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ASX and Media Announcement

iCandy's Flying Sheep Studios Announces German Government Funding for Metaverse Game Star Life



Highlights:

- **Flying Sheep Studios is building metaverse game Star Life for players worldwide**
- **Star Life has received commitment for funding of EUR 1.1 million from the German Federal Ministry for Economic Affairs and Climate Action**
- **Star Life's unique proposition is that it will be a highly accessible metaverse game, playable from any browser on any device**
- **For the development of this project, Flying Sheep has hired additional talent, including four industry veterans**

iCandy Interactive Ltd (ASX:ICI) ("**iCandy**" or the "**Company**") is pleased to announce the Company's latest metaverse project, *Star Life*, developed by its German subsidiary Flying Sheep Studios GmbH ("**Flying Sheep**" or "**Flying Sheep Studios**"). *Star Life* is a social massively multiplayer online (MMO) game focused on cooperation, crafting, and community-driven experiences that will prioritise socialising and being the party and event part of the metaverse, eventually hosting events and concerts.

iCandy has an international footprint of having other video games studios across Asia (Singapore, Malaysia, Thailand, Indonesia) and Flying Sheep Studios is its first major investment made in Europe.

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

Overview of the Metaverse

As defined by McKinsey, metaverse is the emerging 3-D-enabled digital space that allows Internet users to have lifelike personal and business experiences online, through the usage of cutting edge technology including virtual reality and blockchain. The rapid growth of the metaverse industry is propelled by the increasing public interest in this field as evident in the 7,200% increase in Google search for the term in 2021. A 2022 McKinsey survey revealed that about 60% of the 3,400 surveyed consumers are excited about the transition of everyday activities like shopping, dating, and working out to the metaverse.

iCandy intends to tap into this market through its various subsidiaries, including Flying Sheep, using sophisticated technology that will allow easy adoption amongst gamers without the need for high-end metaverse hardware.

High-Availability Metaverse

One of the key features of Star Life is its high accessibility, making it **accessible from any browser from any device** without needing downloads, installations, or high-end technology.

Players can start entering the Star Life metaverse with just one click via a web browser on both desktop and mobile devices. The game also prioritizes diversity, offering players various options for character creation, shopping, crafting, and community-driven events, such as concerts and exhibitions.

In addition, Star Life will incorporate optional blockchain-enabled items, or NFTs, giving players more ownership and agency over their virtual belongings. These belongings can be transferred and used on different platforms, making the process streamlined and accessible. Star Life will be a free-to-play game accessible to everyone.

Project Funding

The preliminary project costs for *Star Life* is estimated to be **EUR 2.3 million (approximately AUD 3.7 million)**, of which the **German Federal Ministry for Economic Affairs and Climate Action** has agreed to support the development with a generous funding of approximately **EUR 1.1 million (approximately AUD 1.7 million)**.

This fund is dedicated to the local gaming industry by the German government, to help local developers become more competitive by creating a level playing field for German studios internationally. The funds will be released in a monthly manner over a two-year period, with set amounts allocated to different functions involved in the development of the game. This allocation will not be allowed to be diverted to different functions should it be underutilised for its intended purposes.

Flying Sheep Studios, known for its expertise in HTML5 web based game development, will also invest approximately **EUR 1.2 million (approximately AUD 1.9 million)** of its own current cash position into the preliminary development of *Star Life*.

At this juncture, it is too early to ascertain *Star Life*'s impact on the Company's financials, however iCandy believes that it will be a positive impact given this will create a new

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product range into the promising metaverse market.

Addition of Senior European Industry Talent

For the development of this ground-breaking project, Flying Sheep has also hired additional talent, including four industry veterans:



Renke Bahlmann



Frank Reitberger



Daniel Schemann



Nina Kiel

Renke Bahlmann – Lead Game Designer

With 12 years of experience working on browser games for industry leaders such as Bigpoint, game development all-rounder and media technology expert Renke Bahlmann is the right fit for the position of Lead Game Designer. He will guide the team in creating a highly engaging game experience.

Frank Reitberger – Lead 3D Developer

Flying Sheep Studios' new Lead 3D Developer Frank Reitberger is renowned for his work as a Designer and Programmer. In the past two decades, he has worked for well-known brands and customers such as Porsche, IBM, and Activision Blizzard.

Daniel Schemann – Head of Back-End Development

Cultivating his passion for multiplayer experiences in the early days of MUDs, Daniel Schemann founded his studio Silent Future in the early 2000s and would later work on free-to-play MMO *Earthrise*. In his new position as Head of Back-End Development at Flying Sheep Studios, he will create the foundation for the multiplayer experience of *Star Life*.

Nina Kiel – Head of Diversity & Inclusion

As one of Germany's foremost game diversity experts, Nina Kiel has worked in various industry-related fields such as games journalism, game development, game event management, game studies and media education for over a decade, and published several books. Now they've joined Flying Sheep Studios as Head of Diversity & Inclusion to support the studio in making diversity and inclusion a key part of their endeavors.

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For more information on *Star Life*, you can follow Flying Sheep Studios on Twitter at <https://twitter.com/flyingsheep> or visit <https://flying-sheep.com/>.

**AUD conversion values are provided for references and do not denote actual amounts.*

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About iCandy Interactive Limited

iCandy Interactive Limited (ASX:ICI) is an award-winning, publicly traded video games company that has been listed on the Australian Securities Exchange since 2016.

With headquarters in Melbourne, Australia, and offices across Malaysia, Singapore, Indonesia, Thailand, and Germany, we are one of the largest independent game developers in the region. Our team of more than 700 full-time game developers, artists, and engineers have delivered more than 350 mobile, console, PC, and Web 3.0 titles that reflect our people's strengths, dreams, and imaginations to over 370 million gamers worldwide.

iCandy Group is supported by a strong network of strategic shareholders, including Animoca Brands, Fattfish Group, Baidu, Singtel, SK Square, AIS, IncubateFund, as well as several Australian and international funds.

For more details, please contact: ir@icandy.io or visit www.icandy.io

About Flying Sheep Studios

Flying Sheep Studios uses HTML5 to build mid-core mobile games playable in mobile browsers, instant messengers and native apps, delivering high-quality visuals even on older devices. Since the company's founding in 2014 in Cologne, Germany, we have delivered over 200 games on time, quality and budget to satisfied clients, often working with world-renowned brands such as LEGO, Barbie and DreamWorks. We use this experience and know-how to create our IPs and usher in the next generation of high-quality web games.

Find out more on Flying Sheep Studios' website at <https://flying-sheep.com/>

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