

East Side Games Group Reports Record Fourth Quarter and Full Year 2021 Financial Results

written by Raj Shah | March 11, 2022

Record full year revenue of \$93.2M growing by 37% vs full year 2020

Record Q4 revenue of \$28.6M increased by 49% vs same period last year

Record Q4 player audience

Annual adjusted EBITDA of \$7.4M

The Office: Somehow We Manage* achieves Top 10 Most Downloaded Games Ranking in the US on iOS

All figures are as reported under IFRS

**Source: Data Ai*

March 10, 2022 ([Source](#)) – East Side Games Group (TSX: [EAGR](#)) (OTC: EAGRF) (“**ESGG**” or the “**Company**”), Canada’s leading free-to-play mobile game group, today announced financial results for the fourth quarter and full year ended December 31, 2021. All amounts are stated in Canadian dollars on an as reported basis under IFRS unless otherwise indicated.

“This was a monumental year for ESGG and we capped it off with significant growth in Q4, achieving record quarterly revenue, annual revenue and record user numbers, in addition to launching our first ‘Super Marquee’ title, *RuPaul’s Drag Race Superstar*. The marketing landscape continued to improve in the fourth quarter, we have adapted well to Apple’s IDFA changes and have been successful in our marketing campaigns with increased disciplined investing in user acquisition towards the end of the year linked to new launches and sustained returns. This contributed to an extremely successful launch of *RuPaul’s*

Drag Race Superstar which, as we mentioned last quarter, surpassed the 1 million download mark only weeks after launch. Our core portfolio of games was a strong contributor to our performance this quarter. We had no new game launches until late October and still realized a strong recovery from the seasonally slow third quarter,” said Darcy Taylor, CEO of East side Games Group.

“With a record setting FY2021 in the rear view, we have continued to execute on our growth strategy. On January 27 of this year, we launched the second of our ‘Super Marquee’ titles, *The Office: Somehow We Manage*, in collaboration with Universal Games and Digital Partnerships. This title has already ranked in the Top 10 Games in Canada and the US, Top 10 Casual Games in 6 countries, and was also featured as Game of the Day, on the Apple App Store. February 15th marked another milestone for us as we announced the achievement of \$100 million revenue for the 12-month period ended February 5, 2022. We expect to build on this \$100 million milestone through Q1 2022 as we recognise a full quarter of revenue from *RuPaul’s Drag Race Superstar* and capture the first partial quarter of *The Office: Somehow We Manage* as it begins to ramp up,” continued Mr. Taylor.

Fourth Quarter and Full Year 2021 Highlights:

- Revenue was \$28.6 million, a 49% increase vs Q4 2020 revenue of \$19.2 million.
- Annual revenue was \$93.2 million, an increase of 37% vs. 2020 revenue of \$68.1 million.
- Q4 Adjusted EBITDA was \$1.1 million, a decrease of 83% vs same period 2020 Adjusted EBITDA of \$6.6 million.
- Full year Adjusted EBITDA was \$7.4 million, a decrease of 38% vs 2020 Adjusted EBITDA of \$12.0 million.
- Q4 net and comprehensive loss of \$(0.8) million,

or (\$0.01) on a per common share basis.

- Full year 2021 net and comprehensive loss of \$1.9 million or (\$0.03) per share
- Adjusting for the lower US dollar in 2021 compared to 2020, in constant dollars, Q4 revenue would have been \$29.2 million and full year revenue on a pro forma basis would have been \$100.3 million.
- Cash on hand at December 31, 2021 was \$9.2 million. In addition to the cash on the balance sheet, the Company has access to \$13.5 million in credit facilities, none of which has been drawn upon in the reporting period.
- Record player audience with Q4 Daily Active Users (DAU) reaching 348,154, up 21% year-over-year, and Monthly Active User (MAU) of 1,526,246, up 53% over the same period.
- Average Revenue per DAU (ARPDau) for the quarter was \$0.90, slightly up from the prior year quarter.
- Launched *RuPaul's Drag Race Superstar* mobile game on October 25th. This game has since been shortlisted for Pocket Gamer's People's Choice Award and secured Game of the Day feature on the Apple App Store
- Expanded and extended the partnership with *Trailer Park Boys* to include more games in expanded genres.
- Added new Game Kit partner, NoPowerup, for the development of an idle business tycoon-style game to launch in 2022.

"Record quarterly revenue capped off a record year for us. The breadth of our game portfolio allowed us to adapt to marketing landscape changes in the previous 2 quarters and return to strong growth in Q4. Adjusted EBITDA was impacted by increased investment in user acquisition and development of new titles," continued Mr. Taylor.

Significant events subsequent to fourth Quarter 2021:

- Launched *The Office: Somehow We Manage*, in collaboration with Universal Games and Digital Partnerships, on January 27. This title has already ranked in the Top 10 Games in Canada and the US, Top 10 Casual Games in 6 countries, and was also featured as Game of the Day, on the Apple App Store.
- Entered into a multi-year partnership with ViacomCBS Consumer Products, for the worldwide release of a *Star Trek: Lower Decks*-themed mobile game. The game will be available in 2022 on both iOS and Android.
- Entered into a multi-year partnership with BBC Studios, for the worldwide release of a mobile title based on the *Doctor Who* franchise. The game will be available in 2022 on both iOS and Android.
- Acquired *Funko Pop! Blitz* mobile game from N3TWORK. *Funko Pop! Blitz* is a deeply engaging match-3 blitz character collection game featuring Funko Pop! versions of lovable characters across multiple iconic franchises in unique weekly events.
- Expanded the Game Kit partnership with Mighty Kingdom, based in Australia, for the world-wide release of three additional free-to-play mobile games on iOS and Android

“We’ve carried our momentum into 2022, executing on our growth pillars of organic game growth, accretive acquisitions and distributed growth through our proprietary Game Kit platform licensing. We’ve added more ‘Super Marquee’ IP in the form of the *Star Trek* and *Doctor Who* franchises, acquired *Funko Pop! Blitz*, which fits perfectly into our portfolio of top tier casual games, in addition to expanding our Game Kit partnership with Mighty Kingdom,” said Darcy Taylor.

Certain information provided in this news release is extracted from the consolidated financial statements (the “Financial Statements”) and Management’s Discussion & Analysis (“MD&A”) of

the Company for the year ended December 31, 2021 and should be read in conjunction with them. It is only in the context of the fulsome information and disclosures contained in the Financial Statements and MD&A that an investor can properly analyze this information. The Financial Statements and MD&A can be found under the Company's profile on SEDAR and EDGAR.

Webcast and Conference Call Information

The Company will hold a conference call to discuss its performance with the investment community at 2:00 p.m. PT today. Related earnings release materials can be found on East Side Games Group website at <https://eastsidegamesgroup.com/investors/financial-information/>.

Webcast and Conference Call Details:

Webcast

URL: <https://onlinexperiences.com/Launch/QReg/ShowUUID=430F1BE3-50A0-491B-9382-04525977278D>

Toll Free Dial-In Number:	+1 (833) 772-0399
International Dial-In Number:	+1 (236) 738-2279
Conference ID:	4787454

A replay will be available starting at 6:30 a.m. PT March 11, 2022 until April 10, 2022 by dialing +1 (800) 585-8367 or +1 (416) 621-4642 and entering the conference ID 4787454.

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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