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THE KEY TO MAKING A  
GOOD MOBILE GAME

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A PLATFORM  
FOR ADDITIONAL  
PROFITS



**LEAF MOBILE -**  
**A SUPER SMART**  
**WAY TO PLAY**  
**THE BOOMING**  
**GAMING MARKET**

TSX:LEAF | OTC:LEMLF

+ PAGES 17-19

**AN EXCITING AND**  
**EXPERIENCED COMPANY**  
**IN A RAPIDLY GROWING**  
**INDUSTRY**

# THE PERFECT TIME TO CLAIM A STAKE IN THE MOBILE GAMING MARKET

## THE MOBILE GAMING MARKET IS HUGE.

In fact, with the total number of smartphone gamers now sitting at 2.6 billion globally...

Estimates suggest that the space now accounts for nearly 50% of the entire gaming industry's revenues and will turnover more than \$100 billion annually by 2023.

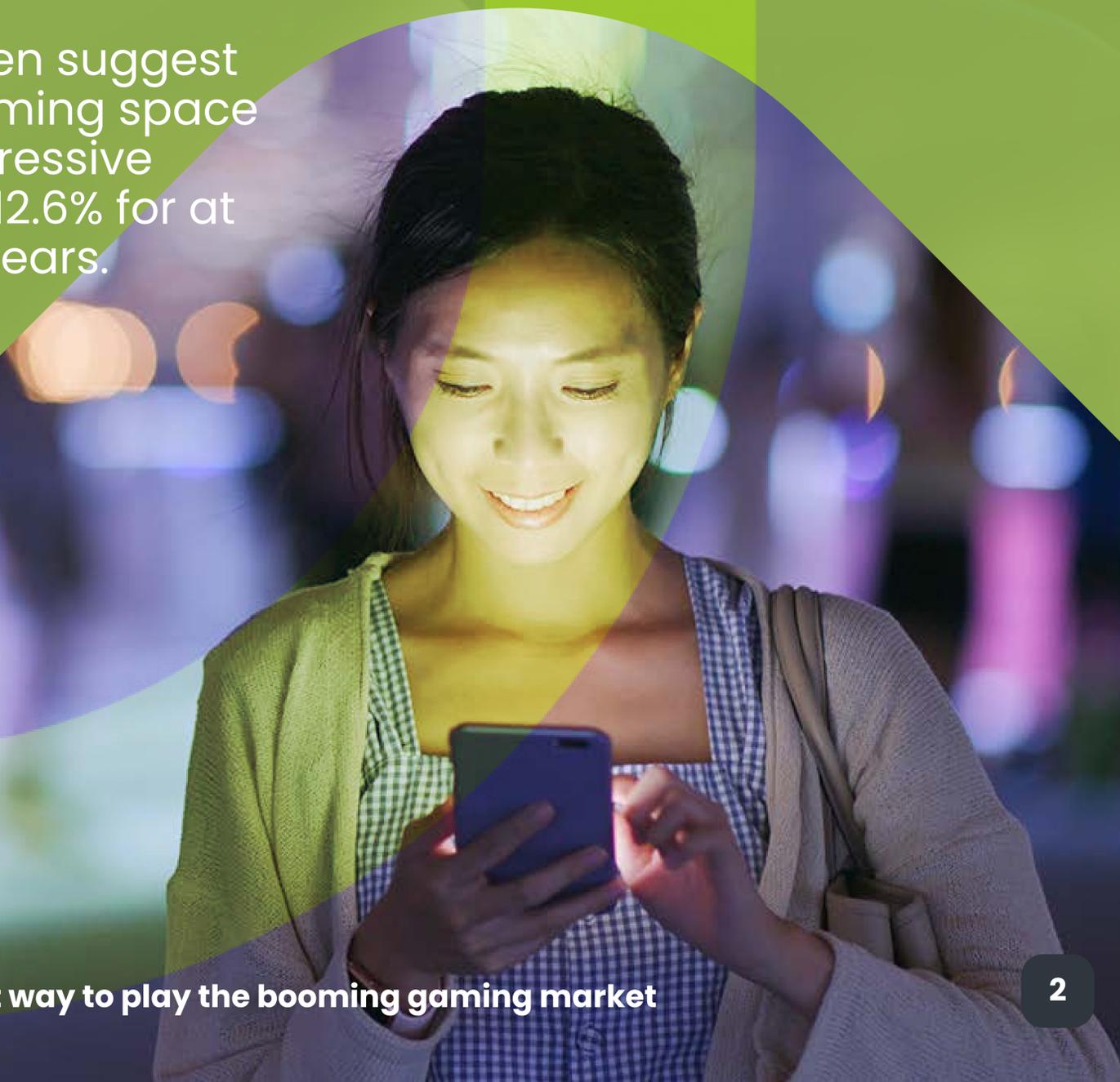
From there? Once again, the only way is up.

Some forecasts even suggest that the mobile gaming space will grow at an impressive annualized rate of 12.6% for at least the next five years.

