



**Shoal Games Ltd.**  
Hansa Bank Building, Ground Floor  
Landsome Road, The Valley  
AI 2640, Anguilla, BWI  
Ph: +1 (888) 374-2163  
Fax: +1 604-694-0301

## Shoal Games Announces Q1 2018 Results

ANGUILLA, B.W.I., May 15, 2018 - Shoal Games Ltd. (TSXV: SGW) (OTCQB: SGLDF) (“the Company”), mobile software developer, owner, and publisher of Rooplay ([www.rooplay.com](http://www.rooplay.com)) and the Rooplay Originals games featuring Garfield, Moomin, and Mr. Men & Little Miss today announced its unaudited financial results for the first quarter ended March 31, 2018. All amounts are presented in United States dollars and are in accordance with United States Generally Accepted Accounting Principles.

### **Recent Shoal Games Ltd. highlights include:**

- Closed a private placement for \$2,551,500 from the issuance of 7,290,000 000 common shares at US\$0.35 per share.
- Revenue increase of 31% to \$24,351
- Launched Peter Rabbit Official Movie game on iOS, Android, and Rooplay
- Launched six Little Miss Inventor games on iOS and Rooplay
- Generated more than 225,000 downloads to Rooplay and the Rooplay Original games

“The first quarter of 2018 was spent advancing the Rooplay EdTech games platform, creating new Rooplay Original game content, and forging new relationships with distribution partners,” commented Jason Williams, Shoal Games CEO. “A new version of Rooplay was released on Google Play which, among other improvements, enables the ‘common account’ feature required for Rooplay subscribers to move between Android, iOS, Web, and TV devices using the same linked account. Now that this feature is live, we can proceed with releasing our Web, Apple, and TV versions of Rooplay which are all reaching the final stages of development. Once all platforms are live, Rooplay will be a complete Over-The-Top (OTT) multi-device, multi-language, content system.”

“While creating the Rooplay OTT system is one of our technical challenges,” continued Williams, “we’re also tasked with populating the platform with quality content for subscribers to enjoy. We continue to expand and curate Rooplay with licensed content from developers in many different parts of the world. In addition, we created more than 10 new exclusive games for Rooplay including Peter Rabbit Maze Mischief and five Little Miss Inventor STEM games for children to learn coding, math, chemistry, biology and astronomy. We continue to invest in original content in partnership with leading global brands. In addition, we are building a system to enable content producers globally to submit content to Rooplay that has never before been playable from the cloud. We believe this content on-boarding system will form the bedrock of a content partnership program designed to bring the best games and edugames to Rooplay. As our content library grows and the overall quality of the Rooplay experience increases, our capacity to attract and retain subscribers from the 1.9 billion children globally will become easier.”

“Armed with an advancing OTT EdTech platform of global brands and edugames, our business development and sales teams have been presenting the Rooplay opportunity to mobile networks, broadcasters, and hardware manufacturers globally. While these sales cycles are long, Rooplay has been very well received and we are in advanced discussions to go live in partnership with a number of additional leading operators. To achieve scale with a platform like Rooplay, we believe partnership is the best strategy rather than large investments in marketing. We are committed to our technical, content and sales investments and remain firm in our belief that a robust EdTech games platform for children will be a global success.”

## **First Quarter Financial Results**

Total revenue, net of platform fees to Apple, Google and Amazon was \$24,351, for the quarter ended March 31, 2018, an increase of 31% from revenue of \$18,587, in the fourth quarter of 2017 and a decrease from revenue of \$33,259 for first quarter of 2017. The increase compared to the fourth quarter of fiscal 2017 is due to an increase in the number of subscribers to Rooplay. The decrease in total revenue compared to the first quarter of fiscal 2017, is due to lower marketing spend whilst the Company completed the development of Rooplay.

Sales and marketing expenses were \$157,184 for the quarter ended March 31, 2018, an increase of 68% from sales and marketing expenses of \$93,328 in the fourth quarter of fiscal 2017 and an increase over expenses of \$29,601 in the first quarter of fiscal 2017. This increase in sales and marketing expenses in the quarter ended March 31, 2018, compared to the first and fourth quarters of fiscal 2017 was due to a larger marketing campaign for player acquisitions to promote Rooplay and the Rooplay Originals stand-alone games on both Android and Apple mobile devices. Selling and marketing expenses principally include publishing services and user acquisition costs to acquire players.

