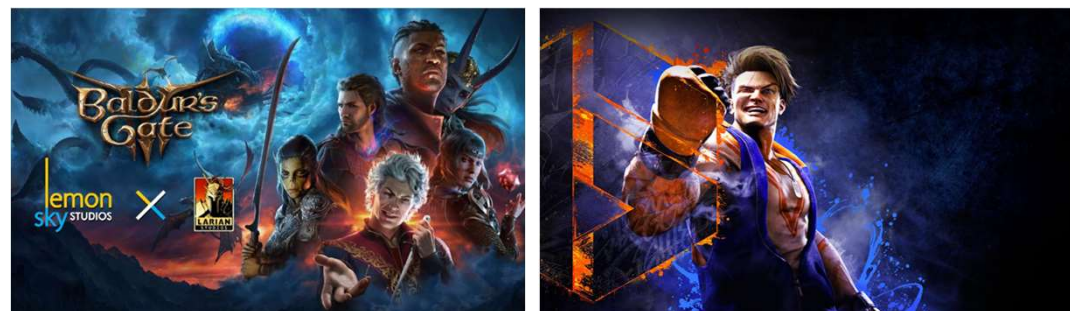
[Watch Trailer](#)



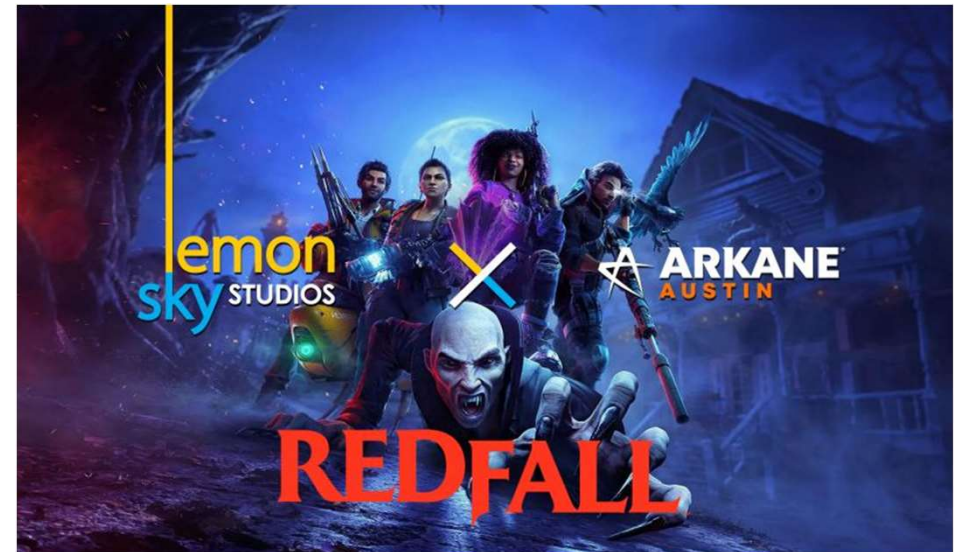
[Watch Trailer](#)

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3 LEMON SKY STUDIOS RECENT WORK FOR HIRE PROJECTS



3 LEMON SKY STUDIOS RECENT
WORK FOR HIRE PROJECTS



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Snaky COT



IN PARTNERSHIP WITH



AND



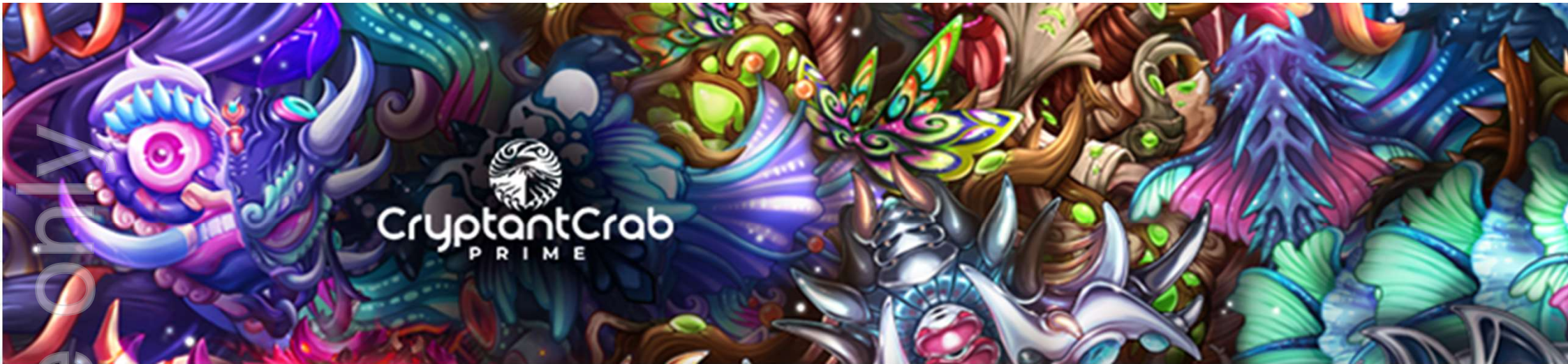
One of the games launched on BASE
chain (\$92Bil Transaction Volume)

New Web3 dimension for Play-and-Earn
powered by the TOWER token

BASE chain by COINBASE - 100 Mil Users

Try now at [SnakyCat.io!](https://SnakyCat.io)

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Built on the success of CryptantCrab - a top 10 dApp from 2018

In progress of migrating to Arbitrum to take advantage of their ecosystem.

Old players can migrate. New players can start for free.



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GROWTH POTENTIAL

Looking at market leader of Web2 version Replika AI bot which has over 2 millions active users.

