



LEAF COMPLETES \$159 MILLION ACQUISITION OF EAST SIDE GAMES INC.

Vancouver, BC, February 5, 2021 - LEAF Mobile Inc. (TSXV:LEAF) ("**LEAF**" or the "**Company**") is pleased to announce that it has completed its previously announced acquisition (the "**Acquisition**") of East Side Games Inc. ("**ESG**").

"We are tremendously excited to officially welcome East Side Games, a leading Canadian publisher and developer of mobile games, to the LEAF Mobile family," said Darcy Taylor, Chief Executive Officer of LEAF Mobile Inc. "ESG has an outstanding track record of bringing world class franchises to life and providing top tier mobile experiences to their users. The values and a purpose-driven mentality within ESG's team culture are strongly aligned with LEAF's. We are confident that this acquisition will generate significant long-term shareholder value and we look forward to continuing to add top-tier, like-minded studios to the LEAF Mobile family moving ahead."

"The team at ESG is extremely excited to take this massive next step in our journey. By amalgamating our assets and talent with LEAF Mobile, we become one of, if not the leading, publicly traded mobile game company in Canada. Now, together with LEAF, we look to supercharge our game growth and secure new IP licenses, while adding bench talent and diversifying our successful game portfolio. In my new role as Chief Revenue Officer of LEAF Mobile, I look forward to executing our M&A strategy and building development partnerships for our IdleKit platform. We are confident that the framework we have built in the IdleKit product will change how game development is done industry wide," states Jason Bailey, cofounder of ESG and now Chief Revenue Officer of LEAF Mobile.

The Acquisition

Pursuant to the Acquisition, LEAF acquired all of the issued and outstanding securities of ESG, such that ESG is now a wholly-owned subsidiary. In consideration, ESG paid a purchase price of approximately \$159 million, after reflecting positive adjustments for ESG's cash and working capital at closing. Payment was comprised of approximately \$19 million in cash, and the issuance of 444,444,444 common shares of LEAF ("**LEAF Shares**").

The remainder of the purchase price is contingent upon LEAF reaching certain milestones. If LEAF receives \$100 million in gross revenue, on a consolidated basis, on or before February 5, 2022, the ESG securityholders will receive an additional \$10 million in cash, and an additional \$10 million payable in cash and/or LEAF Shares at the direction of Jason Bailey, as representative of the ESG securityholders. Further, if LEAF receives \$150 million in gross revenue in the subsequent 12 month period (ending February 5, 2023), the ESG securityholders will receive a further \$10 million cash, and a further \$10 million in cash and/or LEAF Shares, at the direction of Jason Bailey, as representative of the ESG securityholders. If LEAF Shares are selected, they will be issued at \$0.225 per share, to a maximum of 88,888,888 LEAF Shares.

The LEAF Shares issued under the Acquisition are subject to “lock-up” agreements for a period of 36 months in favour of Eight Capital, Haywood Securities Inc., Paradigm Capital Inc. and Scotia Capital Inc. (collectively, the “**Agents**”), agents of LEAF with respect to its recently completed offering (the “**Offering**”) of subscription receipts (the “**Subscription Receipts**”). Please see LEAF’s news release dated February 4, 2021 with respect to the Offering. One-third of such shares will be released from the “lock-up” agreements on an annual basis.

New Directors and Officers

On completion of the Acquisition, Jason Bailey, chief product officer of ESG, has been appointed as Chief Revenue Officer of LEAF, and as a director to LEAF’s board of directors.

Additionally, Mike Edwards, Jonathan Bixby and Birgit Troy have each been appointed as directors of LEAF. Mr. Edwards will also serve as the Chair of LEAF’s board of directors.

Darcy Taylor, Ian MacLeod and Mark Rutledge have resigned as directors of LEAF. Mr. Taylor will continue in his role as CEO of LEAF. LEAF thanks Messrs. MacLeod and Rutledge for their service.

A total of 24,000,000 incentive stock options have been granted to Mr. Taylor and the directors, exercisable at \$0.225 per share for a period of five years, subject to LEAF’s incentive stock option plan.

Conversion of Subscription Receipts

Concurrent with the completion of the Acquisition, the Subscription Receipts of LEAF will convert automatically into LEAF Shares on a one-for-one basis, such that 102,222,221 LEAF Shares will be issued. The conversion will take effect on February 8, 2021.

Proceeds from the Offering were released from escrow and used primarily to fund the payment of the cash consideration payable under the Offering. Additionally, Haywood Securities Inc. received an advisory fee of 4,268,825 LEAF Shares.

Graduation to Toronto Stock Exchange

LEAF has also received approval to list the LEAF Shares for trading on the Toronto Stock Exchange. As a result, the LEAF Shares will be delisted from the TSX Venture Exchange. Trading of the LEAF Shares on the TSX Venture Exchange will remain halted until delisting. Trading of the LEAF Shares under the symbol “LEAF” will commence on the Toronto Stock Exchange at the open of markets on February 10, 2021.

About East Side Games

East Side Games, was founded in 2011 and has become one of the most recognised independent developers and publishers of free to play mobile games. Headquartered in Vancouver, British Columbia, they have focused on making the best narrative idle games in the business, and creating the technology for developers to tell amazing stories.

With a track record of over a decade of producing successful titles. ESG currently publishes and operates successful franchise titles including *Archer: Danger Phone*, *Dragon Up: Idle*

Adventure, The Goldbergs: Back to the 80s, It's Always Sunny: The Gang Goes Mobile and Trailer Park Boys Grea\$y Money.

East Side Games was recently recognised on the “Top 50 Mobile Game Makers 2020” list compiled by Pocket Gamer Biz, on the “Canada’s Top Small & Medium Employers” list compiled by Canada’s Top 100, as well as on the “Canada’s Top Growing Companies 2019” list compiled by Globe & Mail Report on Business and 2020 Red Herring Top 100 North America Winners.

East Side Games strongly believes in community-driven design, making games built for fans by fans, and having the best culture around. Their games and their team have the same goal; to be inclusive and for everyone.

For more information, visit www.eastsidegames.com

About LEAF

LEAF Mobile Inc. (TSXV:LEAF) 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 a diverse portfolio of original and licensed IP mobile games that include; *Archer: Danger Phone, Dragon Up: Idle Adventure, The Goldbergs: Back to the 80s, It's Always Sunny: The Gang Goes Mobile and Trailer Park Boys Grea\$y Money. Cheech & Chong Bud Farm, Bud Farm Idle Tycoon, Bud Farm Grass Roots and Bud Farm 420.*

We are headquartered in Vancouver, Canada, and its common shares will be listed for trading on Toronto Stock Exchange. Our games are available worldwide on the App Store and Google Play. For further information, please visit: www.leafmobile.io and join our online communities at [LinkedIn](#), [Twitter](#), [Facebook](#), and [Instagram](#).

ON BEHALF OF THE BOARD

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