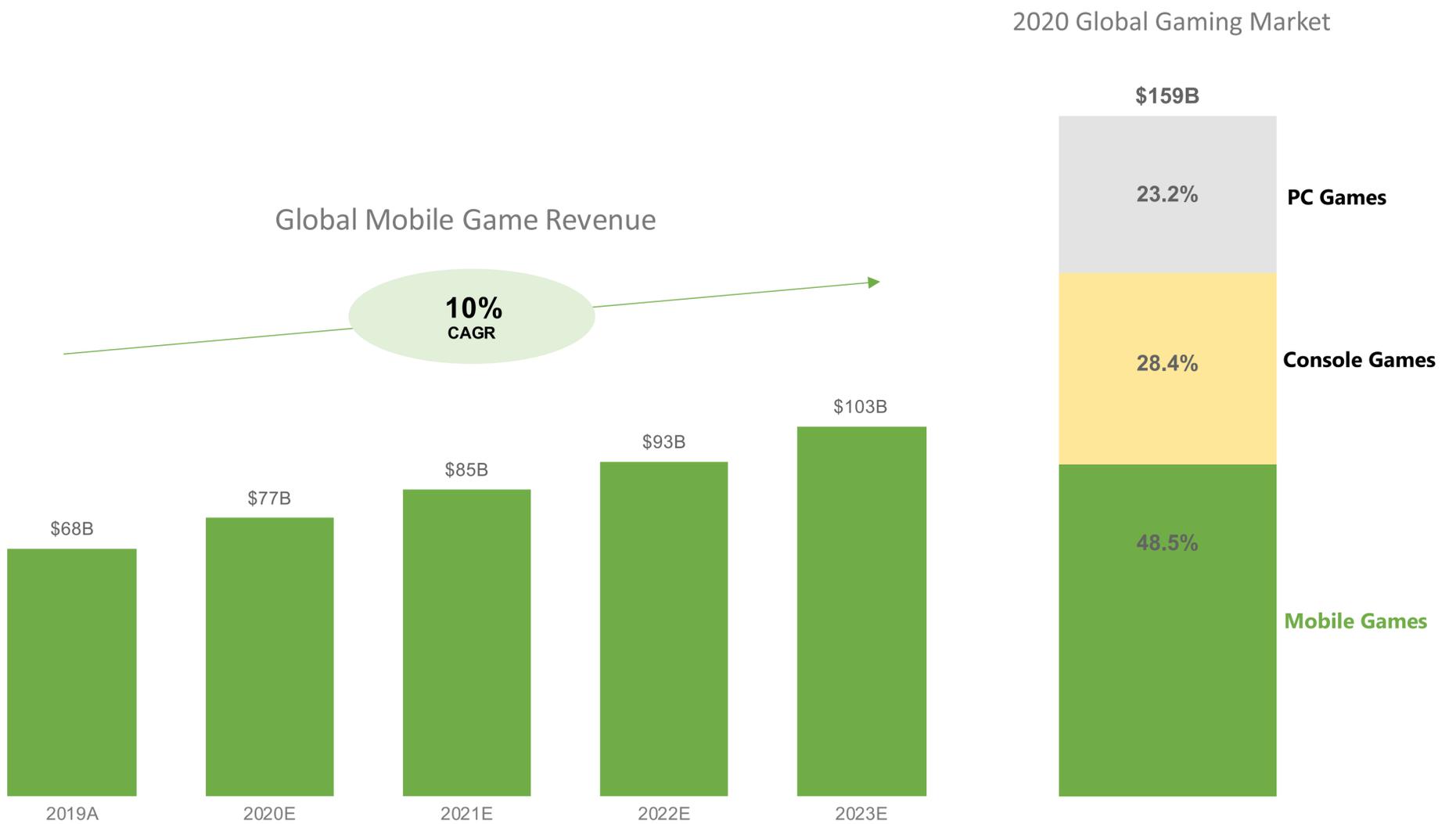
Without a doubt, it's a market that smart investors should be looking at.

And there's one company in particular that looks set to soar the most as the boom continues.

**That company is**  
**LEAF Mobile Inc**  
**(TSX:LEAF | OTC:LEMLF)**



# The Massive Mobile Gaming Market



Mobile gaming is the largest and fastest growing segment in the global gaming market

You see, **LEAF** has already established a strong portfolio of mobile games.

And now, thanks to a smart three-pillared expansion strategy, it looks perfectly positioned to take over an even more significant share of the market.

As it stands, **LEAF's** valuation looks shockingly discounted compared to much of its competition.

