Trevor Doerksen of ePlay Digital on commercializing its virtual worlds

written by InvestorNews | May 25, 2022

In this InvestorIntel interview with host Tracy Weslosky, <u>ePlay Digital Inc.</u>'s (CSE: EPY) CEO Trevor Doerksen discusses the introduction of metaverse advertising and brand monetization into ePlay's virtual worlds as they accelerate towards <u>full</u> commercialization.

In the interview, which can also be viewed in full on the InvestorIntel YouTube channel (click here), Trevor Doerksen talks about ePlay's partnership with VR advertising innovator Trivver to bring dynamic virtual reality and augmented reality advertising directly into ePlay's Klocked World. As the "running metaverse that you could immerse yourself in today", Trevor explains how Klocked World makes ePlay an early leader in the fast-growing market of metaverse engagement and commercialization.

Don't miss other InvestorIntel interviews. Subscribe to the InvestorIntel YouTube channel by <u>clicking here</u>.

About ePlay Digital Inc.

ePlay Digital Inc. is a mobile game creator and publisher specializing in sports, esports and entertainment augmented reality titles, including the, award-winning, augmented reality running app, Klocked.run, sports gaming app Fan Freak, flagship title Big Shot Basketball and Howie Mandel mobile game collaboration — HowiesGames.fun. ePlay is operated by an award-winning team of sports, gaming and eSports leaders as well as

broadcast and digital technology industry experts, software engineers and athletes who have brought dozens of game titles to market for companies including Time Warner Cable, ESPN, Sony Pictures, AXS TV, Intel, AXN, Fiat, CBS, and others.

To know more about ePlay Digital Inc., click here

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

written by InvestorNews | May 25, 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 Grea\$y 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: <u>East Side Games Group website</u>

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 <u>announced</u> 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 <u>announced</u> 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 <u>announced</u> 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 <u>states</u>: "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 <u>Q4 earnings</u> <u>results</u> 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

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Source: <u>East Side Games Q4 2021 and FY 2021 financials</u> presentation

Finally capping off a brilliant quarter, in mid-March East Side Games <u>announced</u> 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: <u>East Side Games Group website</u>

Summary of progress and growth strategy of East Side Games Group



<u>Source</u>

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.

ePlay Digital is your Gateway into the Metaverse

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One of the biggest trends today is mobile gaming, and one of the largest trends of tomorrow is augmented reality (AR) and the metaverse. AR is a real-world environment where the objects that reside in the real world are enhanced. The metaverse is a network of 3D virtual worlds (virtual reality) focused on social connection.

Today's company is at the leading edge of mobile gaming incorporating AR, VR, and the metaverse.

<u>ePlay Digital Inc.</u> (CSE: EPY) (ePlay) is a sports, eSports, and entertainment mobile games developer and publisher. ePlay is big on Augmented Reality and the metaverse.

ePlay has over 10+ mobile sports, esports, and entertainment games released and several others readying for commercial release. Some of the most popular mobile apps developed by ePlay include the flagship title Big Shot Basketball and the Howie Mandel mobile game collaboration.

ePlay develops and publishes mobile phone games for sports, eSports, and entertainment



Source: ePlay investor deck

ePlay's latest releases include revolutionary 3D AR fitness/running app 'Klocked', sports and entertainment real estate metaverse 'Klocked World', and fantasy sports app 'Fan Freak'.

Klocked (augmented reality fitness app)

ePlay's AR fitness app, <u>Klocked</u> is an immersive fitness experience that allows you to run in the real world and power your avatar across 400+ virtual courses. You and your avatar can together explore, train, compete with a global community.

Klocked, <u>recently won the Ember Award</u> for best mobile solution as well as <u>introducing a new feature</u> called "Join live". It allows you and your avatar to join with friends or new friends while on a run.

Trevor Doerksen, CEO of ePlay Digital and co-creator of Klocked fitness app, stated: "Running with friends is great — strangers too. That's hard in the best of times, and a pandemic is not the best of times..... I hope Klocked Join Live helps us get out there more, go longer, faster, and meet new people. In the real world or Klocked World, I'm pretty motivated to catch up and join others."

ePlay's Klocked AR fitness app — Run on your treadmill and watch yourself and your surroundings (via your avatar) in the virtual world

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Source: Klocked.me

Klocked World (sports and entertainment real estate metaverse)

ePlay <u>recently released</u> 'Klocked World'. It is a connected virtual world (metaverse) where users buy, sell, collect, build, innovate, and curate unique virtual 'sports and entertainment' real estate. The Klocked World Metaverse Real Estate Platform allows users to purchase property, courses, fields, baseball diamonds, and other iconic or locally famous sports real estate.

ePlay's Klocked World



Source: Klocked World

Fan Freak App and ePlay Wallet

In January 2022, ePlay <u>announced</u> the release of Fan Freak. <u>Fan Freak</u> is a daily fantasy sports and streak app with cash and NFT prizes. Fan Freak includes NHL, NFL, MLB, NBA, and NCAA Football. The three games included in the initial release include Fantasy MVP, Pick-Sheet, and Streak.

