

# **LEAF's subsidiary East Side Games in collaboration with Universal Games and Digital Platforms, will soon release a new mobile game called "The Office: Somehow We Manage"**

Last week's loss for Apple (AAPL) is a win for mobile game and app developers. According to a Reuters report on September 11, 2021: "Apple must ease App Store rules, U.S. judge orders.....that Apple can no longer bar developers from providing buttons or links in their apps that direct customers to other ways to pay outside of Apple's own in-app purchase system." A key part of the Judge's decision is that Apple must now "allow developers to send their users to other payment systems...But the judge did not require Apple to let app makers use their own in-app payment systems." Given that Apple charges 15% to 30% for its own in-app payment system the ruling now means game and app developers have a way to bypass these fees, if they choose. This is a big win for the game and app developers.

One such developer has spent the past 2 years rapidly growing their game portfolio and game development studios, and stands to potentially benefit from the ruling.

The Company is Leaf Mobile Inc. (TSX: LEAF | OTCQB: LEMLF) ("LEAF"), a leading free-to-play mobile game group. LEAF's business is very scalable and operates on a Software as a Service (SaaS) revenue model. The Company's core is three game development studios – East Side Games ("ESG"), LDRLY Games (pronounced Leaderly), and soon to be potentially finalized

Truly Social Games (“TSG”) (Definitive Agreement to acquire signed in June 2021).

The later agreement announcement stated:

“As part of the TSG deal, LEAF will initially acquire 20% of TSG in exchange for an initial investment of up to \$3.0 million which will be used by TSG to develop four new game titles with 2 of the titles scheduled for world-wide launch in second half of 2021.....The remaining ownership interest will be acquired in up to 2 tranches based on revenue targets as set out in previous acquisition news releases on March 9th, 2021. With achievement of revenue targets, **LEAF anticipates that it would generate approximately \$60 million in revenue on an annualized basis**”

Note: The \$60 million in revenue is only a forecast and by no means a guarantee.

**Leaf Mobile Inc. (LEAF) 3 game studios in Canada**

## Great Studios, Great Teams.

LEAF Group consists of 3 game studios in Vancouver and Nanaimo B.C., Canada along with partners in North & South America and European regions.



Source: LEAF website

I previously discussed LEAF’s business which includes publishing partnerships with Bigfoot Gaming, Mighty Kingdom Games, TinyRex Games and Game Masons, and RuPaul’s Drag Race.

LEAF’s current portfolio of games includes: 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.

**A few of LEAF's mobile games – Truly Social Games “Archer: Danger Phone” was nominated for Best Mobile Game at the 2021 Canadian Game Awards**

We offer a compelling portfolio of games, developed and published inhouse or through IP partnerships and acquisitions, with strong appeal to players globally.



Source: LEAF website

Under a recently announced deal, LEAF's subsidiary East Side Games Inc. ("ESG"), in collaboration with Universal Games and Digital Platforms, will soon release a new mobile game called **"The Office: Somehow We Manage"**. The game is inspired by the U.S. version of NBC's *The Office*, now streaming exclusively on Peacock.