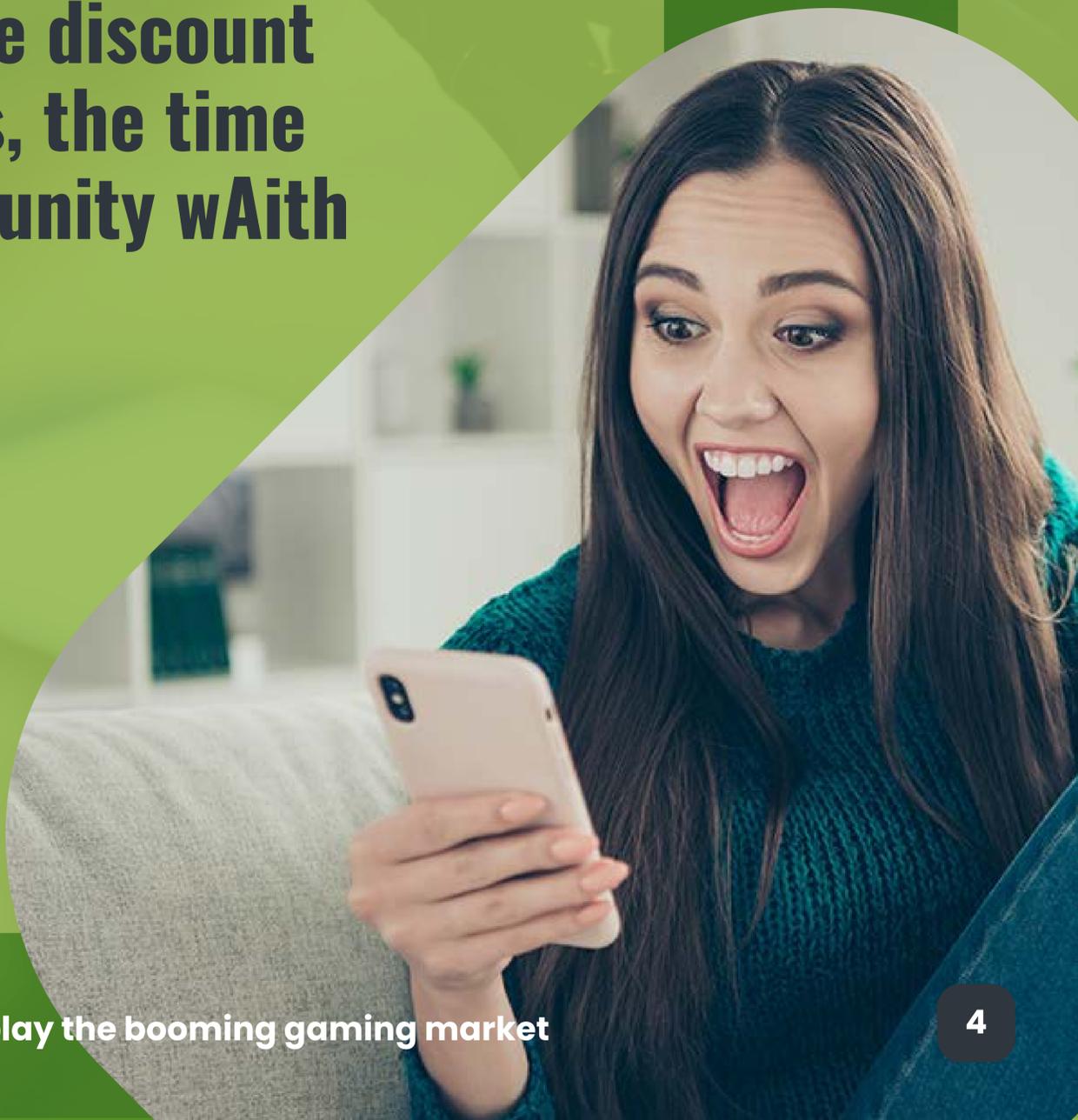
But—as you'll find out in this report—the group's hugely experienced management team is well on its way to changing this with a modern, decentralized approach to growth.

Indeed, the fact that **LEAF** enjoyed record revenue in the first quarter of this year is just one clue as to what's to come...

Especially with marquee games now being readied for launch, strategic partnership deals being finalized, and funding already covered to drive through this next period of expansion.

Bottom line is, the mobile gaming market is providing smart investors with an exciting long-term growth opportunity, and **LEAF** represents one of the most exciting ways to take advantage.

**Given the group is currently trading at a massive discount relative to its peers, the time to seize this opportunity with both hands is now.**



# WHAT MAKES A GOOD MOBILE GAME? LEAF ALREADY HAS THE ANSWER

AS YOU'D EXPECT, SUCCESS IN THE MOBILE GAMING MARKET REALLY COMES DOWN TO ONE THING ON A FUNDAMENTAL LEVEL...

