

Mobile Game Developer LEAF Delivers Record Q1 2021 Financial Results

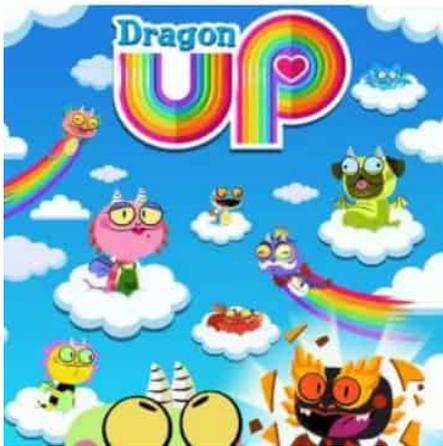
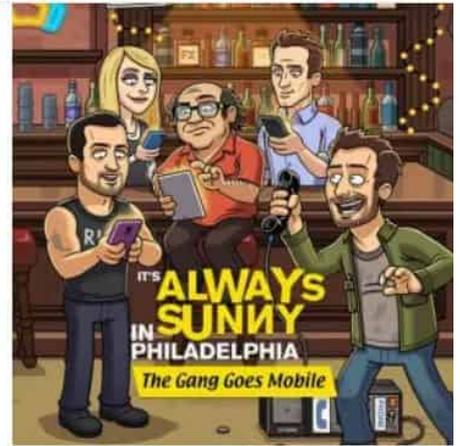
The mobile gaming business is booming and this means that the quality games developers are also booming. One Canadian game developer has a proven game portfolio with recurring revenue streams and a deep product pipeline. The company has been growing organically as well as with several recent acquisitions.

The company is Leaf Mobile Inc. (TSX: LEAF | OTCQB: LEMLF) ("LEAF"). LEAF is a leading free-to-play mobile game group. Their business is very scalable and operates on a Software as a Service (SaaS) revenue model.

The Company has just announced record Q1 pro-forma revenue of C\$25 million (up 95% YoY) and became profitable reporting a net profit C\$1.26 million in Q1. The reason for the sudden rush in revenue is because LEAF has had a series of acquisitions in recent times that should continue to boost revenues in 2021 and beyond.

The February acquisition of East Side Games ("ESG") for \$159 million will be the main catalyst for LEAF in 2021. This is because ESG's core software technology (IdleKit) significantly decreases the build to launch timeline for mobile games developed on the platform. This platform is not only utilized by ESG and LEAF, but it is also open to third party developers on a partnership basis.

East Side Games Titles



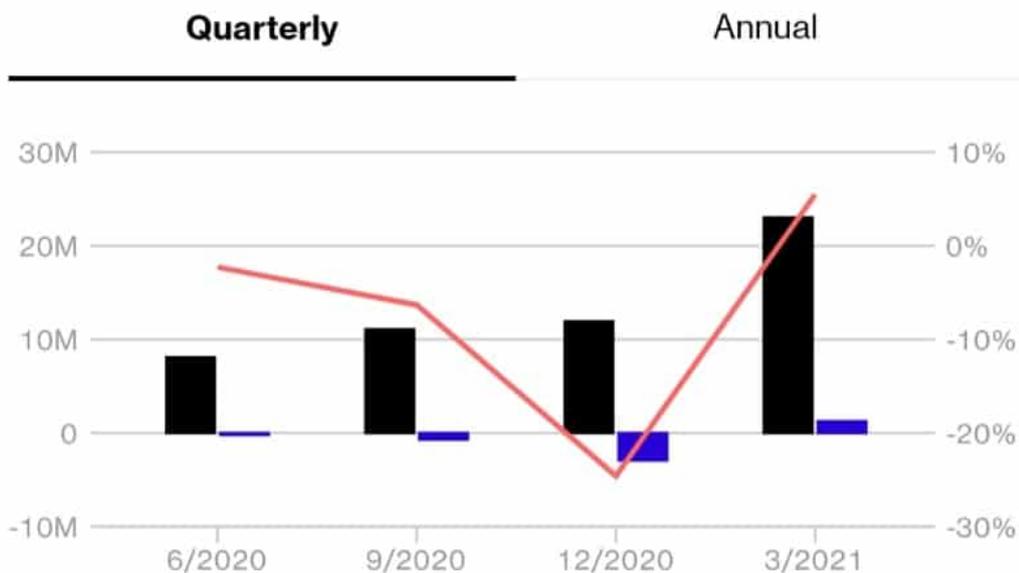
Source: Leaf Mobile Media Gallery

LEAF delivers record Q1 2021 financial results

The record Q1 2021 results already began to highlight the boost to LEAF from their ESG acquisition. Q1, 2021 financial results highlights are shown below:

- Record Q1 2021 revenue of C\$23 million, or C\$25.3 million pro-forma, a 95% increase over C\$13.0 million in Q1 2020
- Q1 2021 revenue increased by C\$2.3 million over Q4 2020 revenue of C\$23.0 million, a 10% sequential increase
- Adjusted EBITDA was C\$3.0 million in Q1 2021 compared to a loss of C\$1.4 million in Q1 2020.
- Q1 2021 net profit was C\$1.26 million.

Leaf Mobile became profitable in Q1 2021



3/2021 (MILLIONS CAD)

● REVENUE	23.01
● NET INCOME	1.26
● PROFIT MARGIN	5.48%

Source: Bloomberg App

LEAF CEO, Darcy Taylor, commented:

“We completed our transformational acquisition of East Side Games and made significant progress executing on our three-pillar growth strategy in the first quarter of the year. **By the end of this year, we expect our game portfolio to have almost doubled**, from both in-house and Idlekit partner game launches including the highly anticipated title from the *RuPaul’s Drag Race* franchise.”

Recent achievements for LEAF include:

- On May 25, 2021 LEAF commenced trading its common shares on the OTC Markets Group’s OTCQB marketplace in the United States under the symbol “LEMLF”.
- Announced IdleKit and publishing partnerships with

Bigfoot Gaming, Mighty Kingdom Games, TinyRex Games and Game Masons.

- Launched the newly developed NFTKit and a partnership with WAX Blockchain to support ESG's new NFT game, Bud Farm Nifty Stash.
- Entered into a non-binding letter of intent to acquire Truly Social Games, a developer and publisher of mobile games headquartered in Vancouver, Canada.
- Announced 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.

Closing remarks

Leaf Mobile Inc. ("LEAF") continues to impress with the rate of rapid acquisition and organic growth. The ESG acquisition and impending Truly Social Games acquisition are certainly big moves in the right direction. The numbers speak for themselves highlighted by the 95% YoY pro-forma revenue growth and net profit result. This should continue to potentially get even better later in 2021.

Trading on a market cap of C\$305 million, Leaf Mobile Inc. has plenty of potential upside from here. Stay tuned and keep playing LEAF mobile games.