



East Side Games Group Reports Fourth Quarter and Full Year 2022 Financial Results

- Record full year revenue of \$116.3M growing by 25% compared to 2021
- Recorded Adjusted EBITDA of \$7.5M in 2022
- Launched *Doctor Who: Lost in Time* and *Milk Farm Tycoon*

Vancouver, BC, March 31, 2023 – East Side Games Group (TSX: EAGR) (OTC: EAGRF) ("**ESGG**" or the "**Company**"), today announced financial results for the fourth quarter and year ended December 31, 2022. All amounts are stated in Canadian dollars on an IFRS basis unless otherwise indicated.

We were pleased with our strong finish to 2022 both with revenue and Adjusted EBITDA rebounding strongly from Q3. The launch of *Star Trek: Lower Decks - The Badger Directive* (September 2022), *Milk Farm Tycoon* (February 2023) and *Doctor. Who: Lost in Time* (March 2023) set us up for a strong 2023.

For 2023/24 we will have a tighter focus on large IP-driven games with cult-like followings, 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. The Company anticipates launching new games based on various intellectual properties from recognized names in film, television, toys, music and sports, as it continues to build and expand its partnerships with leading studios around the world.

The strength of our GameKit platform continues to fuel our growth as we launch more successful titles using this tool set. Four of our seven unique titles have been launched in the past 18 months using this tech. Partners continue to clamour to get into this program and as the GameKit product gets more and more extensive, we will be able to embrace more of these partnerships.

"With the recent award nominations and success of our releases, in addition to a number of major IP and developer partnerships on the horizon, we expect great things for ESGG. As fans first, we're thrilled for these upcoming titles in large part because we know they'll be fun to play," says Jason Bailey, CEO of ESGG. "Moving forward, we will continue to focus on our goal of providing creators the tools to successfully deliver mobile gaming experiences that engage players every day."

Three months and year ended December 31, 2022 Highlights:

- Q4 2022 revenue was \$25.9 million.

- For the year ended December 31, 2022, revenue was \$116.4 million, a 25% increase compared to the year ended December 31, 2021.
- Q4 2022 Adjusted EBITDA was \$2.5 million.
- For the full year, Adjusted EBITDA was \$7.5 million.
- \$9.6M was invested in new game R&D and GameKit during 2022
- Cash for the Company at December 31, 2022 was \$5.7 million compared to \$5.2 million at September 30, 2022.
- Cash flow from operations for 2022 was \$10.0 million.
- Daily Active Users in Q4 were 277K (Q3 2022 – 298k). Average Revenue per Daily Active User was \$1.04 (Q3 2022 - \$0.94).
- Launched *Star Trek Lower Decks*, *Doctor Who*, *Milk Farm Tycoon* and *Bud Farm Munchie Match*.
- On August 11, 2022, the Company announced its intention to buy back up to 4,076,819 shares under its NCIB. Through March 30, 2023, the Company purchased 386,927 shares, and intends to purchase more shares under the NCIB until its expiry.
- Truly Social Games (TSG) filed claims against the Company with respect to a membership purchase agreement and publishing agreements between the Company and TSG. The Company considers these claims to be meritless, vague, and unsubstantiated, and has filed responses and a counterclaim against TSG. The Company will defend such claims vigorously.

We note that the 2021 year end results were restated as a result of adjustments/recharacterizations made regarding external game development costs and IP payments, as well as the Company's investment in Truly Social Games. The restatements caused net and comprehensive loss for 2021 to be restated as \$2.8 million (previously \$1.9 million), but the restatements had no effect on the Company's cash or revenue for the 2021 fiscal year, and in fact improved the Company's EBITDA for that year.

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 year ended December 31, 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://viavid.webcasts.com/starthere.jsp?ei=1602282&tp_key=62018c4454

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Toll Free Dial-In Number: +1 (888) 396-8049
Local Dial-In Number: +1 (416) 764-8646
Conference ID: 83612382

A replay will be available by dialing +1 (877) 674-7070 or +1 (416) 764-8692 and entering passcode 612382#.

ABOUT EAST SIDE GAMES GROUP

East Side Games Group is a leading free-to-play mobile game group, creating engaging games that produce enduring player loyalty. Our studio groups entrepreneurial culture is anchored in creativity, execution, and growth through licensing of our proprietary Game Kit software platform that enables professional game developers to greatly increase the efficiency and effectiveness of game creation in addition to organic growth through a diverse portfolio of original and licensed IP mobile games that include: *The Office: Somehow We Manage*, *Star Trek: Lower Decks – The Badgley Directive*, *Doctor Who: Lost in Time*, *RuPaul's Drag Race Superstar*, *Trailer Park Boys Grea\$y Money*, *Bud Farm Idle Tycoon* and *Cheech & Chong Bud Farm*.

We are headquartered in Vancouver, Canada and our games are available worldwide on the App Store and Google Play. For further information, please visit: www.eastsidegamesgroup.com and join our online communities at [LinkedIn](#), [Twitter](#), [Facebook](#), and [Instagram](#).

Additional information about the Company continues to be available under its legal name, East Side Games Group 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.

For Further Information

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