EAST SIDE GAMES GROUP ANNOUNCES FOURTH QUARTER AND 2025 ANNUAL RESULTS, PROVIDES A CORPORATE UPDATE AND ISSUES 2026 OUTLOOK

Vancouver, BC, March 31st, 2026 – East Side Games Group (TSX: EAGR) (OTC: EAGRF) ("**ESGG**" or the "**Company**"), today reported its financial results for the fourth quarter and year ended December 31, 2025.

Fourth Quarter 2025 Financial Highlights:

- Revenue of $19.8M in Q4 2025 and $77.6M for the full year
- A-EBITDA of $0.3M in Q4 2025 and $0.8M for the full year
- DAU (Daily Active Users): 196,401.
- ARPDAU (Average Revenue Per Daily Active User): $1.09, up 12% from Q3 2025.

For the full year 2025, the Company reported revenue of $77.6M and A-EBITDA of $0.8M. DAU averaged 208,860, and ARPDAU was $1.02, up 4% year over year.

Fourth Quarter and Full Year 2025 Commentary:

In 2025, the Company pursued aggressive growth by investing in the development and launch of new genres and games. In the second half of 2025, the Company launched

several titles that delivered some of the strongest performance metrics and highest player engagement in the Company's history. The overall quality of the games ranked among the highest ever produced by ESGG. Unfortunately, facing a challenging, saturated user acquisition market, increased competition from both new and existing games, and high platform fees, the Company was unable to achieve its growth targets. “Though 2025 was a challenging year,” said Jason Bailey, Chief Executive Officer, “Looking ahead to the next twelve months, we intend to focus on reducing debt, improving EBITDA margins, and maximizing profitability from our core portfolio. We are shifting our approach to new games from higher-risk, fully self-funded initiatives toward prepaid platform partnership projects. While their upside may be more limited, we expect these arrangements to provide more predictable revenue and profitability. We will continue to monitor and assess additional opportunities as they become feasible.”

Corporate Update & Strategy:

In December 2025, management and the Board of Directors initiated a comprehensive review of ESGG’s business, organizational structure, cost base, and investment strategy to enhance the Company’s operational and financial performance. Through this process, management identified multiple opportunities to streamline the business and improve efficiency, strengthening ESGG’s overall financial position. These opportunities include :

- Focus on the core portfolio of successful idle IP games
- Reduce UA: Shift from a 365-day return-on-ad-spend target to a 60-day return window. This is expected to reduce top-line revenue but contribute significantly to profitability.

- Reduce headcount (Employees and Contractors). These reductions occurred early in 2026 and are expected to contribute approximately $4M CAD annualized in operating savings.
- Reduce capital expenditures: Cancelled lowest returning capital projects that faced significant obstacles to success
- Focus on third-party platform payments (OPP): Alongside changes in platform fees, a recent court ruling requires platforms to permit third-party off-platform payments (OPP). ESGG has been prioritizing the implementation of these payment options. As a result, in Q1 2026, ESGG generated approximately $1.0M in OPP, a 240% increase over Q4 2025, which translated to approximately $0.2M to the bottom line.
- Lower risk growth: Identifying, evaluating, and executing on new growth opportunities with a focus on capital outlay and risk profile. Seeking prepaid platform partnerships that have capped upside but offer stable, guaranteed profit and return profiles. The company is currently in negotiations for a significant work-for-hire contract, which would have a meaningful positive impact on the future development slate.

Outlook:

Looking forward, and after implementing significant changes in early 2026, the company is focused on its core portfolio of successful idle IP games and has taken material steps to align its cost structure to maximize margins, generate cash flow, and pay down debt. Augmenting the focus on profitability is a business development strategy focused on lower-risk growth opportunities, as previously mentioned.

