



iCandy Interactive Limited (ASX:ICI)

Investor Webinar
19 April 2023



1	Overview / Recap / Market Background
2	Business Updates + FY2022 Recap
3	Virtual Studio Tour
4	Select Project Updates
5	Strategy for 2023 & Beyond
6	Q & As



iCandy At A Glance



- 2015: Incorporation
- 2016: Listed as ICI

LARGEST ASX-listed Game Developer (by no. of FTE)

700+ full time professionals

FY 2022 (31 Dec 2022) Financial Highlights

A\$29.1m Revenue **1432%** Growth (c. Prior Yr)

Core Business
WFH Studios

Own IP Development (Web2/Web3)

International -6 Studios in 5 Countries

H5, Mobile, Web3 Game Dev & Publishing



AAA Game Dev, Art & Animation



Backend/ Web 3.0 Tech



Stellar Work-For-Hire Development of Global Clientele



Strategic Shareholders include



Own IPs

400+

Game titles across H5, Mobile, Web3

Web3 Projects

7 Games & Metaverse Projects

3 NFT Projects

Studio Capabilities



Our Full Stack A-Z Capabilities

CONCEPT

Concept Design

UI/UX Design

Game Mechanics

Economic Design

GAME DEVELOPMENT

Character Design

2D/3D Game Assets

SFX

In-game Animation

Software Development

Cinematics

Smart Contract

Motion Capture

NFT Design

Rigging

PUBLISHING

Marketing

Community / QA

Esports

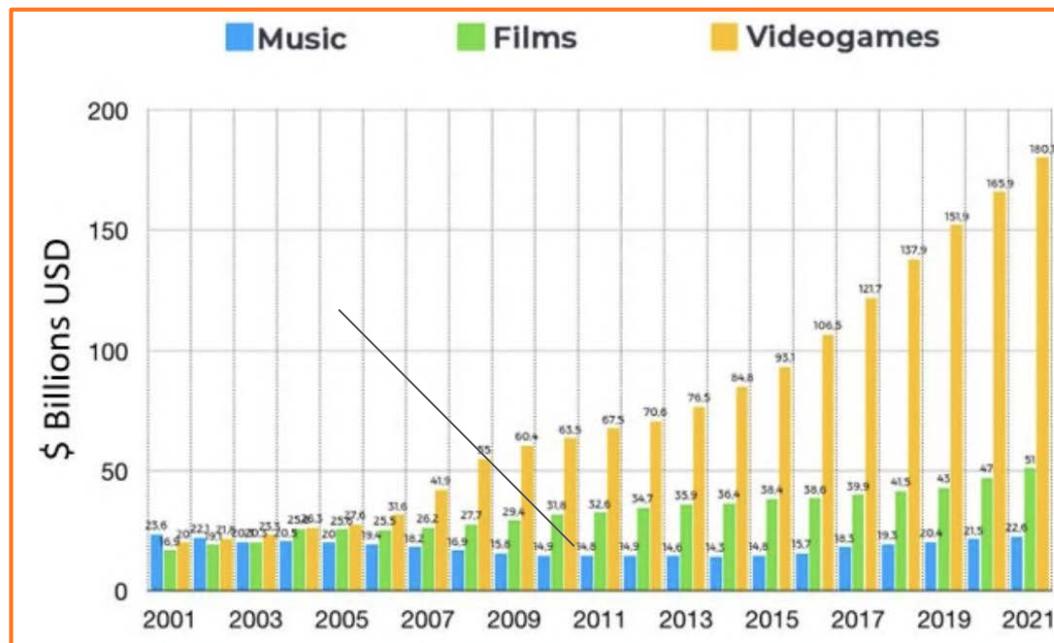
Game, Animation & Metaverse Builder

Worked on 100+ AAA Global Games & Animations

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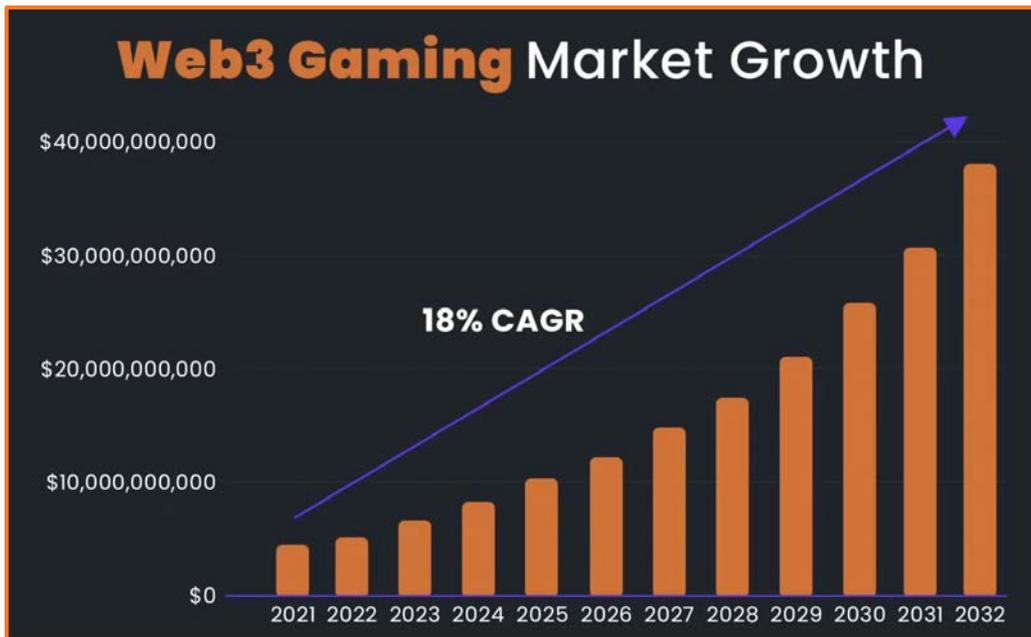


The global video games market is bigger than music and film combined



Source: En Digital

Web3 Gaming is growing fast, faster than traditional gaming market (CAGR ~18%)

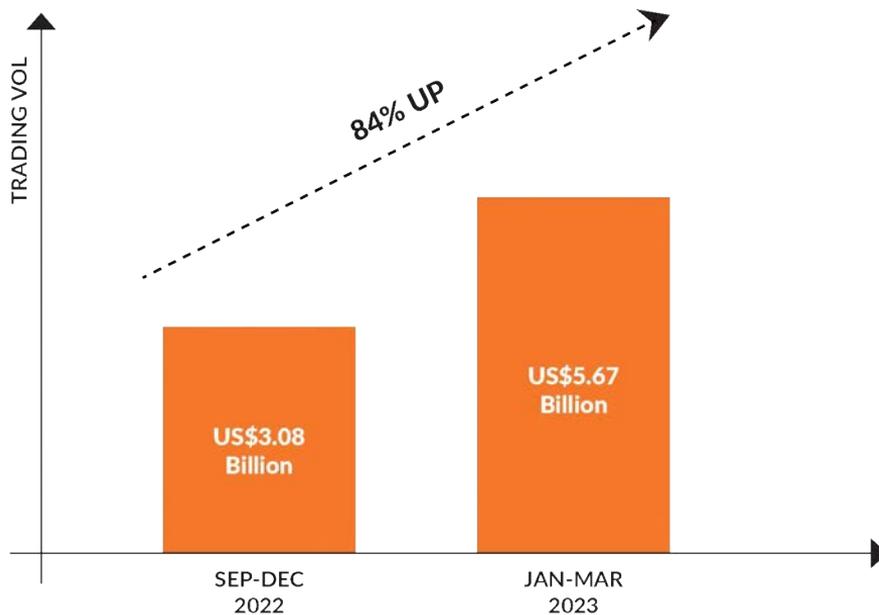


Source: Fungies.io

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Total NFT trade volume for Q1, 2023 (Jan-Mar) is 84% higher than previous quarter, despite “bear market” in Web3 market

Total NFT Trades on Marketplaces Globally



Source: Cryptomode



Investments in Metaverse

Investments from various businesses range from large technology organisations, start-ups, venture capital and private equity companies

