



LEAF MOBILE ANNOUNCES FOURTH QUARTER AND FULL YEAR 2020 FINANCIAL RESULTS

Vancouver, BC, April 29, 2021 – LEAF Mobile Inc. (TSX: LEAF) ("**LEAF**" or the "**Company**"), Canada’s leading free-to-play mobile game group, today announced financial results for the fourth quarter and full year ended December 31, 2020. East Side Games Inc. ("**ESG**"), which was acquired by the Company subsequent to the year end on February 5, 2021, also announced its full year 2020 results which can be found on SEDAR.

Combined, LEAF and ESG generated:

- **Revenue of \$80.5M in 2020 a 116% increase over \$37.2M recorded in 2019**
- **Adjusted EBITDA was \$11.2M, a 187% increase compared to \$3.9M in 2019**
- **Record Q4 revenue was \$23.0M, a 104% increase vs. \$11.3M in Q4 2019**

“We had a strong finish to what was a transformational year in 2020 and were delighted to close the ESG acquisition in early February. On a Combined view we doubled our revenue and nearly tripled our Adjusted EBITDA compared to 2019. I’m proud of the team at LEAF for executing on our vision even as the world navigated uncharted territory. We have been carrying the momentum we built in 2020 into the new year with the signing of a number of IP, IdleKit and publishing agreements and continue to finalize the Truly Social Games acquisition,” said Darcy Taylor, Chief Executive Officer of LEAF. “We remain relentlessly focused on our three-pillar growth strategy: Organic growth from game development and publishing, distributed growth with our core technology platform “IdleKit”, and accretive growth from M&A.”

In the quarter ended June 30, 2020, LEAF completed its qualifying transaction, which included its acquisition of LDRLY (Technologies) Inc. ("**LDRLY**"). On completing its qualifying transaction, LDRLY became LEAF’s operating entity, through which all primary operations are conducted. As such, though the consolidated 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 MD&A includes disclosure and analysis of LEAF and LDRLY’s combined operations for the entire year ended December 31, 2020. All the following references to the fourth quarter and full year financial results for the Company will be based on pro forma combined operations of LEAF and LDRLY as if the acquisition occurred on January 1, 2020.

Financial Highlights:

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

Revenue (in millions)	4Q20	4Q19	% Change	F2020	F2019	% Change
LEAF – Pro Forma	\$11.9	\$ 3.4	250%	\$ 37.8	\$ 8.4	350%
ESG	\$19.2	\$10.6	81%	\$ 68.1	\$ 37.2	83%
Combined LEAF and ESG ¹	\$23.0	\$10.6	117%	\$ 80.5	\$ 37.2	116%

¹ Net of intercompany eliminations (in all tables)

LEAF – Pro Forma Revenue

- Revenue was \$11.9M in Q4 2020, an increase of \$0.8M, or 7%, compared to the \$11.1M achieved in Q3 2020 and an increase of \$8.5M, or 250%, compared to Q4 2019.
- For the year ended December 31, 2020, revenue increased to \$37.8M, an increase of \$29.4M, or 350%, as compared to LDRLY's revenue for 2019 of \$8.4M.

ESG Revenue

- Revenue was \$19.2M in Q4 2020 an increase of \$0.9M, or 4%, compared to the \$18.3M generated in Q3 2020 and an increase of \$8.6M, or 81%, compared to Q4 2019.
- For the year ended December 31, 2020, revenue increased to \$68.1M, an increase of \$30.9M, or 83%, as compared to revenue for 2019 of \$37.2M.

Combined Revenue (LEAF Pro-Forma and ESG)

- Revenue was \$23.0M in Q4 2020 compared to \$22.8M in Q3 2020 and \$10.6M in Q4 2019.
- For the year ended December 31, 2020, revenue increased to \$80.5M, increasing by \$43.3M as compared to revenue for 2019 of \$37.2M, a 116% increase.

Net income

<i>(in millions)</i>	4Q20	4Q19	F2020	F2019
LEAF – Pro Forma	\$ (3.6)	\$ (0.5)	\$ (4.6)	\$ (0.6)
ESG	\$ 6.1	\$ 1.0	\$ 15.1	\$ 2.9
Combined LEAF and ESG	\$ 2.5	\$ 1.0	\$ 10.1	\$ 2.9

Adjusted EBITDA¹

<i>(in millions)</i>	4Q20	4Q19	F2020	F2019
LEAF – Pro Forma	\$ (1.4)	\$ (0.5)	\$ (0.3)	\$ (0.5)
ESG	\$ 6.6	\$ 1.1	\$ 12.0	\$ 3.9
Combined LEAF and ESG	\$ 5.2	\$ 1.1	\$ 11.2	\$ 3.9

¹ - Adjusted EBITDA is a non-GAAP measure. Please refer to NON-GAAP FINANCIAL MEASURES for the reconciliation.

