

Capitalizing on the free-to-play mobile games audience, East Side Games Group ramps up the acquisitions, the awards and rolls out record revenues...

written by InvestorNews | April 11, 2022

Ask anyone who has children if they play free-to-play mobile games. In about 95% of cases the answer will be 'yes'. Such is the popularity of mobile games today.

[According to Statista](#), worldwide revenue from mobile games is "is expected to show an annual growth rate (CAGR 2022-2026) of 8.73%, resulting in a projected market volume of US\$174,586m by 2026." And "the average revenue per user (ARPU) in the Mobile Games segment is projected to amount to US\$64.66 in 2022."

Looking at the above statistics, this is an enormous market opportunity for those that can be successful in the mobile gaming segment. Today's Company is already Canada's leading free-to-play mobile game group.

[East Side Games Group Inc.](#) (TSX: EAGR | OTCQB: EAGRF) not only owns and creates games, they also license their proprietary Game Kit software platform that enables professional game developers to create games. East Side Games Group has 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* and *Trailer Park Boys Greasy Money*, *RuPaul's Drag Race Superstar* and *The Office: Somehow We Manage*.

A sample of just some of East Side Games Group's free-to-play mobile games

☒ Source: [East Side Games Group website](#)

East Side Games Group has been very busy in 2022 with acquisitions, new games announced (including "Star Trek"), a strong financial performance, and various award nominations

In January East Side Games Group [announced](#) that they had acquired 100% of N3TWORK Inc.'s interest in the 'Funko Pop! Blitz' mobile game. The game currently features characters from a variety of franchises including *Jurassic World* and *Back to the Future*, *The Office*, *Shrek*, *Trolls*, and *Masters of the Universe*.

Also in January the Company [announced](#) that they had entered into a multi-year partnership with BBC Studios for the worldwide release of a mobile title based on the *Doctor Who* franchise.

In February, the Company [announced](#) that it has entered into a multi-year partnership with ViacomCBS Consumer Products for the worldwide release of a *Star Trek: Lower Decks*-themed mobile game on iOS and Android. Regarding Star Trek, Wikipedia [states](#): "Star Trek since its original debut in 1966 has been one of the most successful television series in science fiction television history and has been considered by many to have had a large influence in popular culture as a result." Or put another way, Star Trek is wildly popular and has a cult following. The announcement also highlighted the magnitude of this deal [stating](#): "The *Star Trek* franchise has had an unmistakable influence on adults and children alike for over 50 years. Being able to bring such a storied franchise to mobile in our trademark idle-game style is an honor for us here at ESGG," said Darcy Taylor, Chief Executive Officer of ESGG. "We're looking forward to sharing this new experience in the *Star*

Trek franchise with everyone from new audiences to *Star Trek* super fans. This new mobile game is another top tier IP franchise that will only add to an already exciting launch slate in 2022.”

In March, East Side Games Group reported their [Q4 earnings results](#) which included record Q4 and FY2021 revenues up 49% YoY and 37% YoY respectively. They also announced record Q4 monthly average users (MAU) of 1.5 million, up 53% YoY.

Record Q4 2021 and FY 2021 results were announced on March 10, 2022



Source: [East Side Games Q4 2021 and FY 2021 financials presentation](#)

Finally capping off a brilliant quarter, in mid-March East Side Games [announced](#) that they had been nominated for multiple awards, including Pocket Gamer People’s Choice and Canadian Game Awards Best Mobile Game.

East Side Games Group quotes 5 core reasons to invest in the company

- **Market Growth** in terms of quantitative and qualitative visibility in the largest and fastest growing entertainment market.
- **Proven Portfolio** – Proven game portfolio with recurring revenue stream and deep product pipeline.
- **Revenue Diversification** – Game Kit(s) technology Platform SaaS revenue model complements organic growth and enhances scalability.
- **Successful & Accelerating M&A** – Successful & Accelerating M&A Agenda to attract world class talent, teams and IP.

- **Scale Benefits** – Reduced cost of capital and scale benefits operational synergies and profitability.

Source: [East Side Games Group website](#)

Summary of progress and growth strategy of East Side Games Group



[Source](#)

Closing remarks

The global mobile gaming industry continues to enjoy very solid growth, with user penetration expected to hit 29.3% by 2026, East Side Games Group is aiming to grab some of this audience. The Company is rapidly growing their portfolio of free-to-play mobile games as well as their revenues, with FY2021 revenues up 37% accelerating in Q4 2021 up 49% YoY.

East Side Games Group has a market cap of [C\\$203 million](#). One to watch in 2022.