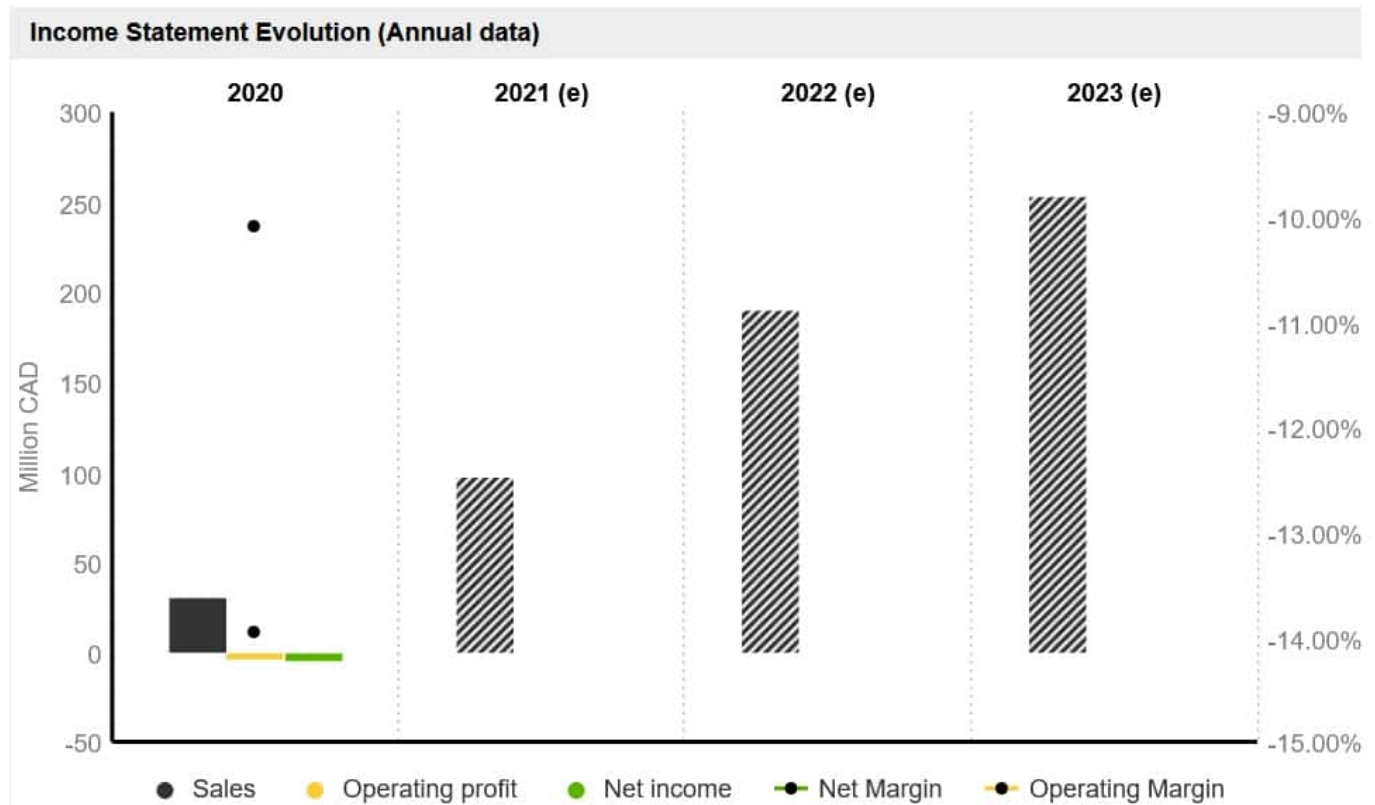
Darcy Taylor, Chief Executive Officer of LEAF, stated:

"The opportunity to bring the five-time Primetime Emmy award-winning TV comedy series *The Office* to mobile in our trademark idle-game style is an honor for us here at LEAF."

### **LEAF reported strong Q2, 2021 results**

Announced on August 16, 2021, LEAF's Q2 revenue was C\$22.5M, a 28% increase vs Q2 2020 revenue of C\$17.6M. The C\$22.5M result follows on from ~C\$23M in Q1, putting the Company on track for analyst's 2021 revenue target of ~C\$98M.

## Leaf Mobile's revenues are forecast to grow rapidly from 2021 to 2023



Source: 4-traders Market Screener

### Closing remarks

Leaf Mobile Inc. continues to grow their portfolio of game development studios, publisher partnerships, and mobile games at a rapid pace. This is leading to growing revenues that could potentially get a lift with Apple now required to allow game developers to use links to externally and potentially lower fee payment apps.

Leaf Mobile Inc. trades on a current market cap of C\$253m and an undemanding PE ratio of 27. LEAF looks to be a very good stock to follow and a strong company in the making.