- Year 2021: \$57 billion
- Year 2022: \$120 billion
- Microsoft invested \$70 billion & Google invested \$39.5 million



The Sandbox: An Overview of a Groundbreaking Virtual World [Metamandrill.com]

Potential Growth in Metaverse

- **Metaverse real-estate market**
 - Reach \$500 million in 2021
 - Projected to reach \$1 billion in 2022
 - Estimated to grow at CAGR 31% a year from 2022 to 2028

Source: Naavik, Delphi Digital

Metaverse Market Cap

\$40B

Metaverse market cap
(Year 2022)

50.74%

Metaverse market cap
CAGR (2022 to 2030)*

\$1.6T

Estimated market cap by
2030



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FYE 31 Dec 2022 Results

Highlights:

- The Group completed several acquisitions including its major acquisition of Lemon Sky Studios, Storms, Flying Sheep and Hashcode Studios
- Revenue grew from A\$1.9m to A\$29.1m
- Earning Before Income Tax was at A\$0.06m (positive EBIT & EBITDA for the first time)
- Net Assets of Group rose to A\$82.9m



Latest Financials

A\$ 'M	FY21	FY22	Growth
Revenue*	\$1.9	\$29.1	1432%
Staff Costs	\$1.2	\$7.9	558%
Cash	\$18.1	\$18.7	-
Net Asset	\$33.7	\$82.9	146%
Earning before Income Tax (EBIT)	(\$4.2)	\$0.06	n.a

ASX Peer Comparison

	iCandy Interactive (ASX:ICI)	Playside Studios (ASX:PLY)
Market Cap (17 Apr 23)	A\$65.8m	A\$134.2m
Latest Financial Report	Full Year FYE 31 Dec 2022	Half-Year FPE 31 Dec 2022
Revenue for Reported Period	A\$29.1m	A\$ 16.5m
Earning Before Income Tax (EBIT)	A\$0.06m	A\$ (5.59m)
Headcount	700+	254

(Source: PLY website, iCandy Management)

Business Updates - Q1,2023



Continue to build on the nascent Web3 Space

- The Web3 gaming market is still in its nascent stage akin to Internet in 1995 (we think)
- In 2023, the group's **web 3.0 early position is being solidified with more projects coming to fruition**
 - In-house Web3 Games/Platforms (Starlife, Quantum Ark, Anotherverse, Kyo and Metal Genesis) and NFT projects (Engineers and Supermisfits)
- Some Web 3.0 project launches are held back due to soft Web3 market conditions, but we will launch when the market turns

New opportunities in NFT-based Games for Global Brands

- In addition - The Company is developing NFT-based games with simple mechanics and easy to play (almost like idle-game)
 - A pipeline of global partners that the company is developing NFT-based games for; the partners will be announced in stages

Lemon Sky Studios Continues To Win WFH Contracts

- Lemon Sky Studios will continue its WFH success by actively engaging its global clientele and participating in global gaming trade shows
- Recent work completed include HiFi Rush, a major hit on Xbox



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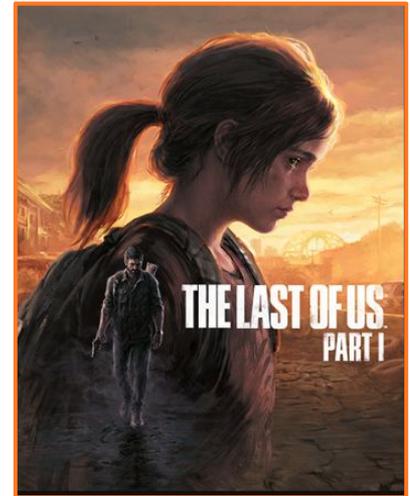
LEMON SKY STUDIOS RECENT WORK FOR HIRE PROJECTS



Select Highlights



[Watch Trailer](#)

