



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

23 March 2022

ASX and Media Announcement

iCandy Partners with Froyo Games to Develop Multiple Metaverse Games and NFT Series with the First Project Yielding a Minimum A\$4m Revenue Guaranteed

Highlights:

- iCandy enters into a strategic partnership with Froyo Lab, the company behind [Froyo.Games](#), a Web3.0 gaming platform. The partnership is for 7 years and is renewable thereafter annually
- Froyo backers include global institutional investors like Animoca Brands, Spartan Group, GBV, Mirana, BTC12 Capital
- iCandy will develop game concepts and metaverse games to be commercialised and published by Froyo Games
- iCandy will also create IPs and game arts that Froyo Games will commercialise as NFTs
- Froyo Lab will provide a revenue share on commercial terms to be determined on a project-by-project basis
- iCandy is developing its first series of IP and Game Art for NFT - League of Super Misfits (The Misfits) - to be launched within 2 months by Froyo Games
- For the first project - The Misfits - Froyo Lab guarantees gross revenue of A\$4 million to iCandy
- Partnership with Froyo Lab adds to iCandy's capabilities to design and develop games for the Metaverse and Web 3.0

iCandy Interactive Limited (ASX:ICL) ("iCandy" or the "Company") is pleased to announce that it has entered into a Strategic Partnership Agreement ("**Agreement**") with Froyo Venture Lab Ltd ("**Froyo Lab**") to develop and commercialise Web 3.0 metaverse games,

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FAST100 2020
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IPs and game arts.

Froyo Lab is a tech startup that has developed a decentralised Web 3.0 metaverse gaming platform called [Froyo.Games](#) ("Froyo Games"). Froyo Games recently received more than US\$6 million of seed funding, including strategic investments from leading global Web 3.0 investors like Animoca Brands, Spartan Group, GBV, Mirana, BTC12 Capital etc.



Screenshot: froyo.games/home

About the Partnership - Web 3.0 Games and NFTs

Under the strategic partnership with Froyo Lab, iCandy will collaborate with Froyo Lab where iCandy's role is to develop a series of Web 3.0 game titles for Froyo Games, which will act as the publishing platform that will market and commercialise the NFTs and game titles. The Web3.0 and metaverse game titles will be made available on multiple platforms, including mobile phones and PCs.

In addition, iCandy will also develop concept art, game art and IPs that Froyo Lab will use to convert into NFTs and commercialise the NFTs.

iCandy's role in this partnership will be to principally develop the games, concept art, game art, and its related support software and services, while Froyo Lab will be responsible for marketing, commercialising and publishing the NFTs and game-titles, including their related products or services.

Under the partnership, it is envisaged that a minimum of **9 NFT or Metaverse games-titles** and **12 series of NFTs** will be commercialised and marketed by Froyo Games. Each of the NFT series will consist of no less than 5,000 NFTs.

Salient Commercial Terms for The Partnership

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Froyo Lab will share a portion of its revenue generated with iCandy and the revenue sharing arrangement will be agreed upon from a project-by-project basis. The partnership is for a period of 7 years and thereafter renewable annually upon mutual consent from the parties. Either party can serve a 3-months notice to terminate the partnership.

To clarify, ICI will not be creating and marketing NFTs in this partnership, whereas Froyo Lab will be responsible for creating the NFTs and marketing them. ICI will receive income from Froyo Lab as part of the revenue-sharing arrangement of the strategic agreement.

Maiden NFT Project - The League of Super Misfits

The first IP and concept art that will be developed by iCandy is an avatar series named "The League of Super Misfits" ("**The Misfits**").

The Misfits is a series of 10,000 unique computer-generated superhero gaming avatars that will be minted as NFTs. The computer-generated art concept is widely popular on the NFT market and is termed Generative Art. Some of the most successful Generative Art NFT projects entail NFTs that often fetch well above US\$100,000 per NFT in the resale market.