*Are your games any good?*

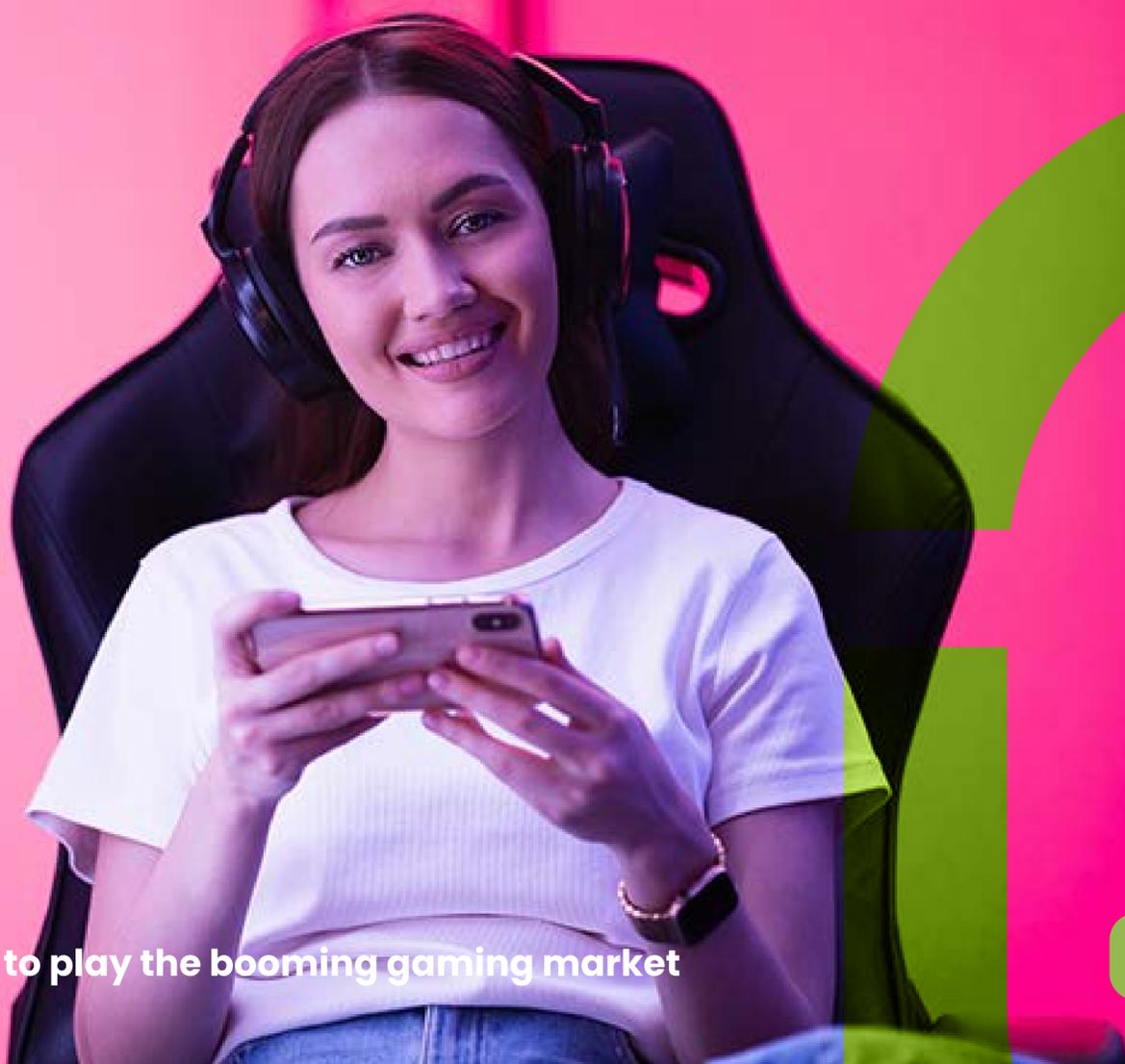
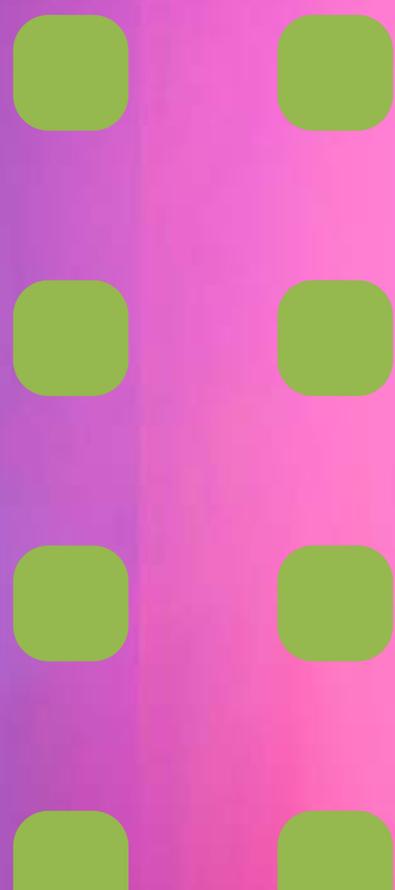
Sure, it helps for the company behind the game to be well-funded, business savvy, and revenue-generating, and **LEAF** is certainly all of those things.

But still, if the free-to-play games you're offering people are poor and do not attract a large enough audience, then it could all be for nothing.

The good news is, unlike a lot of the competition, **LEAF** has already figured out this key part of the puzzle.

Not only has it already built up a super strong portfolio of mobile games that attract a significant audience...

But it has a clear idea of how to repeat the magic. too.



It all comes down to the intellectual property, or IP.

You see, the brains at **LEAF** worked out early on that people like to play mobile games that are related to their passions.

Whether it's a movie, a TV show, a celebrity, or even an interest or a hobby...

There are mass niches of underserved fandoms out there, looking for new ways to engage with and be entertained by the things they care most about.

It makes sense.

Players can already identify with the characters and the concepts, and already have some sense of loyalty to the brand.

This is why **LEAF** has already had great success with mobile games based around iconic comedy duos like **Cheech and Chong**, as well as hit US TV shows like **Archer**, **It's Always Sunny in Philadelphia**, and **Trailer Park Boys** licensed from partners like Sony Pictures, NBC Universal, and 20th Century Fox.

**These titles helped LEAF to generate more than \$80 million in sales last year alongside adjusted EBITDA of \$11.2 million—triple the figure it reported 12 months earlier.**

And these sums could increase even more dramatically in 2021 as the group looks to roughly double the size of its portfolio with a range of new games based around more leading brands and, most excitingly, even greater marquee IP.