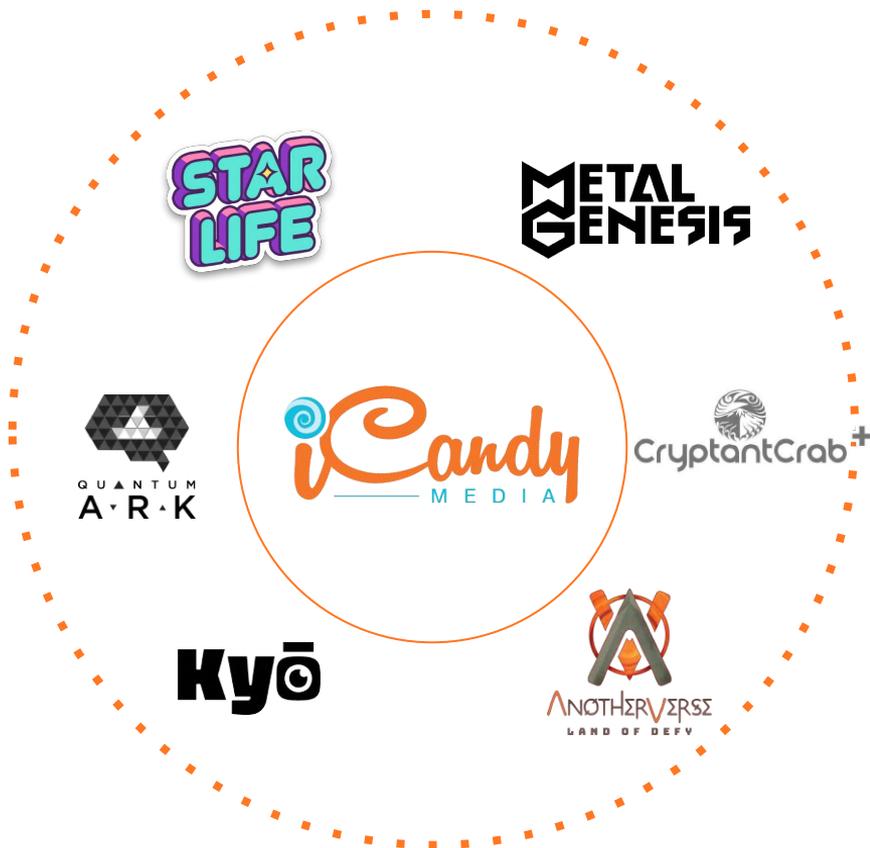


[Watch Trailer](#)

OVERVIEW - OUR WEB3 GAMING & NFTS



We are building multiple Web3 games



Our NFT Projects	
Strategic Publishing Partner	
Web3 Esports Partner	

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GAMING METAVERSE



“Join the stars! - One click to play, party and hang-out.”

- Make a metaverse for everyone
- Focus on gameplay, virtual events, and communities
- Reduce all barriers of entry using proprietary web technology
- Blockchain integration to offer better ownership and agency over virtual belongings
- Planned integration of other NFT series, be they from iCandy or third party



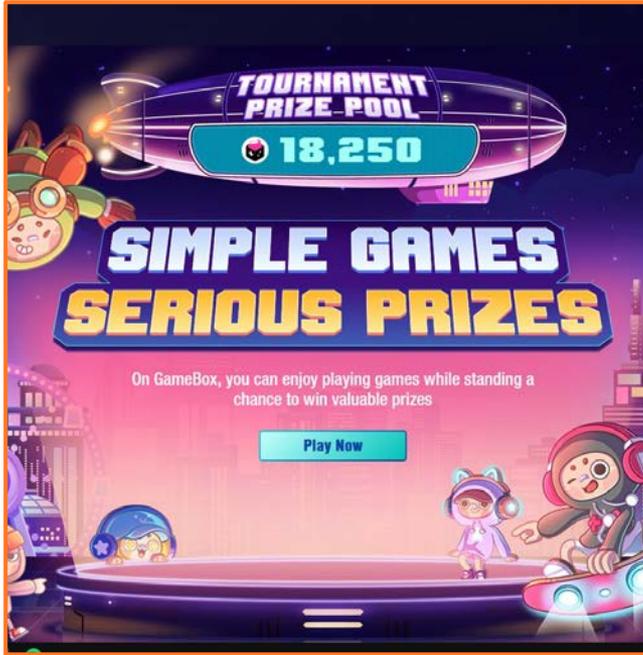
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Grant of US\$1.2 million secured from the German government

