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CANADA'S LARGEST

FREE TO PLAY MOBILE GAME GROUP

TSX: **LEAF**

OTCQB: **LEMLF**

ANALYST CALL

THIRD QUARTER 2021

November 15, 2021

Forward Looking Statements

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Q3 Executive Summary

Transitory Quarter Ramping to Growth

- **YOY GROWTH CONTINUES** absent any new game launches in the first 3 quarters of FY2021
  - Year to date (nine months ended Sept 30, 2021)
    - Revenue increased +32% vs same nine-month period last year, $64.6M in 21' vs $48.9M in 20'
    - Adj. EBITDA expanded by +16.5% ($6.3M in 21' vs $5.4M in 20')
  - Q3 FY2021
    - Revenue increased +3.8% vs same three-month period last year, $19.0M in 21' vs $18.3M in 20'
    - Adj. EBITDA decreased by -69%, $1.1M in 21' vs $3.5M in 20'

- **REDUCED UA INVESTMENT & SEASONALITY** recognized in Q3 results
  - Amplified seasonality due to pandemic reopening & Apple's (ATT) framework disrupting the marketing ecosystem
  - LEAF reduced investment in UA in Q3 2021 by 16% compared to Q3 2020 to fit within our ROI model.
  - In this transitionary period, we managed investment, gradually increasing investment in Sept 2021, +20% vs Q2 2021 as we saw improvements in ecosystem.

- **RAMPING PRODUCT PIPELINE** 2 "Super Marquee IP" game introductions by YE
  - "Super Marquee IP" titles, NBC's, The Office & RuPaul's Drag Race Superstar game titles in Q4 deliver a ramping of our game growth exiting Q4 2021 and 1H 2022

- **SCALING GAME KIT(S) SOFTWARE PARTNERS** Investing in future growth
  - 10 Game Kit partners with over 10+ games in various stages of production for introduction in 2021/22

BUSINESS UPDATE
HIGHLIGHTS
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The Office
Somehow We Manage

BY THE NUMBERS:

- **57Bn MINUTES** streamed -Netflix
- **#1 NETFLIX** show (2020)
- **5 TIME EMMY** award winner
- **1.2M TWITTER** (@theofficetv)
- **1.7M INSTAGRAM** (@theoffice)
- **1.8M REDDIT** (r/dundermifflin)