Indeed, among the next games that LEAF is in the process of developing is one focused on the Emmy Award-winning television series **RuPaul's Drag Race**.

In short, RuPaul's Drag Race is a reality game show where drag queens compete to become known as the best in the US. Or in Canada, or in the UK, where iterations of the show now air due to its success.

If you're aware of the show, you'll know it's incredibly popular and has a wide and far-reaching audience of loyal followers.

So, what's important here is that **LEAF** has yet again identified existing IP that is extremely popular and almost guaranteed to lead not only to a hit mobile game, but also to one that lasts.

Indeed, as you'll discover in the next section, as well as finding a game that people want to play...

You need a game people will want to keep coming back to again and again to be successful in the mobile gaming market.

The team at **LEAF** understands this, and has very much positioned itself around the concept.

# LEAF Mobile's Deep Product Pipeline

IP Driven Titles Publishing Weighted toward 2H 2021

STUDIO		
Q1 2021		 <p><b>Codename: "Tattoo"</b> Soft Launch Dec 2020. Non IP fantasy game.</p> <p><i>Built in partnership with Truly Social Games.</i> Published by ESG.</p> 
Q2 2021		 <p><b>Codename: "Mario"</b> Soft Launch Q1 2021. Non IP arcade game.</p> <p>Published by ESG.</p> 
Q3 2021	  <p><b>Codename: "GreenThumb"</b> Soft Launch Sept. 2021. IP game with B-Real of Cypress Hill Developed &amp; published by LDRLY.</p>	 <p><b>RuPaul's Drag Race</b> Soft Launch Sept. 2021. LGBTQ+ audience.</p> <p>Licensed through <b>WoW Productions Inc.</b> Published &amp; operated by ESG.</p> 
Q4 2021	 <p><b>Codename: "Mary Jane"</b> Soft Launch Dec. 2021. Developed &amp; published by LDRLY.</p>	 <p><b>Codename "Lagertha"</b> WW Launch Late Q4 2021. IP game TBA</p> <p>Licensed through <b>NBC Universal.</b> Published and operated by ESG.</p>  <p><b>Codename: "Starfruit"</b> WW Launch Q4 2021. Earth simulation game.</p> <p><i>Built in partnership with Night Garden.</i> Published by ESG.</p>

# KEEP THEM COMING BACK: THE IMPORTANCE OF RECURRING MOBILE GAME REVENUES

**IN MANY WAYS, DEVELOPING GAMES AROUND ALREADY WELL-KNOWN BRANDS IS THE FIRST PILLAR OF THE APPROACH THAT LEAF TAKES TO THE MARKET.**

By doing so, the company increases its chances of attracting the large audiences that free-to-play games need to become profitable.

But there's a second part to this pillar that is just as important and shifts the focus to revenue and, specifically, recurring revenue.

As you will likely know already—even if you do only have a very small experience of mobile gaming—the dominant free-to-play model relies on users playing the game over and over again and making what's known as In-App Purchases, or IAPs.

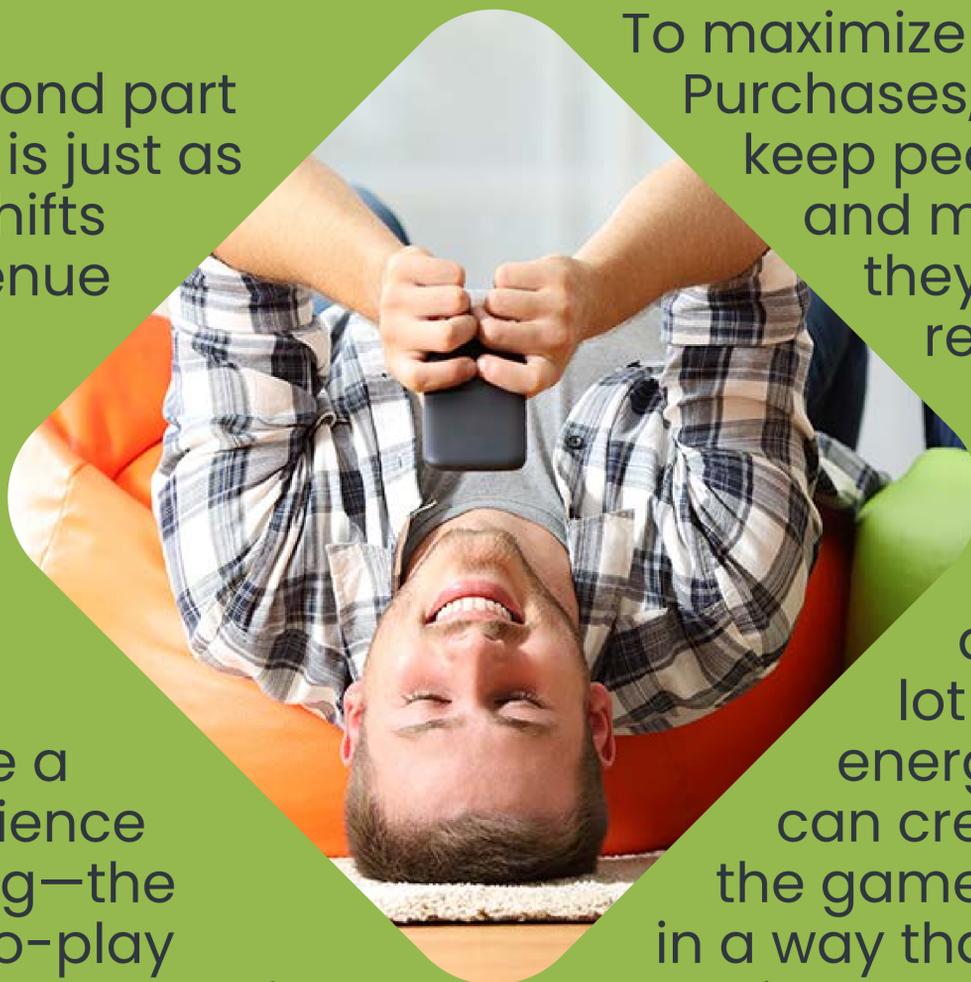
This might mean buying something in relation to advancing your progress in the game, it might mean purchasing something that customizes your experience

