



## East Side Games Group Reports First Quarter 2023 Financial Results

- Revenue of \$24.2M in Q1 2023
- Adjusted EBITDA of \$2.6M in Q1 2023
- Launched *Doctor Who: Lost in Time* and *Milk Farm Tycoon*
- Announced Squishmallows Game in Partnership with Jazwares

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Vancouver, BC, May 11, 2023 – East Side Games Group (TSX: EAGR) (OTC: EAGRF) (“**ESGG**” or the “**Company**”), today announced financial results for the first quarter ended March 31, 2023. All amounts are stated in Canadian dollars on an IFRS basis unless otherwise indicated.

The Company is celebrating a strong start to 2023 with revenue of \$24 million and *adj*EBITDA of 11%. This quarter’s worldwide releases of *Milk Farm Tycoon* (February 2023) and *Doctor Who: Lost in Time* (March 2023) are just the beginning of what ESGG expects to be an exciting year.

New collaborations, such as the recently [announced Jazwares partnership](#), will continue to demonstrate ESGG’s commitment to focusing on large IP-driven games with cult-like followings, which is where the Company has found great success.

ESGG continues to invest in its owned IP titles such as Milk Farm which launched worldwide in February as well as Bud Farm Munchie Match.

“Munchie Match continues to post the most impressive retention numbers of any LDRLY title with Day One retention rates over 50% and Day Seven retention over 25%. Event-driven LiveOps are being added to the game with a regular cadence and we expect the game to be ready for a large marketing push by mid Q3,” said Jason Bailey, CEO of ESGG, “This title gives us a firm place of success to build on in the Match 3 genre. We already have partnerships with world class IPs that will see titles built on this GameKit framework.”

The Company would like to take this opportunity to once again recognize the team behind *Star Trek: Lower Decks – The Badgley Directive* following the game winning Best Storytelling at the Pocket Gamer Mobile Games Awards. We would also like to recognize Josh Nilson, cofounder and GM of Games at East Side Games, for his induction into the BC Innovators Hall of Fame.

### Three months ended March 31, 2023 Financial Highlights:

- For the quarter ended March 31, 2023, revenue was \$24.3 million, a 32% decrease compared to the quarter ended March 31, 2022.
- Q1 2023 Adjusted EBITDA was \$2.6 million, a margin of 11%.

- \$1.3M was invested in new game R&D and GameKit during Q1 2023
- Cash for the Company at March 31, 2023 was \$3.1 million compared to \$5.7 million at December 31, 2022. The decrease was due to the timing of Apple's monthly payments and there is a corresponding increase in accounts receivable.
- Daily Active Users in Q1 were 277K (Q4 2022 – 277k). Average Revenue per Daily Active User was \$0.95 (Q4 2022 - \$1.04).
- 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. The company continues to buy back stock as aggressively as it can under the strict restrictions for such programs.

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, 2023 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://viaavid.webcasts.com/starthere.jsp?ei=1611559&tp\\_key=713b3967d7](https://viaavid.webcasts.com/starthere.jsp?ei=1611559&tp_key=713b3967d7)

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

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

Conference ID: 24986077

A replay will be available by dialing +1 (877) 674-7070 or +1 (416) 764-8692 and entering passcode 986077#.

### **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 Badgery Directive, Bud Farm Idle Tycoon, Doctor Who: Lost in Time, RuPaul's Drag Race Superstar, Cheech and Chong Bud Farm, and Trailer Park Boys: Grea\$y Money.

We are headquartered in Vancouver, Canada and our games are available worldwide on the App Store and Google Play.

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.

### **For Further Information**

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