key dates

GET IT ON Google Play

Main Markets

US, NL, ES, MX, BR, AR, CL, IL, TH, ID

Dec

World Wide

Download on the App Store

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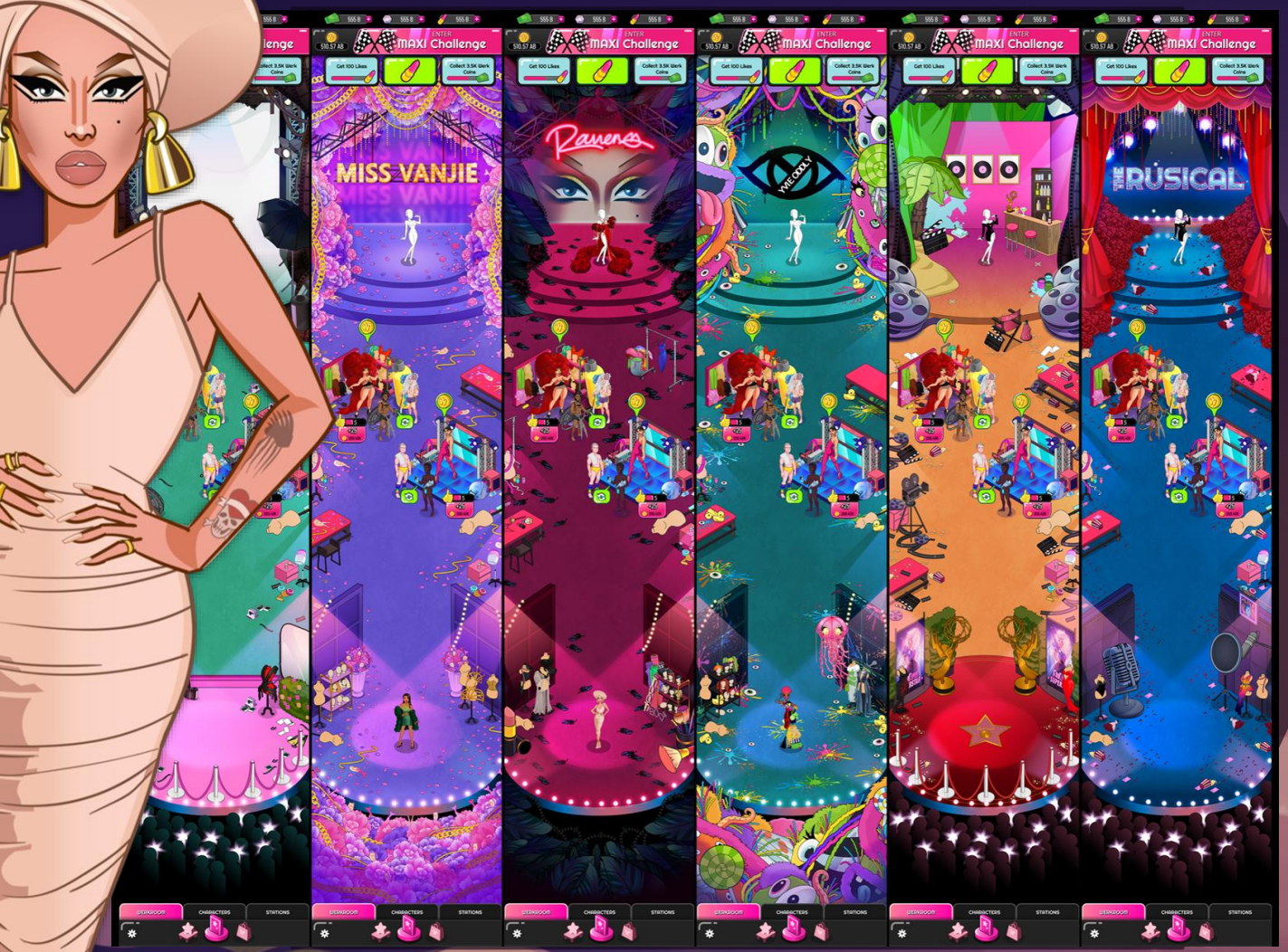
RuPaul's DRAG RACE ★SUPERSTAR★



WW Launch: Oct 25th, 2021

OUR BIGGEST IP TITLE TO-DATE

- The world's most famous drag queen
- 13 seasons and counting.
- 24 Emmys - Most awarded reality show of all time
- 1.3mm people tuned into the premiere
- 5.3mm followers Instagram & Twitter

METRICS TO DATE (iOS)[1]