The Misfits NFTs are expected to go on sale within the **next 2 months**. The Misfits are elaborately designed by iCandy's newly established NFT studio, **Misfit Lab**. Misfit Lab is a highly acclaimed team with expertise in production and gaming art, pulled together through iCandy's multi-latitude talent pool of over 600 full-time game-making employees.

The Misfit Lab is currently headed by a principal artist from iCandy who has experience working on illustration art with DC Comics among other global consumer brands. The Misfits entails the storyline of strange-looking superheroes that are mischievous and social nonconforming. iCandy and Froyo believe there is potential to develop the Misfit IPs beyond game art and NFT, into the areas of animation and physical merchandise.

Salient Commercial Terms - The League of Super Misfits

As the first project of the partnership, the The Misfit series NFTs are expected to generate a minimum sale price of A\$800 per NFT and the maiden series will contain 10,000 NFTs.

Froyo Lab guarantees **gross revenue of A\$4 million** to iCandy for the commercial launch of the Misfit series. The gross revenue is guaranteed by Froyo Lab and will be paid to ICI regardless of the success of the commercialization of the NFTs. The gross revenue will be paid to ICI within 6 months from when ICI hands over the artwork and its related source files to Froyo Lab. ICI is expecting to hand over the art work and its related source files to Froyo Lab some time in early April 2022.

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In this partnership any new intellectual property developed by iCandy will remain the property and rights of iCandy unless otherwise decided by iCandy. However Froyo Lab will obtain the exclusive rights in relation to the Misfit series to exclusively convert the relevant intellectual properties into NFTs. The NFTs will be owned by Froyo Games prior to being marketed and sold by Froyo Games.

Froyo Lab will also ensure the project brings its community of more than **20,000** Web 3.0 gaming enthusiasts onto any initiatives with iCandy. iCandy and Froyo Lab will both put in their respective resources to ensure the commercial launch will take place no later than 30th June 2022.

In developing the partnership with Froyo Lab, the iCandy management has conducted its independent due diligence on Froyo Lab. Froyo Lab has raised US\$6million in funding from reputable institutional investors. iCandy management has spoken to multiple institutional investors that participated in the round of funding and confirmed the funding. In addition Froyo Lab has provided proof of funds to iCandy to show that they are in position to pay iCandy the sum of A\$4million as minimum guarantee for the Misfit series. ICI is satisfied with the proof of funds provided by Froyo Lab.

iCandy's management is pleased to kick off the gaming NFT revenue base with a strong revenue booking on its maiden gaming NFT initiative and believes it will be able to generate further significant revenue from its strategic partnership with Froyo Lab as the Misfit is the first project of the 9 NFT or metaverse games and 12 NFT Series that the partnership will entail.

Expanding Web3.0 Reach And Adding to Metaverse Strategy

The strategic partnership with Froyo Lab adds an important dimension to iCandy's plan to develop games for the **Metaverse**.

iCandy is already well positioned to make AAA games for the Metaverse following the transformative acquisition of Lemon Sky Animation Sdn. Bhd. ("**Lemon Sky Studios**"). The management of iCandy firmly believes that the acquisition of Lemon Sky Studios has solidified its upstream capabilities and seeks to bolster its downstream competencies through the recent acquisition of **Storms** and partnership with three leading Asian telcos, i.e. Singtel, AIS and SK Telecom.

Through the strategic partnership with Froyo Lab, iCandy now has effectively added among the best-in-class distribution channels to provide and distribute its metaverse themed game titles and its related IPs.

The Misfits is a new alternative game publishing model where iCandy is planning to be amongst the pioneering game studios to create utility for its avatar NFTs via extended integration with game titles developed by iCandy and its partners.

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

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About iCandy Interactive

iCandy Interactive Limited is an Australian publicly-traded company that has its core business in the development and publishing of videogames and digital entertainment.

iCandy is the largest independent game developer of Australia and Southeast Asia with more than **600 full-time employees** employed across Singapore, Malaysia, Thailand, Indonesia and Australia.

iCandy Group has its core business in the development and publishing of traditional games (mobile, console and PC) and Web3.0 games for a global audience.

For more details, please contact:

ir@icandy.io or visit www.icandy.io

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