Net income and Adjusted EBITDA

The combined company recorded significant increases in net income and Adjusted EBITDA during 2020 as compared to 2019. The increase is primarily driven by the strong revenue growth during the year. Combined pro forma Adjusted EBITDA for the combined company was \$11.2 million for 2020 as compared to \$3.9 million in 2019.

Significant Events Subsequent to December 31, 2020

- Closed a public offering of subscription receipts for aggregate gross proceeds of \$23 million which included the full exercise of the over-allotment option
- As noted above, completed the acquisition of East Side Games for \$159 million
- Graduated to the TSX from the TSX Venture exchange
- Entered into a non-binding letter of intent to acquire Truly Social Games, a developer and publisher of mobile games headquartered in Vancouver, Canada
- Entered into a multi-year partnership with World of Wonder for the exclusive mobile game rights to Emmy Award-winning competition series, *RuPaul's Drag Race*
- Announced an IdleKit partnership with Kano Applications and announced IdleKit and publishing partnerships with Night Garden Studios, Bigfoot Gaming, and Mighty Kingdom Games
- Appointed Jim MacCallum as Chief Financial Officer of LEAF
- Launched the newly developed NFTKit and a partnership with WAX Blockchain to support ESG's new NFT game, *Bud Farm Nifty Stash*

Conference Call Information

The Company will hold a conference call to discuss its performance with the investment community at 2:00 p.m. PT today. Related earnings release materials can be found on LEAF's website at <https://leafmobile.io/investors/financial-information/>.

Conference Call Details:

Toll Free Dial-In Number: +1 (833) 772-0399

International Dial-In Number: +1 (236) 738-2279

Conference ID: 8670089

A replay will be available starting at 6:30 AM PT April 30, 2021 until May 29, 2021 by dialing +1 (800) 585-8367 or +1 (416) 621-4642 and entering the conference ID 8670089.

ABOUT LEAF

LEAF Mobile Inc. (TSX: 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*, *Bud Farm Idle Tycoon*, *Cheech & Chong Bud Farm*, *The Goldbergs: Back to the 80s*, *It's Always Sunny: The Gang Goes Mobile*, *Trailer Park Boys Greasy Money* and the soon to be released, *RuPaul's Drag Race Mobile Game*.

We are headquartered in Vancouver, Canada and 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](#).

Additional information about LEAF Mobile Inc. is available at www.sedar.com.

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Forward Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the proposed transactions described herein. 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 completion of the proposed transactions cannot be predicted with certainty, and there can be no assurance at this time that all required approvals and consents to effect the proposed transactions will be obtained 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.

Non-GAAP Measures - EBITDA and Adjusted EBITDA

We believe that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use Adjusted EBITDA as an indicator of our ability to generate liquidity by producing operating cash flow to fund working capital needs and fund development expenditures.

Adjusted EBITDA is intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Adjusted EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate Adjusted EBITDA differently.

The following tables provide the reconciliation between net income and Adjusted EBITDA for LEAF, ESG and the Combined Company:

LEAF

	4Q20	4Q19	F2020	F2019
Net Loss	\$ (3.6)	\$ (0.5)	\$ (4.6)	\$ (0.6)
Income tax	(0.3)	-	(0.3)	-
Amortization	1.0	-	1.8	.1
Stock Based Comp	0.1	-	0.6	-

Listing and transaction fees	1.4	-	2.2	-
Adjusted EBITDA	\$ (1.4)	\$ (0.5)	\$ (0.3)	\$ (0.5)

ESG

	4Q20	4Q19	F2020	F2019
Net Income	\$ 6.1	\$ 1.0	\$ 15.1	\$ 2.9
Income tax	4.0	0.5	5.0	0.9
Amortization	0.1	0.2	0.3	0.3
Stock Based Comp	0.1	0.1	0.6	0.4
One-time items	(3.7)	(0.7)	(9.1)	(0.7)
Adjusted EBITDA	\$ 6.6	\$ 1.1	\$ 12.0	\$ 3.9

Combined LEAF and ESG

	4Q20	4Q19	F2020	F2019
Net Income	\$ 2.5	\$ 1.0	\$ 10.1	\$ 2.9
Income tax	3.3	0.5	4.3	0.9
Amortization	1.2	0.2	2.1	0.3
Stock Based Comp	0.2	0.1	1.2	0.4
Listing and transaction fees	1.4	-	2.2	-
One-time items	(3.7)	(0.7)	(9.1)	(0.7)
Adjusted EBITDA	\$ 5.2	\$ 1.1	\$ 11.2	\$ 3.9