- **#1 Game in 3 countries**
- **Top 10 RPG in 67 countries**

- **#1 Top Daily Revenue Grossing Game in LEAF Portfolio**

[1]*According toApp Annie Highest Ranks as of Nov 11, 2021*

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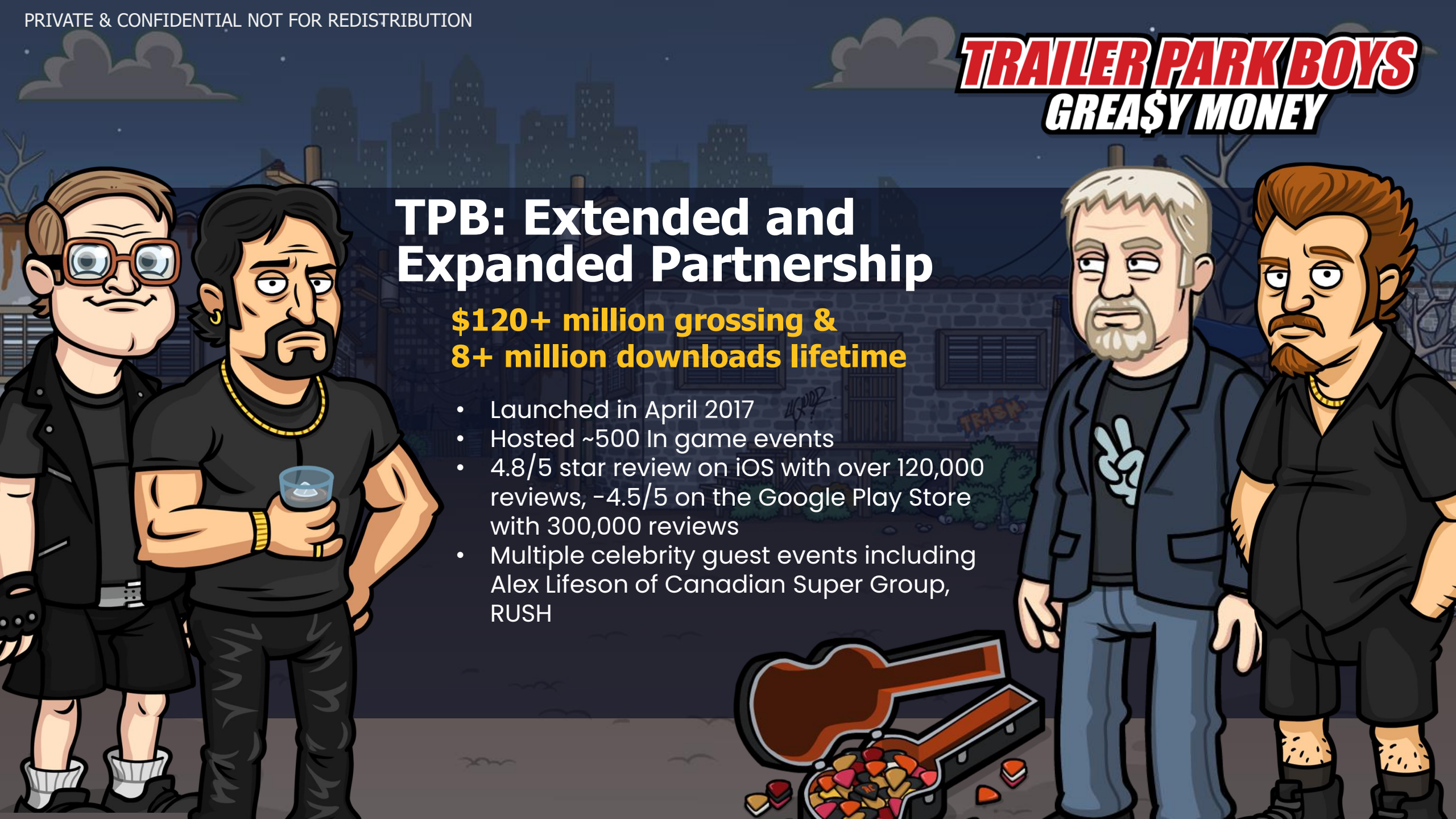

TPB: Extended and Expanded Partnership

$120+ million grossing &
8+ million downloads lifetime

- Launched in April 2017
- Hosted ~500 In game events
- 4.8/5 star review on iOS with over 120,000 reviews, ~4.5/5 on the Google Play Store with 300,000 reviews
- Multiple celebrity guest events including Alex Lifeson of Canadian Super Group, RUSH

RAMPING Product Pipeline

Weighted to Q4 2021/1H 2022

10
GAMES

$90M
LTM REV C$M*

+5
GAMES

LEAF GROUP PUBLISHED

RuPaul's Drag Race Superstar

The Office
Somehow We Manage

B Real Monster Buds, Idle Stonks, Bud Master

+3
GAMES

GAME KIT PARTNERS

Idle Distiller, Arcade Empire Idle Tycoon, Braille Skateboarding Legends,

+5
NEW
GAMES

STACKING GAME REVENUE

LTM (Q3) | Q4 2021 | 1 H 2022

*Proforma: as reported under IFRS (Schedule 1) with the addition of LEAF / LDRLY results from April 17, 2020 to September 30, 2020 and from January 1, 2021 to February 4, 2021.