such as a new character skin, or it might even be through other products being advertised in the game.

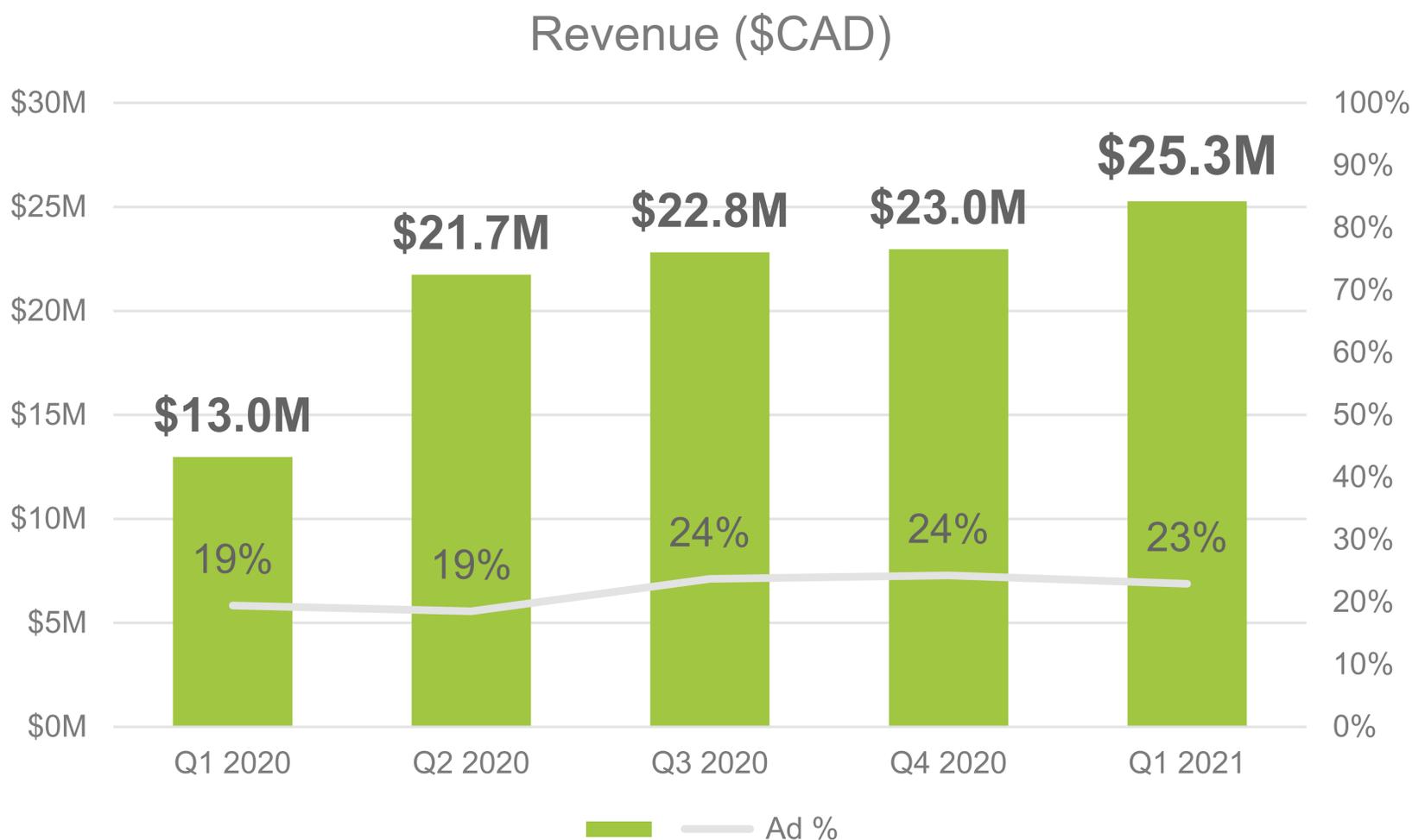
To maximize In-App Purchases, the key is to keep people engaged and make sure they come back regularly to play the game.

**LEAF** is fully aware of this, and focuses a lot of time and energy on how it can create and design the games it produces in a way that targets retention and maximizes the lifetime value of each user.

