



LEAF ANNOUNCES LETTER OF INTENT WITH EAST SIDE GAMES

Vancouver, BC, Canada, October 7, 2020 - LEAF Mobile Inc. (TSXV: LEAF) ("**LEAF**" or the "**Company**") announces that it has entered into a letter of intent (the "**LOI**") dated October 6, 2020 with East Side Games Inc. ("**East Side Games**").

Acquisition

Pursuant to the LOI, LEAF will acquire all of the securities of East Side Games (the "**Acquisition**") for \$150 million (the "**Purchase Price**"), the payment of which will be comprised of \$50 million in cash, and that number of LEAF common shares ("LEAF shares") that will represent 50% of the issued and outstanding **LEAF shares** on Closing.

Completion of the Acquisition is conditional upon, among other things, LEAF obtaining conditional approval from the Toronto Stock Exchange to list the LEAF shares for trading on that exchange.

The Acquisition will be completed on a "cash free, debt free" basis, and thus the Purchase Price will be subject to adjustment to reflect same.

East Side Games is currently a "control person" of LEAF by virtue of holding more than 20% of the issued and outstanding LEAF shares. As such, completion of the Acquisition will be subject to, among other things, LEAF obtaining all necessary shareholder approvals.

The Acquisition is subject to numerous conditions precedent, including but not limited to the following:

- Satisfactory due diligence investigations by each party of the other, including without limitation, the audited financial information of East Side Games when available;
- The negotiation and execution of definitive agreements;
- Receipt of all necessary prior approvals, including LEAF shareholder approval and the approval of the TSX Venture Exchange; and



- Receipt of conditional approval of the Toronto Stock Exchange for the listing of the LEAF shares at Closing, as described above.

There is no assurance that all of the conditions precedent will be satisfied or waived, or that the Acquisition will close on the basis outlined above, or at all.

In conjunction with the completion of the Acquisition:

- LEAF may change its name to better reflect its resulting corporate and business structure;
- There will be a change of management within LEAF;
- LEAF will undertake an equity financing to raise at least \$50 million; and
- The issued and outstanding LEAF shares at Closing (including those issued under the Acquisition and the financing) will be consolidated on a basis of up to ten (10) "old" shares for every one (1) "new" share.

East Side Games

East Side Games is a private British Columbia company based in Vancouver, British Columbia. It is a leading publisher and developer of mobile games. Founded in 2011 by game industry veterans, it has created chart topping hits for top Hollywood brands as well as Canadian superstars The Trailer Park Boys. This year, East Side Games has been recognized with numerous awards such as a "top 50 game maker in the world" award, as one of Canada's top small and medium employers, as well as one of Canada's fastest growing companies.

Financing

LEAF will undertake an equity financing of its securities for gross proceeds of at least \$50 million. Terms of the financing will be announced once settled. However, under the terms of the Acquisition, the LEAF shares comprised in any securities offered under the financing will not exceed more than 25% of the issued and outstanding LEAF shares at Closing.

Taken together, the Acquisition and the financing will constitute a "reverse takeover" under the policies of the TSXV.

Management



Upon completion of the Acquisition, the directors and officers of the Resulting Issuer will be as follows:

Darcy Taylor - CEO and Director

Darcy is currently CEO and a director of LEAF, and has over 20+ years of senior executive experience building successful companies and brands spanning Asia, Europe and North America. He has a proven track record in senior leadership roles in private and public companies, including IMG, Logic Technologies, JT International S.A. and MASEV Communications Inc. His experience includes corporate, agency and entrepreneurial environments across Fin Tech, Blockchain, FMCG/CPG, Sports & Entertainment, and Digital Marketing & Media industries.

Mark Leung - CFO

Mark is currently CFO of LEAF, and has over 15 years of experience in finance and accounting. He has diverse industry experience, including investment management, telecommunications and gaming.

Jason Bailey - Chief Revenue Officer

Jason is a founder and CEO of East Side Games. Jason is a true entrepreneur, having founded many successful businesses over the past 20 years. He is also a mentor to and investor in a variety of Canadian start-ups and tech companies. Jason started his climb in the games industry when he was the BC ColecoVision Champion in 1983. He was also a founder of Super Rewards, which he sold in 2009, a social game monetization platform which helped pioneer the "free to play" game model that is ubiquitous today.

Brian Wideen - VP Finance

Brian is currently VP Finance of LEAF, and has vast experience in executive roles in small and large companies, including in telecom, video games and media. His experience includes thirteen years at Electronic Arts Canada, running large franchises including as Chief Operating Officer for "Need For Speed". Brian is also a co-founder of CineCoup Media (now "The Coup Company"), building a digital media platform to find, finance and distribute content. Brian is also a co-founder of Beats Easts Life Incorporated, a hospitality company with restaurants in Toronto. He currently also holds the role of VP Finance for Growthworks Capital Ltd. ("GWC").



Derek Lew - Director

Derek is currently a director of LEAF, and the President, CEO and a director of GWC, and the President, CEO and/or a director of certain managed funds and operating subsidiaries of GWC, all of which are active venture capital investors. Derek is also a partner with Initio Group Inc. ("Initio"), a Vancouver-based early stage angel investment firm, and is a lawyer with experience in corporate, commercial and real estate law. Derek has also served as Chair of the British Columbia Innovation Commission (now "Innovate BC") through 2013 to 2018.

Mike Edwards - Director

Mike has a wealth of experience in building and scaling consumer technology companies in private and public markets. He was a co-founder of AreaConnect.com, a consumer content company acquired by Marchex, a NASDAQ-listed company, in 2008; a co-founder of Wyley Interactive, a mobile game engagement platform, acquired by Zynga, a NASDAQ-listed company, in 2014; a co-founder of Creative Labs, a venture capital-backed startup foundry that builds consumer technology companies by leveraging the Creative Artist Agency's access to talent and audience; a co-founder of Ground Control, a conversational skill and AI platform launched on the Amazon Alexa platform, and a co-founder of Guild eSports PLC, an e-sport gaming franchise co-founded with David Beckham and listed on the LSE.

Other Matters

Trading of the LEAF shares will remain halted pending completion of the Acquisition, subject to earlier re-commencement of trading only upon TSXV approval and the filing of required materials with the TSXV as required by their policies.

LEAF has not engaged a sponsor in connection with seeking TSXV approval with respect to the Acquisition. It intends to seek a waiver from any such requirement to engage a sponsor.

Completion of the Acquisition is subject to a number of conditions, including but not limited to TSXV acceptance and majority of the minority shareholder approval. The Acquisition cannot close until the required shareholder approval is obtained. There can be no assurance that the Acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Acquisition, any information released or



received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of LEAF should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Acquisition and has neither approved nor disapproved of the contents of this news release.

Additional information in connection with the Acquisition and the financing will be provided in subsequent news releases.

About LEAF

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, British Columbia, 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 and join our online communities at LinkedIn, Twitter, Facebook, and Instagram.

ON BEHALF OF THE BOARD

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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.

This news release contains “forward-looking information” within the meaning of applicable securities laws. Such information includes, without limitation, information regarding the completion of the proposed Acquisition, and the anticipated management of LEAF subsequent to the completion of the Acquisition.

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.

