



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

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**ASX and Media Announcement**

## **Updates on Lemon Sky Studios (LSS) Acquisition - LSS Reports Strong Better-Than-Expected FY2021 Results**

### **Highlights:**

- **Lemon Sky Studios reports unaudited financial results to iCandy and delivers stronger than expected revenue of A\$15.5 million and profit after tax of A\$2.7 million in FY2021**
- **Lemon Sky Studios will kick off year 2022 with a strong cash balance of A\$6.1 million**
- **Shareholders approved acquisition of Lemonsky Studios in a recent EGM for A\$44.5 million in cash and shares. Management expects to complete the transaction soon upon completing documentation process**
- **iCandy and Lemon Sky Studios have begun working closely together, leveraging on their combined expertise to co-design and execute an FY2022 game plan**

iCandy Interactive Ltd ("**iCandy**" or the "**Company**") is pleased to announce that iCandy has received notification from Lemon Sky Animation Sdn Bhd ("**Lemon Sky Studios**") that it has recorded unaudited revenue of **A\$15.5 million** (RM46 million) for its financial year ending 31 December 2021 (FY2021), which is **21% higher than** forecast presented by the management of Lemon Sky Studios during the due diligence stage.

iCandy understands that Lemon Sky Studios achieved a higher-than-expected revenue due to very strong and growing demand for its high-quality game art and animation services from its blue-chip global clientele.

iCandy notes that most of Lemon Sky Studios' costs are fixed costs and overheads. As such, much of the increase in revenue is expected to translate into a strong **Profit After Tax (PAT) of approximately A\$2.7million in FY2021**.

Lemon Sky Studios has also closed the financial year with a much stronger than expected balance sheet, recording a **cash balance of A\$ 6.1 million** as at 31 December 2021.

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To recap, iCandy shareholders approved the acquisition of Lemon Sky Studios at an extraordinary general meeting on 13 January 2022. The acquisition is expected to complete within the next 2 weeks.

Ahead of completion, the management of iCandy and Lemon Sky Studios have begun working very closely to chart out a game plan for FY2022, which includes building an extensive pipeline of games for the metaverse concept in AAA-quality format.

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 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 have been played by over 360 million mobile gamers worldwide and has won multiple awards in various coveted international events.

**For more details, please contact:**

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