IP GROWTH OPPORTUNITY

Manga, merchandise and music are part of the roadmap

REVENUE FOCUS

Web3 element to unlock additional features.

**FUTURE
BIT'S
INC**

MUSIC : ON



TWITTER / X





LEGENDS OF THE MARA

- LOTM is part of the Otherside metaverse, by Yugalabs, the company behind many successful Web3 IPs including BAYC.
- 2D strategy browser game with its own companion collection
- Significant revenue contract and successfully completed



ANICHESS

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- A collaboration between Chess.com (4m visitors daily) and Animoca Brands
- Chess puzzle solving games with a touch of magic
- UI/UX, game and backend engineering by Hashcode Studio, game assets by Lemon Sky Studios



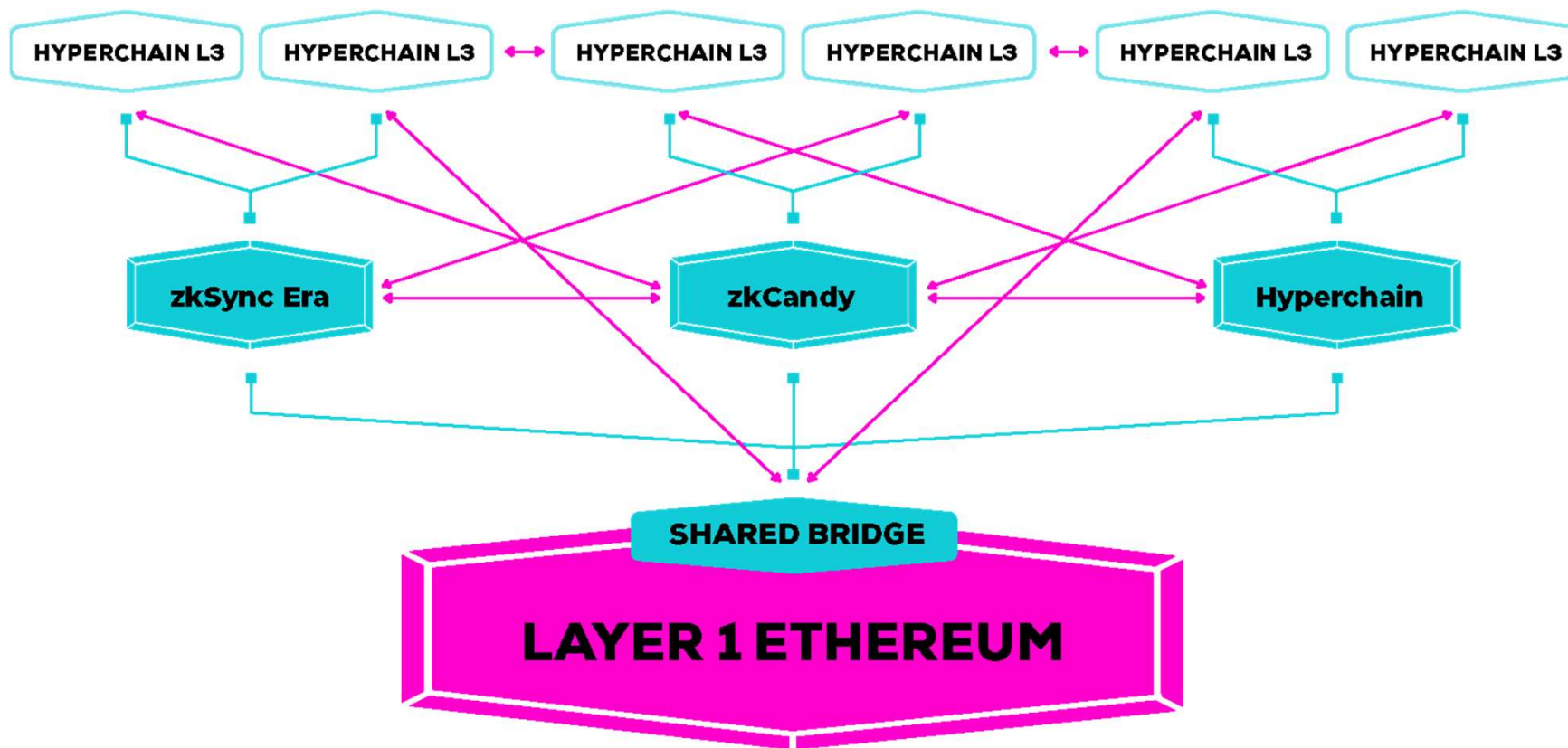
zkCandy - Layer2 Gaming Hyperchain



zkCandy is L2 hyperchain created as a strategic collaboration between iCandy Interactive and Matter Labs (zkSync) to be a L2 Hyperchain focused on Web3 gaming and entertainment applications for the zkSync ecosystem



zkCandy Hyperchain is powered by the same zkEVM engine of ZK Stack (zkSync)



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RECENT MARKETING EVENTS



gamescom asia

Kin Wai spoke on the panel
“Navigating the Web3 Gaming Landscape: Insights and Strategies for Success”



Cologne Web3

Gamescom side event by Flying Sheep, iCandy, Playades, and KölnBusiness



THE SANDBOX

Singapore Partner Day



Showcased The Engineers experience in The Sandbox's Singapore neighbourhood Lion City



Showcased Lemon Sky Studios as The Sandbox metaverse builder and pitched WFH opportunities to Web2 brands



Spoken on the panel “Building the Open NFT Metaverse”



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4 OVERALL STRATEGY FOR 2024

1 To Continue Growing Work-For-Hire (Profitable)

2 Web3 Games Revival

3 Web3 Infrastrucutre: zkCandy

Catalysts for Growth in 2024

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iCandy
INTERACTIVITY

**THANK
YOU**

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