Despite several industry headwinds and challenges as previously cited, Google recently announced a reduction in its platform service fees from the historical 30% rate to a more

flexible, tiered structure ranging from 10% to 25%, depending on transaction type and billing model. These changes will take effect beginning June 30, 2026. The Company continues to monitor the impact of this closely, but expects the revised fee structure could contribute approximately $0.5 million in incremental annual profit.

In December 2025, ESGG pivoted away from aggressive growth investments and instead focused on cash generation, debt repayment, and continued investment in its core portfolio of successful games. ESGG executed a reduction in force to right-size the team, cancelled projects that faced significant obstacles to success, and reduced overall user acquisition spend to focus only on the most profitable and sure campaigns. ESGG shifted from a 365-day return-on-ad-spend target to a 60-day return window. This is expected to reduce top-line revenue but contribute significantly to short-term debt repayment and EBITDA improvements.

ESGG has accepted the resignation of Rob McLay, member of ESGG's Board of Directors, effective March 31, 2026. "Mr. McLay has been a fantastic board member. Insightful, engaged, thought-provoking, and endlessly generous with his time to the benefit of all ESGG's stakeholders," said Jason Bailey, Board Chair and CEO. "We wish him well with Azalea Fund LP and the success he will surely bring to it."

In summary, with the comprehensive review of ESGG's strategy and business mostly completed, the Company is providing the following financial guidance for 2026:

FY 2026 Outlook	
Revenue	$50M-$56M
EBITDA Margins	15-18% A-EBITDA margin

From a capital structure perspective, the Company ended Q4 2025 with total debt of $5.2M and net debt of $4.9M. Elevated funded debt levels, combined with lower trailing EBITDA driven by increased user acquisition, marketing investments, and certain one-time costs, resulted in non-compliance with a financial covenant under the Company's credit agreement. The Company has been in active discussions with its lender, Royal Bank of Canada (RBC), and expects to receive a tolerance, or waiver, in respect of such non-compliance; however, there can be no assurance that any such tolerance or waiver will be provided on terms acceptable to the Company or at all.

In the near term, the Company expects a temporary increase in debt in Q1 2026 to fund certain one-time expenses, including severance and litigation costs, and the Company is seeking additional accommodations from RBC as restructuring initiatives continue. These short-term impacts do not reflect a change in strategic direction. The Company's current plan is focused on maximizing profitability, with a view to returning to positive EBITDA and materially reducing debt over the remainder of 2026 and the next twelve months; however, these expectations are forward-looking and subject to a number of risks and uncertainties.

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 and year ended December 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 are available under the Company's profile on SEDAR+.

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 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 100 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 news release constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "expects," "anticipates," "plans," "intends," "believes," "estimates," "projects," "may," "will," "would," "could," "should," and similar expressions. Forward-looking statements in

this news release include, without limitation, statements regarding the Company's 2026 outlook, including expected revenue and A-EBITDA margin; expected debt reduction, profitability and EBITDA performance; anticipated benefits from cost reduction initiatives, user acquisition changes and off-platform payments; the expected impact of changes to platform fees; the Company's ability to secure additional work-for-hire contracts or other fully funded development opportunities; and the status or outcome of discussions with RBC, including any tolerance, waiver or other accommodation in respect of covenant non-compliance. Forward-looking statements are based on management's current expectations, estimates, projections and assumptions, including assumptions regarding operating performance, player engagement and monetization, platform policies and fee structures, the implementation and impact of restructuring initiatives, the timing and amount of one-time costs, the availability of new commercial opportunities, and the Company's continued relationship with its lender. Such forward-looking statements are subject to significant risks, uncertainties and other factors that could cause actual results or events to differ materially from those expressed or implied by such statements, including, without limitation, risks relating to the Company's ability to execute on its strategic priorities, generate sufficient cash flow, satisfy or obtain relief from financial covenant requirements, complete restructuring initiatives as planned, realize anticipated cost savings or profitability improvements, maintain or grow player engagement and monetization, benefit from platform fee or policy changes, secure new contracts or platform opportunities, and general economic, market and industry conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof, and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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