It's no wonder, then, that **LEAF** has already become one of the largest publicly traded mobile gaming groups in Canada despite only having a portfolio of around ten titles.



# LEAF Mobile's Q1 Results



Q1 Revenue Growth of  
**+95%** YOY

Q1 Revenue Growth of  
**+10%** vs Q4 2020

As we mentioned before, this focus on recurring revenues helped the company generate over \$80 million last year. That's an impressive 116% boost on 2019 revenues.

And this growth has only continued into 2021, with **LEAF** revealing record revenues of \$25.3 million in Q1 2021—95% higher than Q1 2020.

**But now, the group is looking to scale up at an even greater pace.**

With the launch this year of the eagerly anticipated RuPaul's Drag Race game, not to mention several other marquee games, **LEAF** looks set to build on an already strong portfolio that will keep the recurring revenue pumping.

That said, developing and publishing its own games isn't the only way this group is generating revenue.

As we'll explore next, the second pillar of **LEAF's** business model provides another great stream of both revenues and royalties for income...

# A PLATFORM FOR ADDITIONAL PROFITS: HOW LEAF HAS CREATED ITS OWN TECHNOLOGY PLATFORM TO HELP BOLSTER REVENUE AND BOOST GROWTH

We've now seen that **LEAF** is generating powerful organic growth from publishing its own long-life, IP-driven games. But the reality is that this is just one of the ways in which this business makes its money.

## The second pillar of LEAF's growth model centers around a product called "IdleKit".

This is a software development platform designed to de-risk the development of mobile games and improve their chances of success.

And since it was brought in as part of **LEAF's** acquisition of East Side Games (more on this

shortly) earlier this year...

It has become a key provider of distributed growth across the company.

So, how does it work?



The IdleKit platform can be licensed to third parties to develop their titles

Well, on the one hand, IdleKit can be used by **LEAF** itself to develop its own games for publishing. But on the other, the platform can be licensed to third parties who want to use it to develop their titles.

It's the sort of Software as a Service, or "SaaS", solution offered by companies operating in any number of tech sectors. And, as in all those cases, it works here because everyone involved in the transaction benefits.

For example, IdleKit is a complete end-to-end solution that works with developers' existing tools. This removes the need to develop a game engine so they can focus entirely on content creation, cutting overall risk. Likewise, it also offers useful features like live-ops events management, analytics, and compatibility with both Android and iOS.

Meanwhile, the benefits for **LEAF** come in the form of the high margin SAAS revenues it receives in exchange for allowing developers to use IdleKit.

In the majority of cases, the company publishes the games on behalf of third-party developers. In exchange, it participates in a greater share of the gross economics of the game revenue generated.

This year alone has seen **LEAF** announce IdleKit and publishing partnerships with leading independent developers ranging from Kano Applications and Night Garden Studio all the way to Bigfoot Gaming and Mighty Kingdom.

## LEAF Mobile's Idle Kit partners



Just last month, the group announced that Game Masons would develop a sports-themed game using the platform that would be published next year.

With so many similar opportunities now secured, so many games in the development process, and so many additional IP partnerships in the pipeline...

**IdleKit stands to become a powerful revenue stream for LEAF that could propel its market cap forward over the coming months and years.**

Not only that, but as you'll see in the next section, it plays a pivotal role in the company's third pillar of growth...



**EastSide  
GAMES**

# THE SUPER-SMART ACQUISITIONS HELPING LEAF ACCELERATE ITS GROWTH

**IN MANY WAYS, THE THIRD ARM TO LEAF'S BUSINESS MODEL IS ALSO ITS MOST IMPORTANT.**

In many ways, the third arm to **LEAF's** business model is also its most important.

You see, as well as organic growth from its own products and distributed growth from its licensing of IdleKit...

The group is acquiring growth through its aggressive M&A strategy.

Rather than developing everything in-house and growing entirely from the ground up, **LEAF's** management team are proponents of decentralization. In other words, they believe that it is far quicker and more efficient to scale up by purchasing studios and consolidating revenues in that way.

It's an approach that really sets the company apart from much of the competition in the mobile game world.

And the best thing is, **LEAF** has already proven that it can do it with success.

In fact, to become the sterling opportunity it is today, the group has already had to make two major acquisitions.

The first, which completed before its listing in Canada, was of Vancouver's **LDRLY Games**. Among the franchises created by this studio is "Bud Farm", which continues to be the world's most popular cannabis-themed mobile game franchise to this day.

Indeed, it has been played by more than 40 million people since its launch.

The second, which we have already alluded to, was that of **East Side Games**, which closed in February 2021 for \$159 million.

## Our two major acquisitions





As well as bringing in Idle Kit and opening up an enormous distributed growth opportunity, the acquisition immediately put **LEAF** in control of a portfolio of award-winning games and \$80 million of annualized revenue.

To put it another way, the company became one of Canada's largest mobile gaming companies overnight.

With this in mind, the value and scale that acquired growth has already provided to **LEAF** are immediately clear.

So, it's particularly exciting to see that the group has committed to further acquisitions over the near term on several occasions in public.

## This is where things get really smart.

Now that **LEAF** has established relationships with a wide number of game developers through its IdleKit service...

