



East Side Games Group Reports Record First Quarter 2022 Financial Results

Record Q1 revenue of \$35.6M, an increase of 55% over the same period last year and 24% higher than the previous quarter

Jason Bailey, East Side Games CEO at founding, largest shareholder of EAGR, and Executive Chairman of the Board, appointed CEO of ESGG.

Vancouver, BC, May 12, 2022 – East Side Games Group (TSX: EAGR) (OTC: EAGRF) (“**ESGG**” or the “**Company**”), today announced financial results for the first quarter ended March 31, 2022. All amounts are stated in Canadian dollars on an IFRS basis unless otherwise indicated.

“Q1 was another record quarter for ESGG as we saw growth from our latest hit title, *RuPaul’s Drag Race Superstar*, which launched on October 25, 2021. This game has ramped up to be our top performing title to date. This property has international reach and a rabid fanbase. It has been featured in the app store as Apples ‘Game of the Day’ as well as other featured game lists on both iOS and the Google Play store. We continue to market and grow this game so that it will continue to contribute to growth and ultimately EBITDA for years to come.” said Jason Bailey, newly appointed CEO of ESGG.

“*The Office: Somehow We Manage*, which launched in late January of this year in partnership with Universal Games and Digital Platforms, is also a star of our growth portfolio. We will be investing materially in the game in Q2 and Q3” continued Mr. Bailey.

“Our core portfolio of active titles also performed over the quarter. These titles continued to be EBITDA drivers. This foundation is paying for the development of new titles, GameKit R&D, as well as operational cash flow.” said Bailey, “Given the slate of titles we intend to launch this year and early 2023, we expect to lean in and invest heavily into growth which will result in lower near-term EBITDA. We believe growth now will create a substantially larger cash flow stream once these titles mature and is an extremely attractive use of shareholder capital. Given our strong balance sheet, we are fully funded to achieve significant organic growth in 2022/2023 with existing liquidity available to the company and without access to equity capital markets. Since founding the business in 2011, I have never been so energized about the forward-looking growth prospects of Eastside.”

First Quarter 2022 Highlights:

- Revenue was \$35.6 million, a 55% increase vs Q1 2021 revenue of \$23.0 million and 24% higher than Q4 2021.
- Cash for the Company at March 31, 2022 was \$6.2 million compared to \$9.2 million at December 31, 2021.
- Earnout Milestones were achieved and paid as \$10 million in cash and \$10 million in shares as per the Share Purchase Agreement.
- During Q1 2022, the Company expanded its bank credit facility from \$3.5 million to \$7.1 million increasing its overall credit facilities to \$17.1 million. At March 31, 2022, the Company had \$1.9 Million in debt.
- Q1 Adjusted EBITDA was \$3.0 million.
- Q1 net income of \$0.5 million, or \$0.01 on a per common share basis.
- Record player audience with Q1 Daily Active Users (DAU) reaching 407,222, up 47% year-over-year, and Monthly Active User (MAU) of 1,751,205, up 74% over the same period.
- Acquired *Funko Pop! Blitz* mobile game from N3TWORK.
- Expanded the partnership with Mighty Kingdom, based in Australia, for three additional Game Kit based mobile games.
- Added four new genres to the Game Kit core offering, Merge, Match, Blitz and Master and have partnership development agreements for each.

Significant events subsequent to March 31, 2022:

- Chief Revenue Officer, Board Chair, East Side Games co-founder and original CEO in 2011, Jason Bailey, succeeded Darcy Taylor as Chief Executive Officer of ESGG.
- Announced the Dragon Up Mobile Game will be available to play exclusively on Netflix in May 2022.

Certain information provided in this news release is extracted from the consolidated financial statements (the “Financial Statements”) and Management’s Discussion & Analysis (“MD&A”) of the Company for the three months ended March 31, 2022 and should be read in conjunction with them. It is only in the context of the full information and disclosures contained in the Financial Statements and MD&A that an investor can properly analyze this information. The Financial Statements and MD&A can be found under the Company’s profile on SEDAR and EDGAR.

Webcast and Conference Call Information

The Company will hold a conference call to discuss its performance with the investment community at 2:00 p.m. PT today. Related earnings release materials can be found on East Side Games Group website at <https://eastsidegamesgroup.com/investors/financial-information/>.

Webcast and Conference Call Details:

Webcast URL: <https://app.webinar.net/Xy9WDqkl1O6>

Toll Free Dial-In Number: +1 (888) 440-2009

International Dial-In Number: +1 (438) 803-0546

Conference ID: 8631585

A replay will be available starting at 6:30 a.m. PT May 13, 2022 until June 12, 2022 by dialing +1 (800) 770-2030 or +1 (647) 362-9199 and entering the conference ID 8631585.

ABOUT EAST SIDE GAMES GROUP

East Side Games Group (formerly operating under the name “LEAF Mobile Inc.”) is a leading free-to-play mobile game group. Through our proprietary Game Kit software platform, we enable creators to successfully deliver memorable mobile gaming experiences that engage players everyday. We publish a diverse portfolio of original and licensed IP mobile games that include: *The Office: Somehow We Manage*, *RuPaul’s Drag Race Superstar*, *Bud Farm Idle Tycoon*, *Cheech & Chong Bud Farm*, *It’s Always Sunny: The Gang Goes Mobile*, *Trailer Park Boys Greasy Money* and other IP based and wholly owned properties.

Additional information about the Company continues to be available under its legal name, LEAF Mobile Inc., at www.sedar.com.

Forward-looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the proposed transactions described herein. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management’s current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including factors beyond the Company’s control. These forward-looking statements are made as of the date of this news release.

Contact Us

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