



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

11 February 2022

ASX and Media Announcement

iCandy Completes Lemon Sky Studios Acquisition Launching Pipeline of NFT and Metaverse Gaming Projects

Highlights:

- **iCandy has completed the 100% acquisition of Lemon Sky Studios, a game and animation studio, best known for its involvement in developing AAA games including: Call of Duty Infinite Warfare, Need for Speed Hot Pursuit, Spider-Man and Marvel's Avengers¹**
- **Lemon Sky Studios has an existing portfolio of partnerships with large industry players such as EA Entertainment, Microsoft Studios, Disney, Nickelodeon, Activision and Blizzard Entertainment²**
- **Lemon Sky Studios is now integrated into iCandy's and is assisting the Company to initially develop 3 NFT Generative Art projects, as well as 9 NFT/Metaverse gaming projects**
- **The combined entity now has more than 450 full-time employees who are highly skilled in game design and development, making it one of the largest teams of its kind**
- **Skilled designers and developers are scarce, making iCandy's 450 full time team a go to for AAA title game development**
- **iCandy will continue to pursue its aggressive M&A strategy, to build the leading global integrated Metaverse gaming platform**
- **The completion adds to iCandy's recent 51% acquisitions of Storms, which welcomed new strategic shareholders Singtel, AIS and SK Telecom**

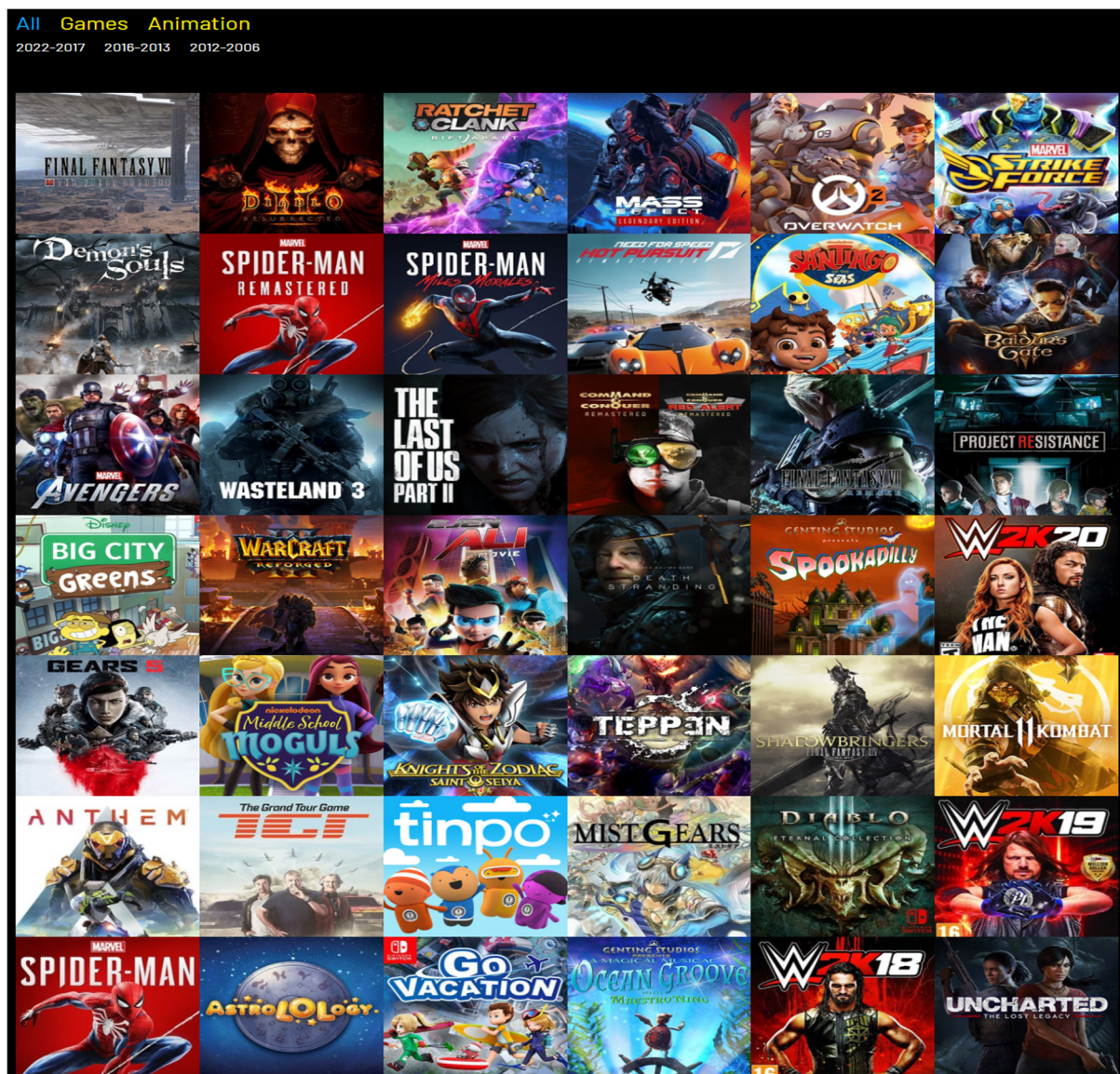
iCandy Interactive Limited (ASX:ICI) ("**iCandy**" or the "**Company**") is pleased to announce the **completion** of the acquisition of renowned Southeast Asia-based game art and animation company, Lemon Sky Animation Sdn. Bhd. ("**Lemon Sky Studios**").