Development started February 23

First alpha planned before end of year



Gamebox Launch

Developed by iCandy for partner
Froyo Games

Web3 Casual Games in
Tournament Mode



THE ENGINEERS NFT



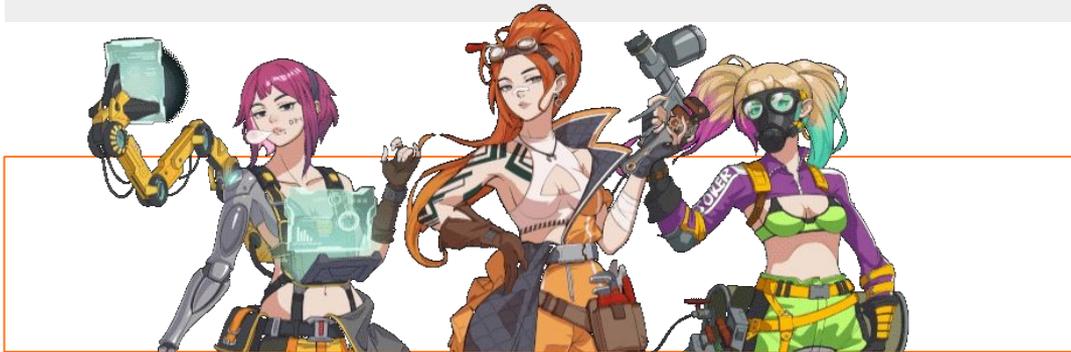
10,000 Generative Art - unique female characters

IP designed by Lemon Sky Studios

NFTs derived to be published by Publisher (tbc)

Showcased in Time Square in New York City during NFT.NYC week

NFT to be launched over next 6 months



<https://theengineersnft.xyz/>



Progress Update

- ◆ Continue to build on game mode - near alpha playable
- ◆ Building In-game and Marketing Cinematic Assets

Delaying soft-launch to aim for better Web3 conditions

Our overall updated strategy

- ◆ Not just building a game, but building an IP franchise
- ◆ Starting with Web3 game (on PC)
- ◆ Will consider rolling out separate gameplay for Console

Inter-community tournament format - proof of concept

In partnership with



Launched Alpha across 2 seasons of week-long
inter-community challenges in March/ April 2023

46,000+ game plays across participants

13,000+ Participants / Kyo wallets



**Aim to bring the next billion players
onto Web 3.0**

RECENT MARKETING EVENTS

NFT NYC



Kin Wai spoke on the panel
“NFTs Give Power to Players”



iCandy team at NFT.NYC



iCandy team hosted 7th season of Asian
GameFi networking event in NYC

DEUTSCHER ENTWICKLERPREIS 2022



Flying Sheep Studios at the
German Game Developer
Awards 2022



iCandy was a sponsor for the event,
which hosted the highest concentration
of game developers, CEOs and
executives of the year in Germany

G-STAR



G-Star Busan is the largest Korean game expo.
Kin Wai delivered a keynote speech on the importance
of the Southeast Asian market for Web3 gaming



