LEADERS IN

FREE TO PLAY MOBILE GAMES

TSX: **EAGR** OTCQB: **EAGRF**

ANALYST CALL – Q2 2022

August 11, 2022

Forward Looking Statements

This presentation contains general background information about EastSide Games Group (the “Company”) in summary form, and does not purport to be complete. It is confidential, not for distribution to the public, for information purposes only, and may not be reproduced or distributed to any other person or published in whole or in part. It is not a general advertisement, general solicitation or an offer to sell or buy any securities, nor is it advice or a recommendation. This presentation or the fact of its communication shall not form the basis of or be relied on in connection with any contract or investment decision whatsoever in relation thereto. No securities commission or exchange has reviewed, commented on or assessed the adequacy or accuracy of this presentation.

Statements in this presentation (the “Presentation”), including the information set forth as to the future financial or operating performance of the Company, that are not current or historical factual statements may constitute “forward-looking” information within the meaning of applicable securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Presentation, such statements may include, among other language, such words as “may”, “will”, “expect”, “believe”, “plan”, “anticipate”, “intend”, “estimate” and other similar terminology. These statements reflect current expectations, estimates and projections regarding future events and operating performance and speak only as to the date of this presentation. prospective investors should not place undue importance on forward-looking statements and should not rely upon this presentation as of any other date. These forward-looking statements involve a number of risks and uncertainties. The forward-looking statements included in this Presentation are made only as of the date of this presentation. The Company undertakes no obligation to update any forward looking- statements to reflect subsequent events or circumstances. There can be no assurance that the projected results can be realized or that actual results will not be materially higher or lower than those projected.

This presentation contains "forward-looking" statements including those regarding our financial guidance, our strong product roadmap and pipeline, our healthy balance sheet to support expected growth, and statements including words such as “anticipate,” “believe,” “estimate,” “expect,” “may,” “will,” “plan,” “intend,” “could,” “continue,” “remain,” “positioned,” "potential" and similar expressions or variations. You can locate these reports through our website at http://www.eastsidegamesgroup.com/investors.

EXECUTIVE Summary

Growth Ramp Continues in Q2

- RECORD Q2 REVENUE
- RECORD Q2 PLAYER AUDIENCE
- SCALING GAME KIT(S) PARTNER GAMES
- OFFICE GROWTH
- STAR TREK SOFT LAUNCH
- IP DEALS SIGNED FOR 2023 GAMES

