East Side Games Group Announces Earnout Milestone Achievement

written by Raj Shah | February 16, 2022

February 16, 2022 (Source) – East Side Games Group (TSX: EAGR) (OTC: EAGRF) ("**ESGG**" or the "**Company**"), Canada's leading free-to-play mobile game group, announces that its studio, East Side Games Inc. ("**ESG**"), which the Company acquired in February 2021, has achieved revenue milestones previously set under aforementioned acquisition. As such, the former shareholders of East Side Games Inc. will be paid contingent consideration of CAD$20 million.

As previously described in the Company's news release on February 5, 2021, the former shareholders of East Side Games Inc. were entitled to contingent consideration if the Company reached $100 million in gross revenue, on a consolidated basis, in the 12 months ended February 5, 2022, payable within 30 days. The Company is pleased to report that the revenue milestone has been met.

Of the contingent consideration, $10 million will be paid by way of 4,444,444 common shares, the maximum common shares allowable under the agreement, and the remaining $10 million will be paid in cash, using cash on hand. The common shares will be subject to a four month hold period, pursuant to applicable securities laws and additional shareholder lock up arrangements related to ESG directors, officers and shareholders in connection with the common share portion of the contingent consideration.

Of such shares, 3,413,114 shares will be issued to a family trust of which Jason Bailey, Executive Chair of the Company, is

a trustee. Immediately prior to such issuance, Mr. Bailey indirectly held 37,544,963 common shares of the Company and 400,000 stock options, representing 49.0% of the outstanding shares prior to the issuance, calculated on a partially-diluted basis assuming exercise of such options; after such issuance, Mr. Bailey will indirectly hold 40,958,077 common shares of the Company and 400,000 incentive stock options, representing 50.5% of the outstanding shares after such issuance, calculated on a partially-diluted basis assuming exercise of such options. A copy of Mr. Bailey's early warning report will be available on SEDAR under the Company's profile.

ABOUT EAST SIDE GAMES GROUP

East Side Games Group (formerly operating under the name "LEAF Mobile Inc.") 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 licensing of our proprietary Game Kit software platform that enables professional game developers to greatly increase the efficiency and effectiveness of game creation in addition to organic 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 and Trailer Park Boys Grea$y Money*, *RuPaul's Drag Race Superstar* and *The Office: Somehow We Manage*.

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.eastsidegamesgroup.com and join our online communities at LinkedIn, Twitter, Facebook, and Instagram.

Additional information about the Company continues to be available under its legal name, LEAF Mobile Inc., at www.sedar.com.

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. 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.

SOURCE East Side Games Group

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