SUMMARY
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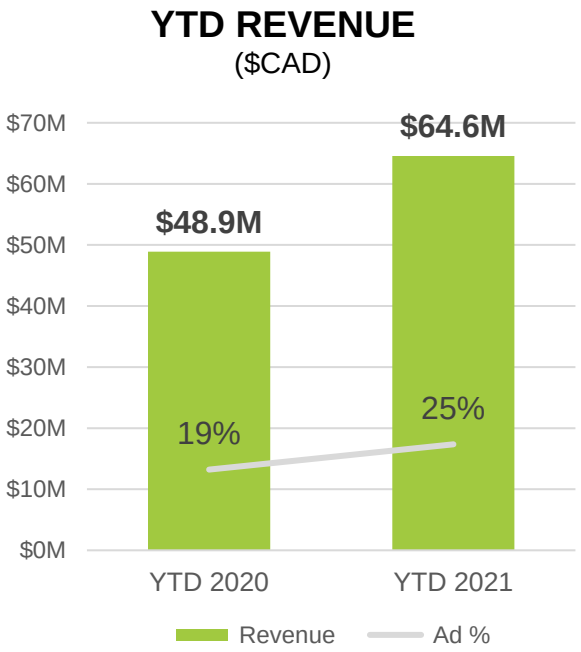
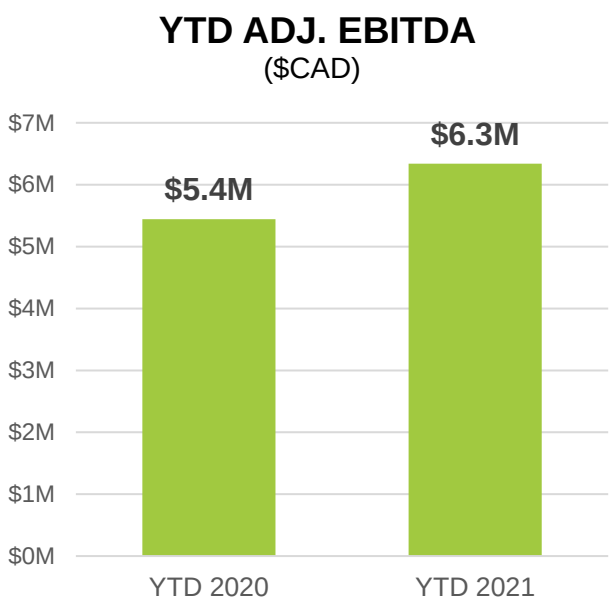
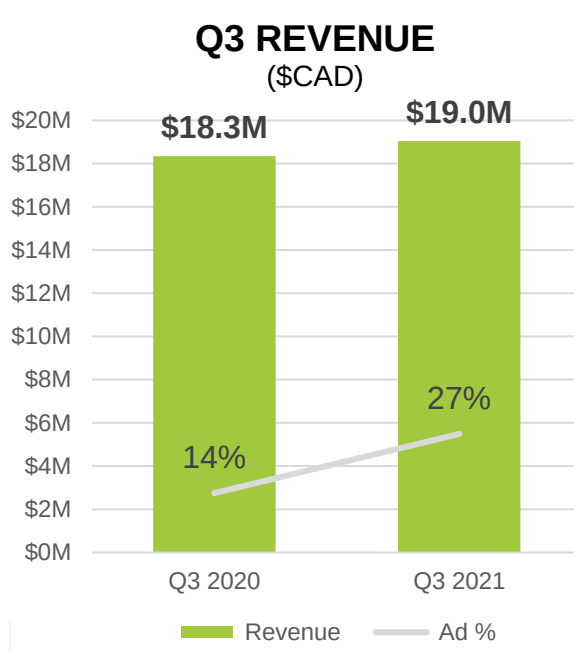
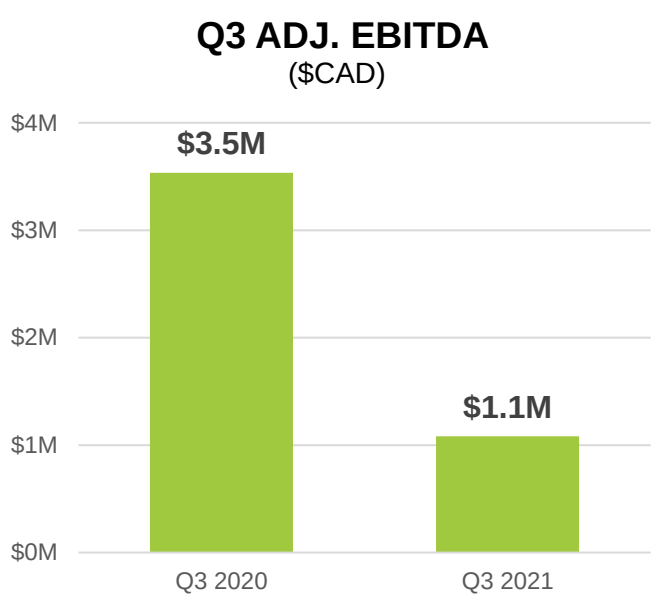
LEAF 2021 YTD & Q3 Results

