iCandy Interactive Limited
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Level 10 Suite 1005
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13 March 2026

ASX Announcement

Strategic Update – Potential US Listing of Lemon Sky Studios and Other Corporate Initiatives

iCandy Interactive Limited (ASX:ICI) ("iCandy" or the "Company") is pleased to provide an update on various corporate initiatives being pursued - primarily exploring the listing of its wholly owned Lemon Sky Studios Sdn Bhd ("Lemon Sky Studios") on a US securities exchange, intended to unlock significant value for iCandy shareholders.

Evaluation of potential US listing of Lemon Sky Studios

The Company is currently evaluating a potential listing of Lemon Sky Studios on NYSE American or another United States securities exchange as part of a broader strategy to support the continued growth of the Lemon Sky business and potentially unlock shareholder value.

Lemon Sky Studios is wholly owned by iCandy and is one of the world's leading independent game art and animation studios, with approximately 19 years of operating history supporting numerous global AAA video game titles and major international publishers and developers.

The Company has engaged with a number of potential investment banks and advisors in the US, which has informed the Company's present preference for the NYSE American exchange. The Company expects to finalise the appointment of a banker within the coming weeks.

Lemon Sky Studios intends to position itself as an AI technology-enabled entertainment production company, leveraging its long-standing industry relationships while integrating AI-driven production workflows and automation technologies to enhance scalability and efficiency in the global media and entertainment industry.

Given the deep investor pool and appetite for AI-driven disruptors in the US, indicative valuation discussions have referenced a potential range that materially exceeds iCandy's market capitalisation at its last traded price on ASX, reflecting the potential valuation uplift that could be realised through such a transaction. The final valuation is subject to market conditions at the time of the transaction, amongst other factors.

Lemon Sky Studios is also evaluating potential strategic acquisitions or partnerships to strengthen its capabilities and global client base in advance of any potential listing.

There can be no certainty that any transaction will proceed, and any such transaction may be subject to shareholder and/or regulatory approvals.

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Focus on the return of value to iCandy shareholders

Subject to the outcome of any potential US listing of Lemon Sky Studios, the Company is considering options to return a portion of the equity value in Lemon Sky Studios directly to iCandy shareholders.

The Company is currently seeking Australian and international legal and tax advice to determine the most appropriate structure for any such transaction. Possible structures under consideration include:

- an in-specie distribution of shares in the proposed listed Lemon Sky entity to iCandy shareholders which would result in iCandy shareholders holding shares in both iCandy and Lemon Sky Studios
- a capital reduction
- or other corporate mechanisms available to the Company under Australian legislation that may efficiently return value to iCandy shareholders.

No decision has been made regarding the structure or timing of any such transaction.

The Company has appointed Hamilton Locke as its Australian legal counsel on this matter.

Financial statements and ASX listing status

Due to the significant disruption owing to the alleged improper conduct of a former external, Australian consultant (see ASX Announcement 13 February 2026 for the most recent update), the Company is currently nearing completion of its FY2024 and FY2025 financial statements.

Completion of the financial statement preparation and the final audit is dependent on the removal of the Company's current auditor and the appointment of a new auditor, both of which will be voted on by shareholders at the Extraordinary General Meeting on 19 March 2026.

The Board considers that additional time to complete the FY2024 and FY2025 audits may yield a more comprehensive audit outcome and improved disclosure for shareholders.

The Company notes ASX's Long Term Suspended Entities Policy provides that ASX will remove the Company from the Official List of the Australian Securities Exchange if its audited FY2024 financial statements are not lodged by 31 March 2026.

A likely outcome of these factors is that iCandy will be removed from the Official List of the Australian Securities Exchange on 1 April 2026.

The Company will host an investor webinar on 27 March 2026 to provide shareholders with further information. A further announcement will be released providing Webinar registration and access details for shareholders. In advance of this, shareholders with

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queries can provide them in advance to the Company Secretary at ici@reignadvisory.com.

Potential capital raising

The Company is also considering a potential equity placement to sophisticated, institutional, and other disclosure-exempt investors to fund the further advancement of the Lemon Sky Studios US IPO and other corporate working capital, including costs related to pursuing legal avenues in relation to the alleged improper conduct by a former accounting and company secretarial services provider to the Company.

This placement follows significant inbound interest in the Company, with current sentiment in the industry being positive.

Ongoing shareholder communications

Shareholders and interested investors are encouraged to subscribe to the Company's email update service via the Company's website to receive updates regarding the Company's progress and activities following any potential changes to its ASX listing status.

Following removal from the Official List by ASX, iCandy will continue to operate as an Australian public company, and will remain subject to the Australian Corporations Act 2001 (Cth) and other applicable laws and regulations governing shareholder rights and corporate governance.

The potential US listing of Lemon Sky Studios, any associated return of value to shareholders, and any capital raising remain subject to ongoing evaluation, regulatory and shareholder approvals, market conditions and final Board approval.

Accordingly, there can be no assurance that any of these initiatives will proceed or that they will occur on the timeline currently contemplated.

The Company will continue to keep shareholders informed in accordance with its continuous disclosure obligations.

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

— ENDS —

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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 offices and teams across the globe, 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/.

About NYSE American (nyse.com/trade/equities#nyse-american)

NYSE American is a U.S. stock exchange within the NYSE Group that focuses on listing and trading small-cap and mid-cap growth companies. It was formerly the American Stock Exchange (AMEX) and later NYSE MKT; it was rebranded as NYSE American after being acquired by the New York Stock Exchange's parent. It operates as an all-electronic marketplace based in New York City and sits alongside the main NYSE and NYSE Arca under Intercontinental Exchange (ICE)