¹ <https://www.lemonskystudios.com/project-timeline/>

² <https://www.lemonskystudios.com/about/#clients>

Reference is made to iCandy's announcement dated 19 November 2021 which detailed the acquisition of Lemon Sky Studios for a consideration of **MYR135 million (A\$44.5 million)**, which was to be satisfied in part cash and part new shares of iCandy. The cash consideration is to be paid in tranches and totals **A\$17.8 million**. The share consideration amounts to **A\$26.7 million** and has been successfully issued to the vendors of Lemon Sky Studios, marking the **completion of the acquisition of Lemon Sky Studios. The consideration shares issued to vendors are subject to 12 and 24 month escrow.**

To recap, Lemon Sky Studios is a video game, game art and animation studio founded in 2006 with an impressive and very large portfolio of video games that it has worked on, including major global AAA game titles such as Call of Duty Infinite Warfare, Need for Speed Hot Pursuit, Spider-Man and Marvel's Avengers.



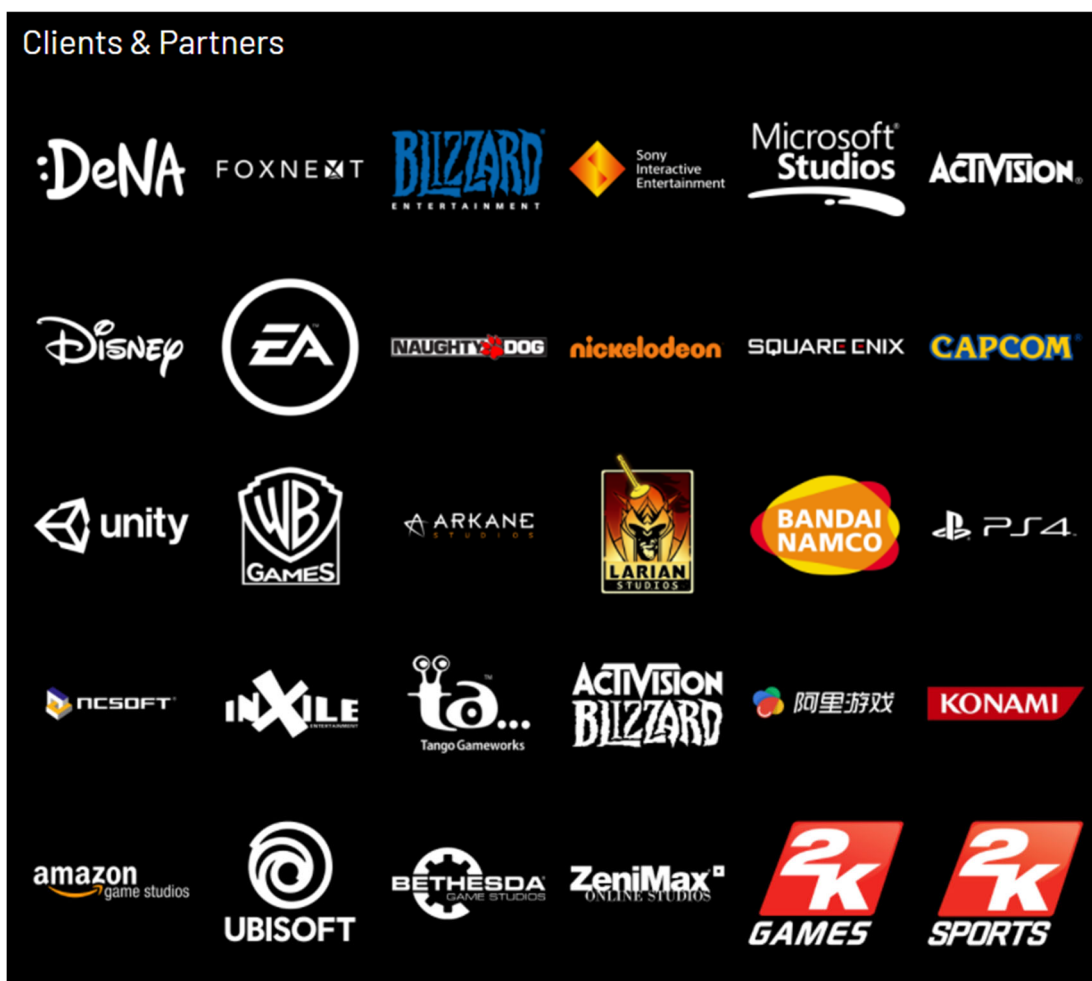
Screenshot: <https://www.lemonskystudios.com/project-timeline/>



FINANCIAL REVIEW
FAST100 2020
IN COOPERATION WITH **statista**
*iCandy – Proudly Ranked 25th
of Australia's Fastest Growing*

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Notable clients and partners who have worked with Lemon Sky Studios include global top gaming companies such as **EA Entertainment, Microsoft Studios, Disney, Nickelodeon, Activision Blizzard, Naughty Dog, 2K Games, Square-Enix and Bandai Namco.**



Screenshot: <https://www.lemonskystudios.com/about/#clients>

Lemon Sky Studios presently employs over 350 highly skilled full-time artists and game developers from around the world.

Integration and Becoming a Metaverse Gaming Powerhouse

