



## **East Side Games Group Reports Third Quarter 2022 Financial Results**

**Q3 revenue of \$25.0M, an increase of 32% over the same period last year**

**Q3 YTD revenue of \$90.4M, an increase of 40% over the same period last year**

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Vancouver, BC, November 10, 2022 – East Side Games Group (TSX: EAGR) (OTC: EAGRF) (“**ESGG**” or the “**Company**”), today announced financial results for the third quarter ended September 30, 2022. All amounts are stated in Canadian dollars on an IFRS basis unless otherwise indicated.

The launch of Star Trek, in the last few days of Q3, has us well positioned for Q4 and the end of FY2022. Doctor Who: Lost in Time will be our next major IP-based title, currently in soft launch and slated for worldwide launch. We have also soft launched titles in three new genres, Trailer Park Boys Merge, Bud Farm Munchie Match and Milk Farm Tycoon, all of which are showing solid engagement metrics. This will bring our total games launched in 2022 to 11 titles, one more than our goal of 10 titles.

Three of ESGG's top five games launched in the past 12 months. RuPaul’s Drag Race Superstar, The Office: Somehow We Manage, and Star Trek: Lower Decks - The Badgley Directive. These titles prove out the product market fit for GameKit, our proprietary software framework that allows developers to build faster, cheaper, and with a higher chance of success. It also proves our focus on IP-driven games is a solid model in a post Ad Tracking Transparency (“ATT”) world.

For 2023 we will have a tighter focus on large IP-driven games, which is where we have found the most success. We will be investing in our winners as well as betting smart about what is working in the new market dynamics. We have signed deals for new IPs and games for next year with NBCUniversal, Creative Artists Agency, Jazwares, All Elite Wrestling, Diggital Dogg and others. We have also signed numerous development partnership deals with leading studios all over the world.

“We anticipate being EBITDA positive for the year while maintaining year over year growth. We remain focused on our goal of providing creators the tools to successfully deliver mobile gaming experiences that engage players every day,” said Jason Bailey, CEO of East Side Games Group.

### **Three and nine months ended September 30, 2022 Highlights:**

- Q3 2022 revenue was \$25.0 million, a 32% increase vs Q3 2021 revenue of \$19.0 million. For the nine months ended September 30, 2022, revenue was \$90.4 million, a 40% increase vs the nine months ended September 30, 2021.

- Cash for the Company at September 30, 2022 was \$5.2 million compared to \$9.2 million at December 31, 2021. The Company had \$0.8 million in debt. During 2022, the Company expanded its operating credit facility from \$3.5 million to \$7.1 million increasing its overall credit facilities to \$17.1 million.
- Daily Active Users in Q3 were 298K (Q3 2021 – 244k) and Monthly Active Users were 1.0M (Q3 2021 – 871k). Average Revenue per Daily Active User was \$0.94 (Q3 2021 - \$0.85).
- Q3 2022 Adjusted EBITDA was \$(1.0) million (Q3 2021 - \$1.1 million) and year to date Adjusted EBITDA was \$2.6 million (YTD 2021 - \$6.3 million).
- Q3 2022 net loss was \$3.5 million (Q3 2021 – net loss of \$1.4 million) and year to date net income was \$14.4 million (YTD 2021 – net loss of \$1.1 million). Net income for the nine months ended September 30, 2022 included a \$19.5 million income item for the reversal of the contingent payment.
- Launched Star Trek Lower Decks and soft launched Doctor Who, Milk Farm Tycoon, Trailer Park Boys Merge, Bud Farm Munchie Match, and others.
- On August 11, 2022, the Company announced its intention to buy back up to 4,076,819 shares under its NCIB. Through September 30, 2022, the Company purchased 98,139 shares.

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 and nine months ended September 30, 2022 and should be read in conjunction with them. It is only in the context of the fulsome 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/vxV0pIML4mb>

Toll Free Dial-In Number: +1 (888) 886-7786

Local Dial-In Number: +1 (416) 764-8658

Conference ID: 11113306

A replay will be available starting at 6:30 a.m. PT November 11, 2022 until December 10, 2022 by dialing +1 (877) 674-7070 or +1 (416) 764-8692 and entering the conference ID 113306.

## **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*, *Star Trek: Lower Decks - The Badguy Directive*, *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, East Side Games Group Inc., at [www.sedar.com](http://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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