



FINANCIAL REVIEW
FAST100 2020
iCandy – Proudly Ranked 25th
of Australia's Fastest Growing

iCandy Interactive Limited
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Level 10 Suite 1005
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Sydney NSW 2000

10 November 2025

ASX Announcement

Corporate & Operational Update

iCandy Interactive Limited (ASX:ICI) ("iCandy" or the "Company") is pleased to provide an update on its operations and other corporate matters.

iCandy Operational Update

iCandy's main business operations continue on as usual, spearheaded by Lemon Sky Studios on conventional game development and animation sectors, while ZKCandy focuses on Web3 business.

The global videogame market continues to face significant challenges but has continued to show signs of recovery through the third-quarter of the year. Several major merger & acquisition transactions on the global stage have been announced in the quarter, uplifting the industry outlook.

Lemon Sky Studio's Game Development Division is charting good business traction for the third quarter. It has good momentum and secured several mid-size projects, especially from the South Korea and Japan markets. The North American market remains one of the key markets for Lemon Sky Studios with major efforts being made to lay down a stronger foundation for the business dealings in North America. The North American team has spearheaded the strong participation in the External Development Summit 2025 (XDS2025) in Vancouver, Canada during the month of October 2025. Among the notable projects completed by the Lemon Sky Studios' game division this quarter includes Supervive, a highly anticipated mobile game by US based studio, Theorcraft.



Lemon Sky Studios' Animation Division had traditionally worked with Tier 1 animation studios in North America. That market is still facing significant challenges due to various market factors. As such in early third quarter the Animation Division altered its strategy to focus on Tier 2 animation markets outside of North America. That pivot strategy has yielded early results where y two mid-size animation projects were secured in Europe during the third quarter. Lemon Sky Studios will continue to focus on that strategy going into the last quarter of the year.

Metal Genesis - an original IP initiative by Lemon Sky Studios has taken a change of direction as it now becomes an original IP that will cover two games, virtual world, comics and anime. The project scope has been enlarged and will take amulti-year multi-phase approach to commercialise. The significant milestone achieved this quarter is the launching of an internal playtest version for its Rogue-like game. Metal Genesis has also launched several cinematic trailer videos online and a music video in collaboration with a renowned music artist, Priscilla Abby. The videos have received positive feedback online from the Metal Genesis' fan base.

On the Web3 front, iCandy's investee ZKCandy has continued to roll out new games on its blockchain network. It continues to actively market its technology to users with a focus on Artificial Intelligence (AI) - enabled entertainment Web3 applications.

Release of additional capital at Lemonsky

To provide non-dilutive working capital, iCandy's 100% owned subsidiary Lemon Sky Animation Sdn. Bhd. has refinanced an existing secured financing facility. The facility is secured against commercial real estate owned by Lemon Sky at the Subang Jaya location in Kuala Lumpur, Malaysia. This property was acquired by iCandy as part of the acquisition of Lemonsky in February 2022 (see ASX Announcement 18 November 2021). The refinancing during the third quarter was favourable terms within Company geared investment limits, providing access to additional liquidity at Lemonsky to further various business opportunities and general working capital. The financier was AmBank - one of the largest banking groups in Malaysia. The refinancing totalled AUD 5.95 million of which AUD 5.47 million has been drawn. AUD 2.14 million of the drawn amount was applied towards final repayment of the prior HSBC facility secured against the property. The facility is denominated in Malaysian Ringgit with AUD figures provided at the RBA published exchange rate on 7 November 2025. The interest rate on the total facility is between 6.70% and 7.75%.

Continued Investigative Efforts

iCandy continues to further investigate and pursue action in relation to the alleged misconduct identified in relation to a former accounting and company secretarial services provider (see ASX releases on 21 March 2025, 17 April 2025, and 30 July 2025 for further information).

The Company has appointed specialist litigation lawyers (Bridges Lawyers) to pursue the former accounting and secretarial services provider, as well as other potential parties of interest. These activities are ongoing and now span Australian and Singaporean jurisdictions. The Company also continues to be advised by Hamilton Locke in relation to corporate compliance matters.

Reinstatement to ASX Quotation - Change of Auditor and Periodic Reporting

iCandy remains committed towards (a) pursuing the actors involved in this conduct through civil and criminal means in multiple jurisdictions; (b) engaging with all relevant regulatory bodies in Australia; and (c) a reinstatement to quotation of its securities on the Australian Securities Exchange.

The Company is also in the process of effecting a change in its auditor from Hall Chadwick (WA) to another reputable Australian audit firm as part of a process towards a re-quotation. Steps to be taken include preparing group financial statements for external audit, producing all delayed quarterly cash flows and activity reports, and convening any required shareholder meetings.



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The Company presently expects completion of the outstanding periodic reporting in Q1 CY2026, and will actively engage with ASX towards reinstatement within the same timeframe.

Operating Subsidiaries Are Not Impacted

The Company confirms that its operational subsidiaries remain solvent and continue to operate on a business as usual basis. iCandy has completed subsidiary financial audits up to CY 2024, with audits beyond that pending addressing parent-level matters noted above.

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About iCandy Interactive

iCandy Interactive Limited (ASX:ICI) ("**iCandy**" or the "**Company**") is an award-winning, publicly traded video-game development group that has been listed on the Australian Securities Exchange since 2016.

With headquarters in Melbourne, Australia, and offices across Malaysia, Singapore and Indonesia, iCandy is one of the largest independent game developers in the region. Our team of game developers, digital artists, and engineers has delivered more than 500 mobile, console, PC, and Web 3.0 titles. The Company has worked with some of the biggest names in the global video game industry on some of the most widely known iconic franchises in video games history. For more information, please visit our website at <https://icandy.io/>.

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