



LEAF ANNOUNCES RECORD THIRD QUARTER 2020 FINANCIAL RESULTS & UPDATE TO EASTSIDE GAMES ACQUISITION

Vancouver, BC, Canada, November 30, 2020 - [LEAF Mobile Inc. \(TSX.V: LEAF\)](#), a leading creator and publisher of counter culture mobile games, today released the third consecutive record quarter financial results for the third quarter of 2020.

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 primary 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, 2020 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 nine-month period ended September 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 **\$11.1M** in Q3 2020, increasing by **\$1.5M (+16%)** compared to the previous quarter of **\$9.6M**.
- Nine months ending September 30, 2020. Revenues grew to **\$25.9M**, increasing by **\$20.8M** as compared to LDRLY's revenue results in the same period in 2019 of **\$5.0M**, representing a (+418%) increase.
- Gross profit from game studio operations is **\$2.8M** for the nine months ending September 30, 2020, increasing **\$2.7M (+2700%)** vs LDRLY's performance in the same period in 2019 of **\$0.1M**, as a result of significant growth across our game portfolio and introduction of new titles.
- Q3 gross profit from game studio operations for the three-month period was **\$0.71M (+4.4%)** vs **\$0.68M** in the previous quarter 2020

- Q3 net loss of **\$0.7M** vs **\$0.02M** net loss in the previous quarter, driven primarily by non-recurring costs associated with the Company's qualifying transaction and increased investments in user acquisition on new and growth titles.

LEAF Mobile CEO Darcy Taylor stated, "We continue to experience strong growth momentum across our growth and new game titles, on a year-over-year and quarter vs. quarter basis. This was our third consecutive quarter of record revenue results, driven by continued revenue gains in our new and growth titles. Our business performance results to date show strong execution of our strategy of "Live Ops" excellence, creating new long-life cycle franchises, investing in new IP with the goal of creating highly engaging games that produce lasting player enjoyment."

Game Operations Results

- New titles, demonstrated strong revenue momentum of **\$2.6M** in Q3 vs **\$1.5M** in Q2 2020. This represents over (+73%) growth quarter over quarter.
- Growth titles revenue of **\$7.9M** in Q3 2020 vs. **\$7.2M** in Q2 2020. This represents over (+10%) growth quarter over quarter.

These gains in new and growth titles were driven by continued investment in player acquisition and strong total monthly average revenue per daily active users.

- Evergreen Titles, contributed **\$0.6M in** revenue for Q3 2020, a decrease of **\$0.3M** (-33%) as compared to Q2 2020. The decrease was expected with the usual seasonality effects coupled with the normalization of the accelerated increase in demand during the COVID-19 pandemic.

EastSide Games Acquisition

LEAF, EastSide Games Inc. ("**ESG**") and Jason Bailey, as representative for all of the ESG securityholders, have also entered into an amending agreement effective November 26, 2020 with respect to the previously announced acquisition by LEAF of all of the outstanding securities of ESG (the "**Acquisition**").

The purchase price under the Acquisition remains unvaried at \$150 million. The amendments vary the payment terms, such that \$10 million (previously \$50 million) in cash will be paid to the ESG securityholders at Closing, and the number of LEAF shares payable at Closing will now be fixed at 444,444,444 LEAF Shares, at a deemed price of \$0.225 per share. Previously, the number of LEAF shares issuable was based on a percentage of the outstanding LEAF Shares after completion of the Acquisition and LEAF's concurrent offering of Subscription Receipts (further described below). As the cash consideration payable by LEAF at Closing has been substantially reduced, the total holdback amounts have been reduced accordingly from \$5 million to \$1.1 million.

The remainder of the purchase price will now be paid following closing as contingent consideration. If LEAF receives \$100 million in gross revenue, on a consolidated basis, in the 12 month period following Closing, 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 for the ESG securityholders. Further, if LEAF receives \$150 million in gross revenue, on a consolidated basis, in the subsequent 12 month period, the ESG securityholders will receive a further \$10 million in cash, and an additional \$10 million payable in cash and/or LEAF shares, at the direction of Jason Bailey, as representative for the ESG securityholders. If directed to issue LEAF shares in payment of such contingent consideration, such shares will be issued at \$0.225 per share, to a maximum of 88,888,888 LEAF shares (or, after implementation of the proposed 10:1 consolidation, at a price of \$2.25 per share, to a maximum of 8,888,888 LEAF shares).

As the cash consideration payable at Closing has now been reduced, the Company has also amended the terms of its previously announced offering of Subscription Receipts. Such Offering will now be for up to 88,888,888 Subscription Receipts (previously 240,000,000 Subscription Receipts), for gross proceeds of up to \$20 million (previously \$54 million).

All other terms of the Acquisition and the Offering remain the same.

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 and join our online communities at [LinkedIn](#), [Twitter](#), [Facebook](#), and [Instagram](#)

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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 September 30, 2020. We do not intend to update these estimates prior to filing our Quarterly Report.