It has created a ready-made pipeline of potential takeover targets that it can work with and evaluate prior to making any form of bid. And don't forget—it is generating SaaS revenues throughout the entire process of doing so!

Performing due diligence in real-time like this has already seen **LEAF** sign a letter of intent for the acquisition of former IdleKit customer Truly Social Games.

And looking forward, chief executive Darcy Taylor tells us that investors can expect more deals in this vein...

“

**...we've had a very successful M&A agenda to date. It's one of our core strategies for acquired growth [...] and we'll continue to look for opportunities as a disciplined buyer to add scale and improve our competitive advantage.**

”



# AN EXCITING AND EXPERIENCED COMPANY IN AN EXCITING AND EXPONENTIALLY GROWING INDUSTRY

As you can see no doubt see, all signs point to exciting times ahead for **LEAF**.

The mobile gaming market is booming and, as we've seen, it's only going to get bigger over the next few years.

During that time, a number of companies are going to experience incredible growth.

**And given all the work it's already done - it looks like LEAF could be one of the leaders here.**

When you consider the three pillars the group has built its business around, which perfectly combine to generate significant recurring revenues and accelerate growth...

**LEAF's** valuation current appears to be massively discounted.



# Public Multiples

Company Name (C\$M)	Market Cap	TEV/REV LTM	TEV/REV NTM
<b>Gaming Platform / Tech</b>			
Roblox Corporation	\$46,595	39.6x	18.7x
Unity Software Inc.	\$35,305	34.3x	27.4x
<b>Mean</b>	<b>\$40,950</b>	<b>36.9x</b>	<b>23.0x</b>
<b>Mid-Market Consolidators</b>			
Embracer Group AB (publ)	\$15,233	11.1x	7.4x
Stillfront Group AB (publ)	\$4,319	7.3x	5.2x
Paradox Interactive AB (publ)	\$3,113	11.7x	11.3x
Frontier Developments plc	\$1,916	13.5x	11.7x
Enad Global 7 AB (publ)	\$1,134	10.3x	3.1x
Sumo Group Plc	\$1,074	9.1x	6.1x
tinyBuild, Inc.	\$806	16.6x	NM
<b>Mean</b>	<b>\$3,942</b>	<b>11.4x</b>	<b>7.5x</b>
<b>Large-Cap Canadian Gamers</b>			
Score Media and Gaming Inc.	\$1,676	84.4x	33.6x
Enthusiast Gaming Holdings Inc.	\$1,086	15.4x	7.0x
<b>Mean</b>	<b>\$1,381</b>	<b>49.9x</b>	<b>20.3x</b>
<b>LEAF Mobile*</b>	<b>\$290</b>	<b>3.8x</b>	<b>2.3x</b>

\*Includes earn-out, estimates from Haywood Research

Source: Capital IQ, Bloomberg, Company Filings

This shows that **LEAF** not only trades with a much lower market cap than its gaming technology and gaming consolidator peers, but also at a much lower multiple of 12 month and forward revenues...

And that's not even taking into account the company's fundamentals or the caliber of the team driving it forward.

Here, it's worth mentioning that **LEAF** is already well-funded to cover the costs of its next growth stage internally, with significant cash on its books and access to untapped lines of credit.

As for the team itself, it's worth pointing out that the experience behind the company is not just in gaming but in finance too.

Yes, you've got people like CEO Darcy Taylor who has over 20 years in the technology and entertainment space...

But you've also got people like Jim MacCallum, who's a proven CFO with over 20 years of experience in capital markets and acquisitions, and CRO Jason Bailey, a pioneer of the free-to-play mobile game space with more than 20 years of experiences.

It's this winning combination—underpinned by the entrepreneurial streak that runs through the whole company—that gives **LEAF** its unique ability to not only focus on gaming and development but also pursue a strong M&A strategy.

Having recently listed in the US, and with marquee games based on titles like RuPaul's Drag Race soon to launch, it's only a matter of time before mainstream investors begin to take note of what **LEAF** is doing.

When that happens, the company's value could soon catch up to where it should arguably be based on its competitors in the space and the sheer size of the industry itself.

**The good news is, right now you have a short window of opportunity to get on board before the rush begins.**

# LEAF Mobile's Three Pillar Strategy

## PORTFOLIO & PRODUCT

Organic Growth & IP Driven Franchises

### GAMES

Publishing (IAP & Ad Revenue)



## TECHNOLOGY PLATFORM

Distributed Growth

### IDLE KIT

High Margin SAAS Revenue & Royalties



## M&A

Acquired Growth

### STUDIOS

Revenue Consolidator



# SEVEN COMPELLING REASONS TO ADD **LEAF MOBILE** TO YOUR PORTFOLIO TODAY

- 1** Strong portfolio of IP-driven mobile games driving record **recurring revenues**
- 2** **Three pillar approach** offers organic, diversified, and acquired growth
- 3** **Significantly undervalued** compared to similar companies, with potential news flow catalysts on the horizon
- 4** **Robust cash** balance covers the next phase of growth
- 5** Led by an **experienced team** with in-depth industry knowledge
- 6** Soon to be launching RuPaul's Drag Race game along with other **marquee titles**
- 7** **Strong footprint** in a booming multi-billion-dollar global mobile game market where annual growth is expected to hit 12.6% until at least 2026.



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