LEAF Mobile Announces Definitive Agreement to Acquire Truly Social Games

written by Raj Shah | June 22, 2021

June 22, 2021 (Source) – LEAF Mobile Inc. (TSX: LEAF) (OTC: LEMLF) ("**LEAF**" or the "**Company**") Canada's leading free-to-play mobile game group, announces that further to its press release on March 9, 2021, it has entered into a definitive agreement to acquire Truly Social Games ("**TSG**"), an innovative developer and publisher of mobile games headquartered in Vancouver, B.C., Canada (the "**Acquisition**").

The Acquisition advances LEAF's growth through M&A, executing on a core pillar of LEAF's strategy. The Company previously acquired independent gaming studios LDRLY and East Side Games ("**ESG**") in 2020 and 2021 respectively. The acquisition of TSG adds another development studio with a strong track record of success and expertise utilizing the IdleKit technology platform for games such as *Archer: Danger Phone*, which was nominated for Best Mobile Game at the 2021 Canadian Game Awards.

Acquisition Highlights

- Adds highly skilled team of ~50 across 2 TSG studios (Vancouver and Minsk), expanding LEAF's mobile game development capacity.
- Proven success as an IdleKit development partner on *Archer: Danger Phone* published by LEAF studio, ESG.
- LEAF will initially acquire 20% of TSG in exchange for an initial investment of up to $3.0 million which will be used by TSG to develop four new game titles with 2 of the titles scheduled for world-wide launch in second half of

2021 that will be published by ESG.

- The remaining ownership interest will be acquired in up to 2 tranches based on revenue targets as set out in previous acquisition news releases on March 9th, 2021. With achievement of revenue targets, LEAF anticipates that it would generate approximately $60 million in revenue on an annualized basis*

**there can be no assurance or guarantee that such revenue targets will be achieved or that such annualized revenue thresholds will be met, whether in whole or in part.*

“We’re pleased to formalize our previously announced acquisition of Truly Social Games. TSG will add a very talented group of mobile game developers to our group of studios and allow us to increase our development capacity as we execute on our growth strategy,” said Darcy Taylor, Chief Executive Officer of LEAF. “The IdleKit platform not only allows developers to cut down development time and create immersive idle genre games, but also allows us to familiarize ourselves with other talented studios that may make good additions to LEAF. TSG is a great example of a successful and experienced partner that we welcome to the LEAF organization.”

“The mobile gaming industry is witnessing rapid growth and globalization. We have joined the LEAF group as we see a very strong strategic fit with our culture and long-term vision. By joining LEAF Mobile, Truly Social Games gains additional momentum to continue to grow and develop our ambitious plans and projects. We look forward to teaming up with the studios across the LEAF group and further deepen the opportunity to work with some of the best in the industry”, says Patrick Tougas, Owner & Chief Creative Officer of Truly Social Games.

Any LEAF Shares that are issued in the events described previous acquisition news releases on March 9th, 2021 will be at a price

per share equal to the greater of: (A) $0.365 per share; (B) the volume-weighted average closing price of the LEAF Shares on the TSX for the 30 trading day period immediately preceding the issuance of such LEAF Shares; and (C) the minimum issuance price allowable under the policies of the TSX.

The Initial Purchase consideration is intended to be financed with current cash balances.

Concurrent with the completion of the Initial Purchase, a nominee of LEAF shall be appointed to TSG's board of directors.

Completion of the transactions described above are subject to numerous conditions, including but not limited to the receipt of all necessary prior approvals, including that of the TSX as required.

ABOUT TRULY SOCIAL GAMES

Truly Social Games is a dynamic group of folks, with offices in Vancouver, Portland, and Minsk. One big team, working around the globe to make the best possible entertainment experiences. Founded in 2015 by Cooper DuBois and Patrick Tougas, the company set out to build games that engage and involve players from the very first click. With products such as Planet Gold Rush, Gold Mania, Invincible Hero, Idle Surfing, Bomb Brawl! and Draw A Stickman: AR, Truly Social Games created a solid foundation to meet that goal.

ABOUT LEAF

LEAF Mobile Inc. (TSX: LEAF, OTC: LEMLF) 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 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, Trailer Park Boys Grea$y Money* and the soon to be released, *RuPaul's Drag Race Mobile Game.*

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.leafmobile.io and join our online communities at LinkedIn, Twitter, Facebook, and Instagram.

Additional information about LEAF Mobile Inc. is available 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. In particular, the Company cautions that the completion of the proposed transactions cannot be predicted with certainty, and there can be no assurance at this time that all required approvals and consents to effect the proposed transactions will be obtained in the manner noted above or at all. 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 Leaf Mobile Inc.

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