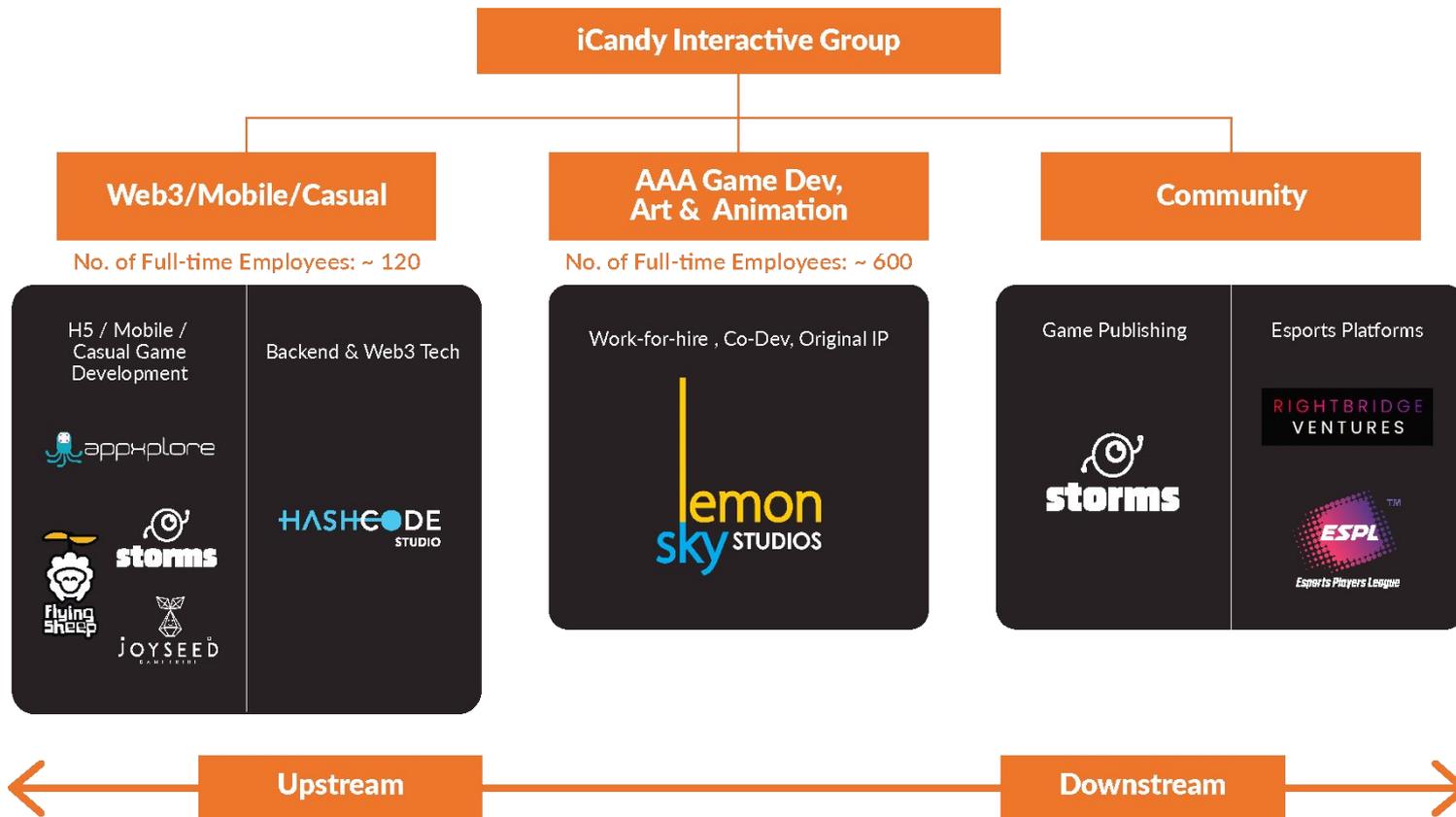
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Strategy - Building Capacity & Capability Across Value Chain



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OVERALL STRATEGY FOR GROWTH



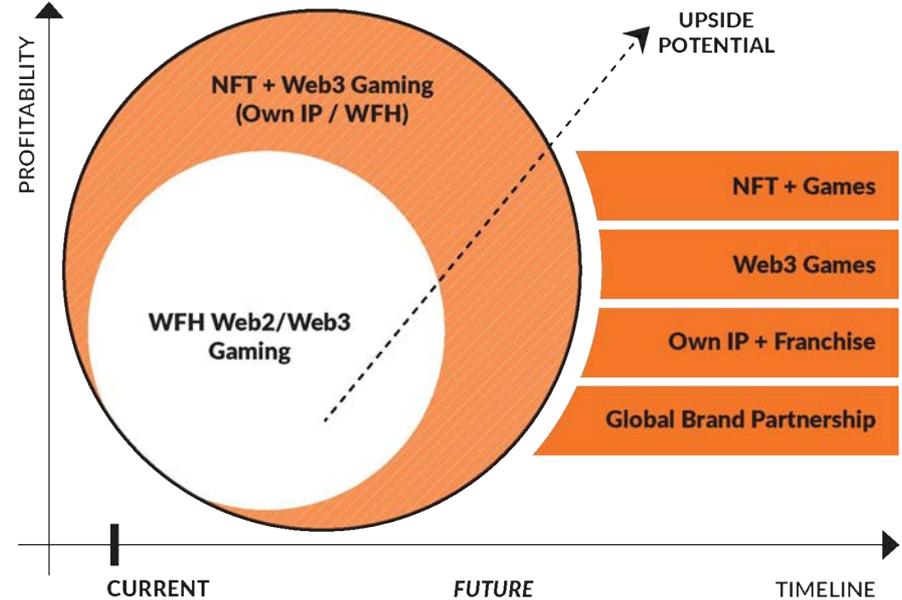
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1 Grow existing Work-for-Hire business (stable & profitable), broadening client footprint & expand value-chain coverage

