



NOT FOR DISSEMINATION IN THE UNITED STATES OF AMERICA  
OR  
DISTRIBUTION TO UNITED STATES OF AMERICA NEWS OR WIRE SERVICES

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

## **LEAF PROVIDES UPDATE REGARDING EASTSIDE GAMES ACQUISITION & ANNOUNCES FILING OF PRELIMINARY SHORT FORM PROSPECTUS**

Vancouver, BC, Canada, November 11, 2020 - LEAF Mobile Inc. (TSXV: LEAF) ("**LEAF**" or the "**Company**") provides the following update regarding its proposed acquisition of EastSide Games Inc. (the "**Acquisition**"), previously announced on October 7, 2020.

### **The Acquisition**

#### *Acquisition Agreement*

LEAF, EastSide Games Inc. ("**ESG**") and the securityholders of ESG have entered into a purchase agreement dated October 31, 2020 (the "**Acquisition Agreement**"), which formalizes the terms and conditions of LEAF's acquisition of all outstanding securities of ESG (the "**Acquisition**").

In consideration, LEAF will pay the ESG securityholders (a) \$50 million in cash, subject to adjustments, and (b) that number of LEAF common shares ("**LEAF Shares**") that will be equal to 50% of the issued and outstanding LEAF Shares upon completion of the Offering (as described below), calculated on a fully-diluted basis but without taking into consideration any LEAF shares issued or issuable in connection with the Over-Allotment Option (also described below). As at the date of this news release, it is anticipated that 479,435,755 LEAF Shares will be issued under the Acquisition.

Completion of the Acquisition is subject to a number of conditions, including but not limited to acceptance of the TSX Venture Exchange ("**TSXV**"), majority of the minority LEAF shareholder approval, and receipt of Toronto Stock Exchange approval to list the LEAF Shares for trading upon completion of the Acquisition. The Acquisition cannot close until the required shareholder approval is obtained at a special meeting of LEAF shareholders to be held on December 11, 2020. There can be no assurance that the Acquisition will be completed as proposed or at all.

Further discussion of the Acquisition can be found in LEAF's management proxy information circular dated November 4, 2020, available online under LEAF's profile on SEDAR. Investors are cautioned that, except as disclosed in the management information circular 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.

## Offering

In connection with the Acquisition, LEAF has filed in each of the provinces of Canada and received a receipt for a preliminary short form prospectus (the "**Prospectus**") with respect to a public offering (the "**Offering**") of 240,000,000 subscription receipts (the "**Subscription Receipts**") at a price of \$0.225 per Subscription Receipt, to be completed on a best-efforts basis for gross proceeds of \$54 million.

Eight Capital is acting as the lead agent (the "**Lead Agent**") in connection with the Offering, with a syndicate of agents to be determined in due course (together with the Lead Agent, the "**Agents**").

The Subscription Receipts will be governed by a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into among LEAF, the Lead Agent (on behalf of the Agents) and Odyssey Trust Company. Each Subscription Receipt will entitle the holder thereof to receive, upon satisfaction of certain release and issuance conditions as set out in the Prospectus, one LEAF Share.

LEAF has agreed to pay the Agents a cash commission of 6% of the gross proceeds received under the Offering. Additionally, the Agents will receive compensation warrants (the "**Compensation Warrants**"), each Compensation Warrant entitling the holder thereof to acquire one LEAF Share at a price of \$0.225 per share for a period of 24 months from issuance. The Agents will receive that number of Compensation Warrants that will allow the holders thereof to acquire, in the aggregate, that number of LEAF Shares that is equal to 6% of the LEAF Shares issued in exchange for Subscription Receipts sold under the Offering (including any Subscription Receipts or LEAF Shares issued pursuant to the exercise of the Over-Allotment Option).

In addition, the Agents will be granted an over-allotment option (the "**Over-Allotment Option**"), exercisable at any time, in whole or in part, to purchase up to an additional 15% of the total Subscription Receipts sold under the Offering, for a 30 day period commencing upon the closing of the Offering, for a maximum of 36,000,000 Subscription Receipts, at \$0.225 per Subscription Receipt, for additional gross proceeds of \$8.1 million. If the Over-Allotment Option is exercised after the conversion of the Subscription Receipts into LEAF Shares, LEAF will issue LEAF Shares in lieu of additional Subscription Receipts.

LEAF intends to use the net proceeds of the Offering primarily to fund the cash consideration payable under the Acquisition. Completion of the Acquisition is conditional upon completion of the Offering.

A copy of the Prospectus is available online under LEAF's profile on SEDAR.

**A preliminary short form prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in each of the provinces of Canada. The preliminary short form prospectus is still subject to completion or amendment. Copies of the preliminary short form prospectus may be obtained from the Lead Agent. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.**

## **Consolidation**

LEAF intends to proceed with a consolidation of the LEAF Shares on the basis of up to ten "old" shares for every one "new" shares (the "**Consolidation**"), to be effected immediately after the completion of the Acquisition and the Offering. As such, LEAF Shares issued under the Acquisition or on conversion of the Subscription Receipts sold under the Offering will be subject to the Consolidation. Completion of the Consolidation is subject to LEAF obtaining all required shareholder approvals and the prior approval of the TSXV. The Consolidation will not be implemented if the Acquisition and Offering are not completed.

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

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.

## **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](http://www.leafmobile.io) and join our online communities at LinkedIn, Twitter, Facebook, and Instagram.

## **ON BEHALF OF THE BOARD**

*Darcy Taylor*  
CEO

*Contact Us*  
Media Inquiries: [media@leafmobile.io](mailto:media@leafmobile.io), (604) 288-4417

Investor Relations: [leaf@kincommunications.com](mailto:leaf@kincommunications.com) (604) 684-6370  
2080 - 1055 West Georgia Street, Vancouver, BC, V6E 3R5

### *Forward-looking statements:*

*Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Offering and the Acquisition. 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. In particular, the Company cautions that the timing or completion of the Acquisition and the Offering cannot be predicted with certainty, and there can be no assurance at this time that all required or desirable approvals and consents to effect the Acquisition or the Offering will be completed in the manner noted above or at all. 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.*

*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.*