Strong Balance Sheet & Profitable Growth YOY









YTD Revenue Growth

32%

YOY vs YTD 2020

YTD Adj. EBITDA Growth

17%

YOY vs YTD 2020

Q3 Revenue Growth

32%

YOY vs Q3 2020

"Active" Games

6

97% of Q3 2021 Rev.

All YTD figures are for 9 months as reported and do not include LDRLY from April 17, 2020 to June 30, 2020

Q3 Financial Highlights

CAD (Millions)	Q3 2021	Q3 2020	Δ
REVENUE	**$19.06**	**$18.34**	4%
Gaming	13.81	15.82	-13%
Advertising	5.22	2.52	107%
COST OF SALES	**6.87**	**4.6**	49%
GROSS PROFIT	**12.16**	**13.74**	-11%
Gross Margin %	*64%*	*75%*	
NET INCOME (LOSS)	**-1.24**	**3.29**	N/A
ADJ. EBITDA	**1.08**	**3.54**	-69%
Adj. EBITDA Margin %	*6%*	*19%*	

CAD (Millions)	Q3 2021	Q3 2020	Δ
Cash Flow from Operations	$2.09	$5.06	-59%
Cash Flow from Investing	5.01	-1.49	N/A
Cash Flow from Financing	0.26	-2.17	N/A
INCREASE IN CASH	**7.36**	**1.4**	426%
CASH - Beginning	4.42	2.03	118%
CASH - Ending	**11.78**	**3.43**	243%

32%
YOY GROWTH

Revenue growth of 32% year to date vs. same period 2020 and 4% for the quarter

10%
ADJ EBITDA MARGIN

10% Adj. EBITDA margin YTD and 6% for the quarter

$12M
CASH BALANCE

Continuously strong financial position with $12million cash balance and an undrawn credit facility of $13 million.

Cash generative business & No Debt

- Strong cash flows from operations from operations of $2.1M for the year to date period

SUMMARY &
OUTLOOK
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SUMMARY

Transitory Quarter Ramping to Growth

- **UNDERLYING BUSINESS CONTINUES TO PERFORM YOY**
  - in a challenging operating environment absent of any new game launches YTD (Q3)
- **INCREASING Q4 UA INVESTMENT**
  - Managing transitionary period as industry ecosystem adapts.
- **RAMPING PRODUCT PIPELINE**
  - RuPaul's Drag Race Superstar launched on Nov 25, with additional "Super Marquee IP" title, based on The Office, scheduled for Dec 2021, enables significant step change game growth in Q4 2021 and1H 2022
- **SCALING GAME KIT(S) SOFTWARE PARTNERS**
  - Investing in future growth with the most games in production ever (10+)
- **EXECUTING ON OUR 3 PILLAR STRATEGY**
  - Positions us to return to growth and deliver on our long-term objectives

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Contact Us

info@leafmobile.io

Ph: + 1 604.288.4417

www.leamobile.io

Investor Relations

IR@leafmobile.io

Ph: + 1 604.288.4418

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