Q2 REVENUE
$29.7M
+32% YoY

End of Q2 Cash
$9.3M

1H 2022
$65.3M
+44% YOY

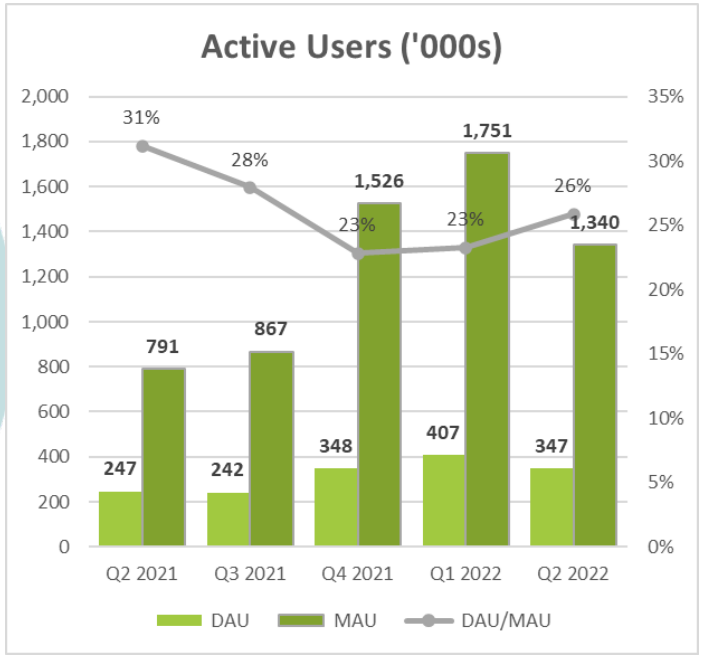
1H adjEBITDA
$3.6M

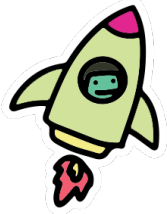
Cash from Ops 1H
$10.0M

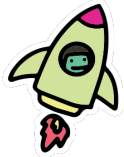
End of Q2 Debt
$0.3M

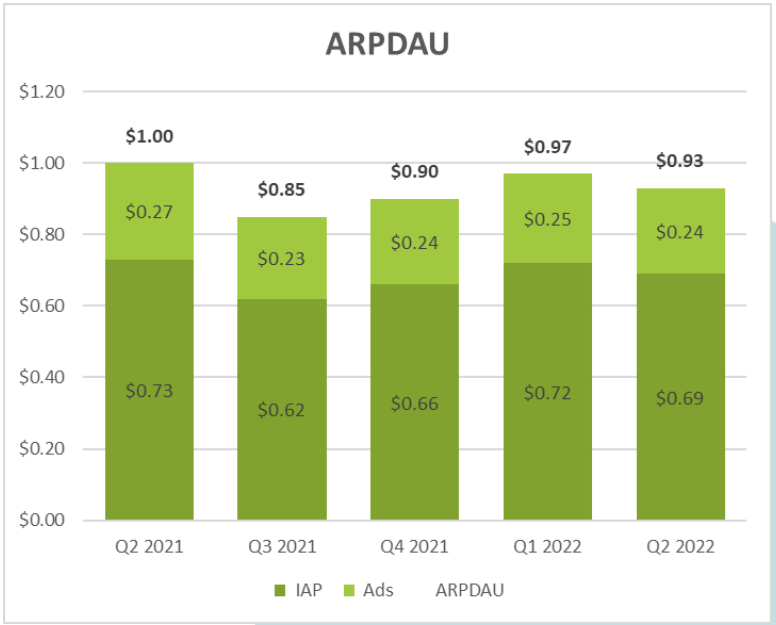
ESGG Q2 Operating Metrics

Record (DAU) & (MAU) – Increasing ARPDAU







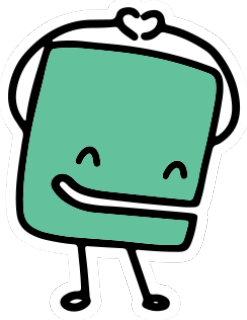


DAU +43% **MAU +69%**

vs Q2 21'

Stable

DAU, MAU and ARPDAU - Refer to definitions on Non-GAAP measures in MD&A.



GAME KIT MISSION

We enable CREATORS to SUCCESSFULLY deliver memorable MOBILE GAMING experiences that engage players EVERY DAY.

SINCE 2011
PROUDLY CRAFTED IN EAST VANCOUVER
FIERCELY INDEPENDENT

ICONIC Global Franchises

By Fans for Fans

Marquee 2H 2022 Launches

STAR TREK LOWER DECKS

funkitron

New Genres
Merge, Match, Master, Blitz

New IP Partners
New Dev Partners

New Idle Formulas

2021-22 ACTIVE GAMES ONLY*

CAD (Millions)	1H 2022	2021
REVENUE	**$29.9**	**$83.6**
Gaming	$22.2	$61.3
Advertising	$7.7	$22.3
COST OF SALES	**$8.9**	**$27.7**
GROSS PROFIT	**$21.0**	**$55.8**
adjEBITDA	**$7.8M**	**$17.1M**

2021 20.5% margin

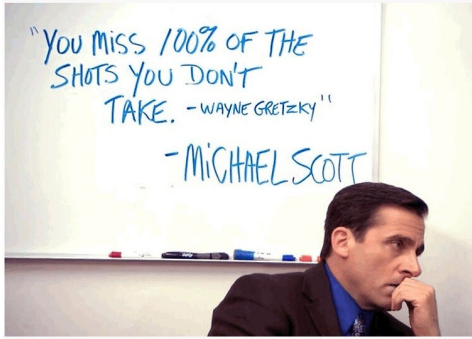
1H22 26.1% margin

*Excludes all games in development, Growth games such as RuPaul or The Office. Excludes transaction costs from 2021 as well as stock based compensation. It does include all overhead costs prorated by headcount. Approximate, unaudited numbers.

Contingent Compensation Write Down

At our current run rate of 130M, achieving the 150M milestone is significantly at risk. With many new titles launching in late Q3 and early Q4, there is still some possibility.

We have been advised to write this liability down for now, resulting in higher than expected Net Income.



NCIB

“In the short term, the stock market is a voting machine; in the long term, it’s a weighing machine.” - Benjamin Graham

-Jeff Bezos

We believe the current quote is a reflection of the tickers poor voter turnout, not our business which continues to gain weight.

Q2 Financial Highlights

CAD (Millions)	Q2 2022	Q2 2021	Δ
REVENUE	**$29.7**	**$22.5**	32%
Gaming	22.0	16.5	33%
Advertising	7.7	6.1	26%
COST OF SALES	**10.6**	**8.5**	25%
GROSS PROFIT	**$19.1**	**14.0**	36%
Gross Margin %	*64%*	*62%*	
NET INCOME (LOSS)	**$18.1**	**$(0.9)**	
ADJ. EBITDA	**0.6**	**2.6**	

CAD (Millions)	Q2 YTD 2022	Q2 YTD 2021	Δ
Cash Flow from Operations	$10.0	$3.7	6.4
Cash Flow from Investing	($0.2)	$4.0	(4.2)
Cash Flow from Financing	($9.8)	$0.2	(9.6)
INCREASE (DECREASE) IN CASH	$0.1	**$7.9**	(7.8)
CASH - Beginning	9.2	4.4	
CASH - Ending	**9.3**	**12.3**	

32%
YOY GROWTH

Quarterly Revenue growth of 32% vs. same period 2022 and reduction of 17% over Q1 2022

$9.3M
CASH BALANCE

Strong financial position with $9.3 million cash balance and undrawn credit facilities of up to $25 million

SUMMARY

Continue to execute against plan

- **NEW LAUNCH GROWTH** from *The Office: Somehow We Manage* and *RuPaul's Drag Race Superstar*. Core Portfolio revenue dropped more than forecast but was offset by new title growth.

- **TEAM EXPANSION**
  Strong Hiring Pipeline. As many of our peers such as Jam City and Unity are facing layoffs, we continue to grow our team and focus on our talent density. We are now 220 FTE and another 250 contract partners working full time on our titles.

- **PATIENCE IN PIPELINE**
  Making smart launch choices. Always making the choices that are best for the long term health of a game instead of short term revenue goals.

- **ADDING GAME KIT FEATURES**
  New Genres in soft launch and adding to our publishing partnerships.

DAU, MAU and ARPDAU - Refer to definitions on Non-GAAP measures in MD&A.

ANALYST
Q&A

Contact Us

info@eastsidegamesgroup.com
Ph: + 1 604.288.4417
www.eastsidegamesgroup.com

Investor Relations

IR@eastsidegamesgroup.com
Ph: + 1 604.288.4418

Follow **@esggroupinc** on