2 Continue building own IPs in Web3 gaming/NFT - doubling down in “bear market”, positioned for global leadership when market turns

3 Accelerate partnership with global Web2/Web3 players to establish and deepen global franchise

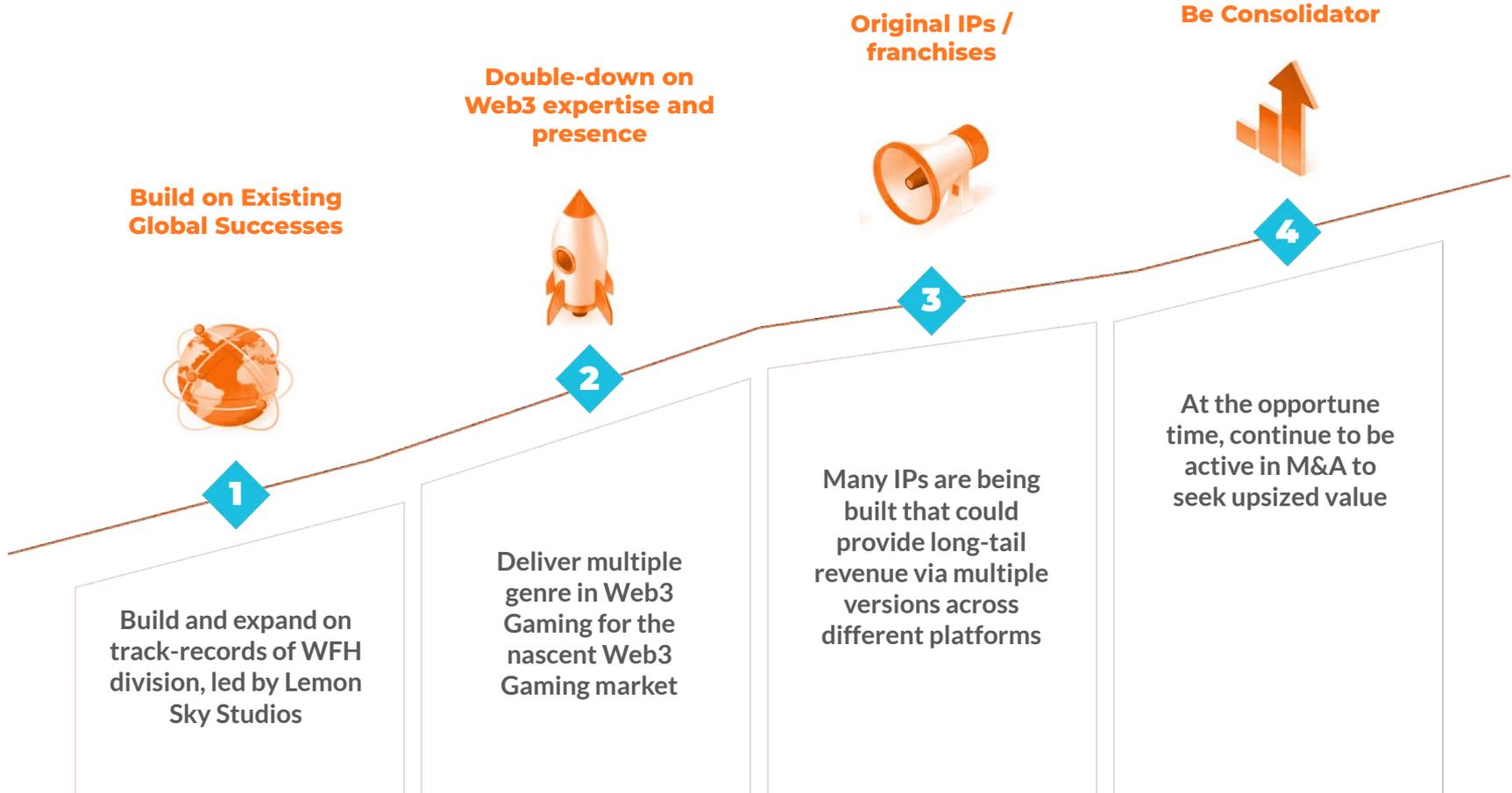
Building for lucrative upside potential, while existing business provides stable growth



