



## LEAF ANNOUNCES RECORD SECOND QUARTER 2020 FINANCIAL RESULTS FOR THE COMBINED ENTITIES ACQUIRED PURSUANT TO EVENTS ANNOUNCED APRIL 17, 2020

*Q2 2020 Revenue of \$8.4 Million, Surges +84% vs Previous Quarter*

*\$14.7 Million in Revenue for the First Half of 2020, Surpassing Full Year 2019 Results of \$8.4 Million by +74%*

Vancouver, BC, Canada, August 31, 2020 - [LEAF Mobile Inc. \(TSX.V: LEAF\)](#), a leading creator and publisher of counter culture mobile games, today released financial results for the second quarter of 2020. The Company will be hosting a conference call to discuss the second quarter and first-half results, September 1<sup>st</sup> at 6AM PT/9AM ET. See below for dial-in details.

In the second quarter ended June 30, 2020, LEAF completed its qualifying transaction, which included its acquisition of LDRLY (Technologies) Inc. ("LDRLY"). Prior to the completion of the qualifying transaction on April 17, 2020, LEAF (then known as "Caprice Business Development Canada Inc.") was a "capital pool company" under TSXV policies, and did not have any active business operations. On completing its qualifying transaction, LDRLY became LEAF's operating entity, through which all operations are conducted,

As such, though the interim financial statements reflect the financial performance of LEAF alone for the period leading up to April 17, and the combined financial performance of LEAF and LDRLY thereafter, the financial statements and corresponding MD&A both include disclosure and analysis of LEAF and LDRLY's combined operations for the entire six month period ended June 30, 2020, as does this news release.

### **Financial Highlights:**

\*All amounts in \$CAD unless otherwise noted and figures are rounded-up to one decimal place\*

- Total Revenue was **\$9.6M** in Q2 2020, increasing by **\$4.4M (+84%)** compared to the previous quarter of **\$5.2M**.
- First-Half 2020 (1H 2020) Revenues exceeded **\$14.7M**, surpassing Full Year 2019 revenue results of **\$8.4M** a 74% increase, adding **+\$6.3M** to the topline.

- Cash Flow from game operations is **\$2.2M** for 1H 2020, increasing **\$3.7M** vs same period 2019 as a result of significant growth across our game portfolio and introduction of new title, *Cheech & Chong Bud Farm* in Q2.
- Q2 Net income Loss of **(\$0.1M)** vs **\$0.2M** net gain in the previous quarter driven primarily by non-recurring costs associated with listing costs<sup>1</sup> and one-time costs associated with the launch of new title, *Cheech and Chong Bud Farm*.
- 1H 2020 net income was **\$0.1M** after non-recurring costs associated with listing costs<sup>1</sup> and one-time costs associated with the launch of new title

LEAF Mobile CEO Darcy Taylor stated, “We have experienced dramatic growth in our game title results, both in first half 2020 and on a quarterly basis. Our record second quarter results have exceeded expectations with quarterly revenue growth across all titles and our newest title *Cheech & Chong Bud Farm* ahead of plan. Our business performance results to date demonstrate strong execution of our strategy with the goal of efficiently creating highly engaging games that produce lasting player enjoyment.”

## **Game Operations Results**

### **New and Growth Games:**

- *Bud Farm Idle Tycoon* achieved Q2 revenue of **\$7.2M**, an increase of **\$2.7M (+59%)** vs the previous. These gains were driven by continued investment in player acquisition and strong total monthly ARPDAU
- *Cheech & Chong Bud Farm* achieved Q2 revenue of **\$1.5M** post 4.20 launch. Supported by increased investment in player acquisition driving DAU (Daily Active User) growth and ARPDAU.

\*ARPDAU: Average Revenue Per Daily Active User

### **Legacy Games**

- *Bud Farm 420* and *Bud Farm Grass Roots* showed robust revenue of **\$0.9M**, an increase of **\$0.3M (+41%)** driven by return to organic installs and daily active user growth trend.

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<sup>1</sup> Costs included the acquisition of LDRLY, completion of qualifying transaction, and Selling and Distribution Expenses. For more details please see the LEAF’s Management Discussion and Analysis.

## Conference Call Details

What: LEAF Second Quarter 2020 Financial Results Conference Call

Date: Tuesday, September 1, 2020

Time: 6AM Pacific Time (9AM Eastern Time)

Live call: (833)-772-0399

International: (236)-738-2279

Audio Replay: Please contact [LEAF@kincommunications.com](mailto:LEAF@kincommunications.com) for the call replay

Conference ID: 4455866

## About the Company

[LEAF Mobile Inc. \(TSX.V: LEAF\)](#) is a leading creator of counterculture mobile games. Headquartered in Vancouver, with a premier development studio, LDRLY based in Nanaimo, BC, the company is highly skilled in intellectual property, mobile game development, marketing and publishing. LEAF's culture is anchored in creativity, data insights and execution, delivering highly engaging games that produce enduring player enjoyment. With over a decade of experience in game development and marketing, LEAF has consistently delivered high-grossing original and licensed IP titles that include, Cheech & Chong Bud Farm, Bud Farm Idle Tycoon, Bud Farm Grass Roots and Bud Farm 420. Our game titles are available worldwide on the App Store and Google Play. LEAF leverages successes in platform, IP, marketing, development and data analysis to maximize value for our global network of constituents, from players to talent to shareholders and beyond.

For more information and to keep current on LEAF, visit [www.leafmobile.io](http://www.leafmobile.io) and join our online communities at [LinkedIn](#), [Twitter](#), [Facebook](#), and [Instagram](#)

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*The preliminary monthly financial results set forth in this release are based on information currently available to us prior to platform partners reconciliation. While we believe these results are meaningful, they could differ from the actual amounts that we ultimately report in our Quarterly Report for the quarter ended June 30, 2020. We do not intend to update these estimates prior to filing our Quarterly Report.*

*This news release contains “forward-looking information” within the meaning of applicable securities laws. Although the Company believes - considering the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate - that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them as the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. The statements in this news release are made as of the date of this release. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*