Following the completion of the acquisition of Lemon Sky Studios, its team of over 350 highly skilled personnel will combine with iCandy to have more than **450 talented full-time employees** skilled in A-Z game-making, including game concept development, game design, game art, animation, 3D modelling, motion capture, software development and game monetisation design.



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iCandy has started integrating the Lemon Sky Studios' management team into its overall strategic planning and execution.

The combined entity will have among the best-in-class skills and experience to develop AAA games, as well as expertise in developing its own Intellectual Properties (“IPs”) and publishing games independently. These abilities will position iCandy well to be among the pioneering game developers in making AAA games for the NFT and metaverse gaming areas.

Development Pipeline of NFT and Metaverse Games

On an integrated basis, the combined strength between Lemon Sky Studios and iCandy will allow the Company to undertake more ambitious projects in the emerging trend of the global gaming industry, especially in the NFT and metaverse gaming areas.

The Lemon Sky Studios team has started to assist the Company in its development pipeline of **3 Generative Arts NFTs projects** and **9 NFT and metaverse based game titles**.

In addition, the recently announced acquisition of Digital Games International Pte. Ltd. (trading under the brand name “**Storms**”), will allow iCandy to significantly augment its games distribution and publishing capabilities, positioning the Company to be a significant upstream and downstream player in global NFT and metaverse gaming.

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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