The ePlay Wallet is interoperable with other ePlay games and fully circumvents App Store revenue sharing that can be as high as 30% to the App Store.

ePlay's Fan Freak allows sports fans to build teams, streaks, and win cash prizes.

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Source: ePlay Digital Fan Freak

ePlay's promotion, distribution, and market opportunity

In terms of promotion, ePlay partners and investors include comedian and America's Got Talent's Howie Mandel, Top 10 social media star, 7-time NBA champ Robert Horry, and TV host and Sports broadcaster Lindsay McCormick.

For distribution, ePlay is available in Google Play and the Apple app store. ePlay also has a marketing and distribution deal with one of China's largest media conglomerates, with an audience of >100 million viewers.

ePlay's <u>market opportunity</u> is to tap into the markets for

eSports (US\$1.1 billion), mobile games (US\$107 billion), mobile advertising (US\$107 billion), sports advertising (US\$150 billion) and the sports gaming market (US\$37.9 billion).

Closing remarks

AR and the metaverse are said to be the next big thing. ePlay is at the cutting edge of this trend developing and publishing 'mobile' AR, 3D, and immersive fitness, sports, eSports, and entertainment games apps with superb live experiences that are celebrity-driven, valuable, precious, and unique.

ePlay trades on a market cap of C\$6 million and certainly is a play on the mobile gaming and entertainment future, with AR, VR, and the metaverse all thrown in. Impressive combination and a stock to watch closely in 2022.

Rapidly Growing LEAF Mobile is now East Side Games Group as it expands its partnership with Mighty Kingdom and prepares to list on the LSE

written by InvestorNews | May 25, 2022
Did you know that LEAF Mobile Inc. is now <u>East Side Games Group</u>
<u>Inc.</u> (TSX: EAGR | OTCQB: EAGRF)? The Company is Canada's leading
free-to-play mobile game group. Actually LEAF Mobile Inc.
acquired East Side Games Inc. in early 2021 for <u>C\$159M</u>, but has

clearly decided that rather than keeping the name as a subsidiary it is a better name for the whole company.

The name change was <u>announced</u> in December 2021. CEO Darcy Taylor <u>commented</u> about the name change saying: "We've been working on this change for some time, and it represents a change in our trade name; not our purpose, our vision, our structure, or how we operate and it comes at an exciting time in the Company's growth as we ramp our launch slate of new games and further scale our Game Kit partners."

Some of East Side Games (formerly LEAF Mobile Inc.) popular free to play mobile games

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Source: <u>East Side Games Group website</u>

East Side Games Group expands the Mighty Kingdom partnership

East Side Games Group recently <u>announced</u> an expansion of its publishing and Game Kit partnership with Mighty Kingdom Games Pty Ltd for the world wide release of three additional free-to-play mobile games on iOS and Android. The games are expected to launch during 2022 and 2023 and will be published by East Side Games. The company's CEO, Darcy Taylor <u>stated</u>:

"This expanded partnership with Mighty Kingdom is a testament to the quality and performance of our Game Kit technology that allows for a material decrease in the typical build to launch timeline for mobile games developed on the platform. Having Australia's largest independent game developer join us for an additional three games speaks volumes about our platform."

As you can imagine, in the mobile games development world, speed to market is important, as is the publisher's brand name, portfolio of games, and distribution. In the case of East Side Games Group, they rate well in all areas.

East Side Games Group to list on the LSE

Perhaps more exciting for investors is that East Side Games Group will soon be listed on the London Stock Exchange ("LSE"). The Company <u>stated</u> in November 2021: "This secondary London listing is part of LEAF's growth strategy and brings Canada's largest free-to-play mobile game group to the LSE. The net proceeds of the capital raising will be used to further scale the business."

East Side Games Group revenue is forecast to more than double in the next two years

East Side Games Group's revenue in 2021 is forecast to be C\$90M
and rise to C\$201M in 2023. If achieved, it would be a more than doubling of revenue in just 2 years. This is up enormously on 2020 revenue of C\$31M, making East Side Games one of the fastest growing mobile games publishers/developers. Clearly East Side Games Group is very serious in accelerating their growth to capture as much as possible from the booming mobile gaming market.

Facts about Mobile gaming

- Newzoo Mobile games are expected to reach 2.6 billion players and generate revenues of USD 90 billion in 2021, representing more than half of the global games market in terms of revenue.
- Games are also the most dominant category within the mobile applications ecosystem with gaming accounting for more revenue on iOS than every other category combined.
- Sensor Tower Games accounted for 66% of all [App Store] revenue in 2020, approximately USD 47.6 billion was spent on iOS games in 2020, up 25% from 2019.

Source

Closing remarks

Investors may be familiar with the name LEAF Mobile Inc. from some of our <u>past articles here</u> on InvestorIntel. The latest changes are really a new company name, which I think better matches the company's core business of being a games developer and publisher.

East Side Games Group continues to grow its portfolio of game development studios, publisher partnerships, and mobile games which is now translating into rapidly growing revenues for the Company.

New exposure on the global stage via the LSE listing can only benefit the Company further. Stay tuned in 2022.