East Side Games Group Reports Q1 2025 Financial Results

Vancouver, BC, May 13th, 2025 – East Side Games Group (TSX: EAGR) (OTC: EAGRF) ("**ESGG**" or the "**Company**"), today announced its financial results and operating results for the first quarter ended March 31, 2025. These results highlight the Company's ability to maintain profitability and healthy margins even amid seasonal and broader economic fluctuations, while positioning itself and reinvesting for meaningful growth in 2025.

First Quarter 2025 Financial highlights

- Revenue of $18.5 million
- Adjusted EBITDA of $2 million
- DAU (Daily Active Users): 209,000.
- ARPDAU (Average Revenue Per Daily Active User): $0.99
- Cash Balance of $5.4 million
- Share Buybacks: The company repurchased 169,700 shares in the quarter under the Normal Course Issuer Bid ("NCIB") for a total of $83,700.

Management Commentary:

"Despite seasonal softness in Q1, our core live game portfolio continues to perform well and we are investing in new features designed to enhance engagement and monetization. These core titles continue to be a reliable source of revenue and positive cash flow. We are actively reinvesting this cash flow in the expansion as a company, developing the next crop of profitable games to add to the portfolio with launch dates planned in 2025. One such new title, RuPaul Match Queen is showing strong metrics in soft launch and we are excited about it's world wide launch for the second half of 2025. We're confident in our strategy to scale efficiently and return to growth with this and other new titles this year." said Jason Bailey, CEO.

Corporate Highlights:

ESGG's live game portfolio continues to perform well with new features designed to enhance engagement and monetization:

- **Team-based competitive mode** launched in *Trailer Park Boys: Greasy Money* and *RuPaul's Drag Race: Superstar*.
- **Season Pass** added to *The Office: Sometimes We Manage, resulting in a 9% increase to ARPDAU*
- **Milk Farm Idle Tycoon** saw a 10% increase in ARPDAU in Q1 with new events, now being expanded to *Bud Farm: Idle Tycoon*.

RuPaul's Drag Race: Match Queen has already become ESGG's top-performing match game, seeing over 500% growth in both active users and revenue during its soft launch. The global release is scheduled for June 2025, aligned with Pride Month, with a robust marketing campaign including localized activations and influencer partnerships.

- **Soft Launch**: Currently live in select markets, including the UK, with localized campaigns featuring UK drag queens Cheryl Hole, A'Whora, and Blu Hydrangea.
- **Pre-Order & Pre-Registration**: Available since April 24th on iOS and Google Play, accompanied by a milestone-driven community challenge, charity campaigns, and influencer marketing efforts to drive engagement.
- **Worldwide Launch**: Slated for June 2025, aligned with Pride Month, with a comprehensive strategy that includes app store features, influencer partnerships, and digital and live activations in key global regions.

New Board Members:

East Side Games is also adding two new independent members to its board.

"We're thrilled to officially welcome Darren Xu and Rob McLay to our board," said Jason Bailey, CEO of East Side Games Group. "Their exceptional leadership, experience, and perspective will be invaluable as we continue to grow ESGG into a world-leading games company."

Darren Xu brings extensive experience in capital markets and investor relations and currently serves as Managing Member of San Francisco–based investment firm Questline Capital. Rob McLay is the Founder of Azalea Fund LP, a private investment fund focused on small-cap public equities in North America. Both bring deep financial expertise and a shared passion for supporting ESGG's continued growth and success.

Strategy and Outlook

ESGG expects to continue to execute on its business strategy in 2025 and remains focused on profitable growth and driving shareholder value. Key areas of focus include:

1. Profitability and Reinvestment within the Core Business

2. Leveraging Existing IP Relationships to Market New Title Launches

3. Diversifying Revenue Streams for our Game Portfolio

4. Sustainable and Profitable Acquired Growth

The Company remains active on the previously announced NCIB. The company believes the current price of the company's common shares do not fully reflect their inherent value. The Company believes that share repurchases at the present pricing levels are an effective allocation of our capital and provides value to our shareholders. The Company is in a strong position to actively monitor and evaluate all capital allocation priorities which may include new IP, user acquisition or the NCIB. The company will continue to balance the need for growth with the return of capital to our shareholders.

Financial Statements, MD&A and Earnings Call Video

ESG's Financial Statements for the quarter ended March 31st, 2025, Management's Discussion and Analysis (the "MD&A"), and earnings call video are available on the company's website under the investor relations section at https://eastsidegamesgroup.com/investors/financial-information.

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 quarter ended March 31, 2025, 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.

ABOUT EAST SIDE GAMES GROUP

ESGG is a leader in free-to-play mobile gaming, thrilling players with unforgettable experiences that spark lifelong fandom. Fueled by an entrepreneurial spirit, we are driven by creativity, flawless execution, and a laser-focused growth strategy. We develop and publish both original and licensed IP titles, license our cutting-edge GameKit(s) platforms, and strategically acquire studios or games to expand our family. Headquartered in Vancouver with around 120 talent dense team members, we operate over a dozen titles under East Side Games ("ESG") and LDRLY (Technologies) Inc. ("LDRLY"). Together, we're crafting, launching, and publishing mobile games across our own studios and an extended Game Kit partner network—reaching players on iOS and Android worldwide.

We power our success through in-app purchases ("IAP")—offering exclusive, game-enhancing virtual items—and in-game advertising. To keep growing, we focus on captivating audiences, keeping them engaged, and unlocking exciting new ways to monetize. We'll drive this momentum by launching bold new titles, enriching our current lineup, innovating discovery, expanding into fresh markets and exploring new distribution platforms.

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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