MULTIPLE DRIVERS FOR GROWTH



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HOW WE SEE M&A OPPORTUNITIES



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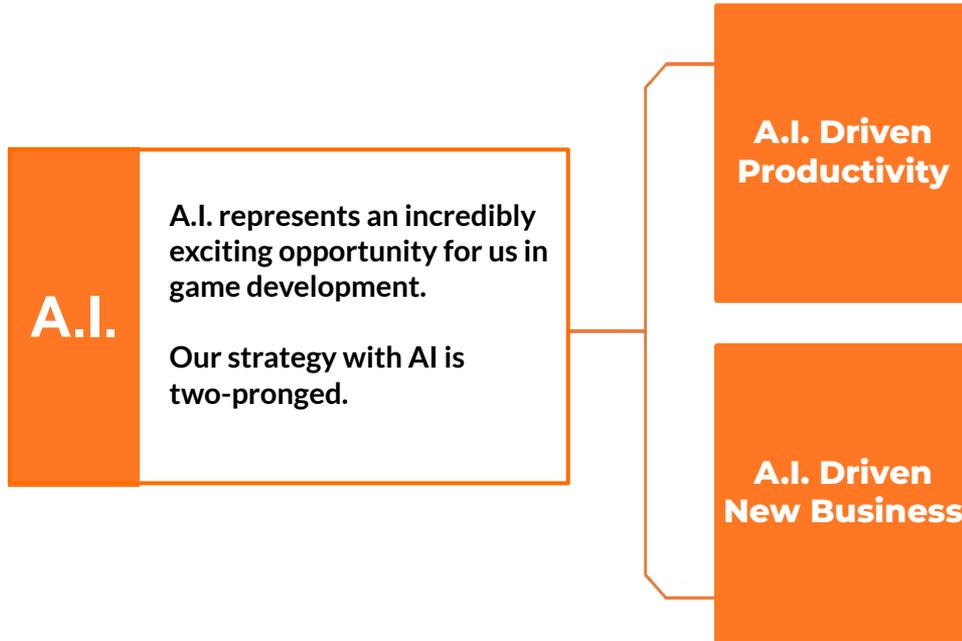
We Bring Global Opportunities to our existing Studios and incoming M&A Targets

**Integrate,
Enhance and
Up-skill**

We will continue to seek M&A opportunities



Our Strategy On A.I.



We are using A.I. tools to improve efficiency of our work:

1. Assist in production of game/animation assets
2. Assist concept artists to generate reference visuals

We are working on new gaming/metaverse experience that is driven by A.I. engines that have taken off.

We aim to roll out new products in this area.

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Q&A



Q&A

OUR FINAL PARTING THOUGHTS



Continue To Build On The Profitable WFH Business

- Lemon Sky Studios has very impressive track-records, almost second to none in Australia and Southeast Asia
- It is a profitable business and can continue to scale to much larger size
- Global WFH leader Keywords Studios recorded US\$745m revenue last financial year

Web3 is nascent but its upside is almost unfathomable

- Web3 games and NFTs are in its nascent stage (almost like building Web business in 1999)
- Despite the Web3 bear market, we are committed to our vision to build global leadership position in Web3
- When the Web3 market turns and scale up, we will emerge winner

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**THANK
YOU**