



LEAF MOBILE ENTERS INTO LETTER OF INTENT TO ACQUIRE TRULY SOCIAL GAMES AND EXPAND STUDIO GROUP AND PRODUCT PIPELINE

Vancouver, BC, March 9, 2021 – LEAF Mobile Inc. (TSX:LEAF) (“**LEAF**” or the “**Company**”), Canada’s leading free-to-play mobile game group, announces that the company has entered into a non-binding letter of intent (the “**LOI**”) to acquire Truly Social Games (“**TSG**”), an innovative developer and publisher of mobile games headquartered in Vancouver, B.C., Canada.

TSG was founded in 2015 by Cooper DuBois and Patrick Tougas and has offices in Vancouver, Portland, and Minsk. TSG 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*. In addition, TSG has also developed games on IdleKit, published by East Side Games, such as *Archer: Danger Phone*, and three more exciting unannounced products on the way.

TRANSACTION HIGHLIGHTS

- The total purchase price payable by LEAF in relation to the proposed transaction will not exceed CAD\$37.0 million in total consideration on a cash and debt free basis.
- The proposed transaction will be executed in up to 3 tranches over a 42 month period, including an incremental contingent consideration period of 36 months depending on whether LEAF exercises ownership purchase considerations on additional tranche options and on whether gross revenue and net royalty development milestones of TSG on selected game titles are achieved in relation thereto.
- The initial 20% ownership interest in Truly Social Games will be purchased (the “**Initial Purchase**”) for CAD\$3.0 million in cash and the proceeds will be used by TSG for the development of four game titles (the “**Subject Titles**”).
- An additional 20% of the shares of Truly Social Games will be purchased (the “**First Tranche Option**”) for consideration of CAD\$4.0 million, to be paid in LEAF common shares (“**LEAF Shares**”), depending on the gross revenue and net royalty development of Truly Social Games in 2 consecutive months achieving a minimum of CAD\$3.0M/month and/or CAD\$0.5M/month, respectively, within a 24 month period, in relation to the Subject Titles.
- The remaining 60% of the shares in Truly Social Games will be purchased (the “**Second Tranche Option**”) for consideration of CAD\$15.0 million, to be paid in LEAF Shares depending on the gross revenue and net royalty development of Truly Social Games in 3 consecutive months achieving a minimum of CAD\$5.0M/month and/or CAD\$1.0M/month, respectively, within a 36 month period, in relation to the Subject Titles.

- Contingent consideration, subsequent to the exercise of the Second Tranche Option and TSG becoming a wholly-owned subsidiary of LEAF, may be paid by LEAF in addition to all consideration described above, for an additional amount of CAD\$15.0 million by way of LEAF Shares to the TSG Shareholders, subject to LEAF and/or TSG receiving over CAD\$1.0 million in gross revenues with respect to each of the Subject Titles on a monthly basis, for three consecutive calendar months in the 36 month period from the exercise of the Second Tranche Option.
- LEAF retains exclusive rights for all games developed by TSG under this LOI.
- Closing of the Initial Purchase transaction is expected to occur within 90 days from the execution of this Letter of Intent,

Darcy Taylor, Chief Executive Officer of LEAF, commented, “LEAF believes that the proposed transaction with Truly Social Games further demonstrates execution of our aggressive M&A strategy. We believe that this transaction creates a strong precedent for other teams developing on our IdleKit technology game framework and showcases the pipeline of M&A opportunities it provides. We will also expand our footprint into new geographies and game genres to further strengthen LEAF’s portfolio. The team at Truly Social Games are a skilled studio with strong experience utilizing our IdleKit framework and we see strong growth potential with an exciting development pipeline in 2021.”

PROPOSED TRANSACTION

Any LEAF Shares that are issued in the events described above will be at a price per share equal to the greater of: (A) the closing price of the LEAF Shares on the date immediately before LEAF announces the execution of definitive agreements with respect to the transactions described above; (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 by cash at hand and available credit facilities.

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 execution of definitive formal agreements, and the receipt of all necessary prior approvals, including but not limited to the approvals of the TSX as required.

Further information regarding the proposed transaction will be provided as they become available.

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*, we created a solid foundation to meet that goal.

ABOUT LEAF

LEAF Mobile Inc. (TSX:LEAF) 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* and *Trailer Park Boys Greas\$y Money*.

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.

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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.