General and administrative expenses consist primarily of premises costs for our office, legal and professional fees, and other general corporate and office expenses. General and administrative expenses increased to \$83,708 for the quarter ended March 31, 2018, an increase of 119% from costs of \$38,247 in the fourth quarter of 2017 and an increase of 65% from costs of \$50,599 for the first quarter of fiscal 2017. The increase in general and administrative expenses compared to the first and fourth quarter of fiscal 2017, is due to the legal expenses and filing fees incurred in preparing and closing the private placement.

Salaries, wages, consultants and benefits increased to \$161,422 for the quarter ended March 31, 2018, an increase of 33%, over salaries, wages, consultants and benefits of \$121,589 in the fourth quarter of 2017 and an increase of 59% compared to salaries, wages, consultants and benefits of \$101,593 in the first quarter of 2017. This increase compared to the first and fourth quarter of fiscal 2017, is due to higher consulting charges incurred in the financing and marketing of the Company.

The Company does not capitalize its development costs. The Company expensed \$270,619 in development costs during the quarter ended March 31, 2018, an increase of 19% in development costs of \$227,296 expensed during the fourth quarter of 2017 and an increase of 26% in development costs compared to development costs of \$214,495 expensed during the first quarter of fiscal 2017. The increase compared to the first and fourth quarters of fiscal 2017 is due to higher development expenses, including an increase in development staff incurred in the development of our technology and the Rooplay Originals.

The net loss after taxation for the quarter ended March 31, 2018, amounted to (\$835,368), a loss of (\$0.01) per share, compared to a net loss of (\$456,252), or (\$0.01) per share in the fourth quarter of fiscal 2017 and a net loss of (\$383,947) or (\$0.01) per share in the quarter ending March 31, 2017.

During the quarter ended March 31, 2018, we used cash of (\$660,313) in operating activities compared to using cash of (\$426,749) in the fourth quarter of 2017 and compared to cash used in operating activities of (\$216,339) in the same period in the prior year.

Net cash generated by financing activities was \$2,289,643 in the quarter ended March 31, 2018, which compares to cash generated by financing activity of \$188,135 in the same period in the prior year. This cash generated by financing activity is due to the private placement closed in the quarter ended March 31, 2018. This compares to cash raised from the promissory note in the quarter ended March 31, 2017.

We had cash of \$2,102,630 and working capital of \$1,815,039 at March 31, 2017. This compares to cash of \$478,397 and working capital of \$345,184 at December 31, 2017.

For full details of the Company's operations and financial results, please refer to the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) or the Shoal Games Ltd. corporate website at <http://investor.shoalgames.com> or on the [www.sedar.com](http://www.sedar.com) website.

**About Shoal Games Ltd.**

Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) ([www.shoalgames.com](http://www.shoalgames.com)) is the owner of the EdTech Games Platform Rooplay ([www.rooplay.com](http://www.rooplay.com)). Rooplay's pioneering curated games platform brings calm, structure and accountability for children and parents in an increasingly confusing and fragmented digital world. Empowering children with inspired play, engagement and innovative learning prepares them for success in their futures. Rooplay is available exclusively on Android and is live worldwide in the Google Play Store. Featuring Garfield, Moomin, Mr. Men, Little Miss, and Mr. Bean, the product offers families a handpicked and growing selection of hundreds of educational games for a monthly subscription fee. The Rooplay platform uses the same subscription business model as Netflix, but substitute's passive video content with active learning games designed to inspire children to success.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by the company) contains statements that are forward-looking, such as statements relating to anticipated future success of the company. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of the company. For a description of additional risks and uncertainties, please refer to the company's filings with the Securities and Exchange Commission. Specifically, readers should read the Company's Annual Report on Form 10-K, filed with the SEC on March 20, 2018, and the prospectus filed under Rule 424(b) of the Securities Act on March 9, 2005 and the SB2 filed July 17, 2007, and the TSX Venture Exchange Listing Application for Common Shares filed on June 29, 2015 on SEDAR, for a more thorough discussion of the Company's financial position and results of operations, together with a detailed discussion of the risk factors involved in an investment in Shoal Games Ltd.

For further information, please contact:

Henry Bromley  
CFO  
[ir@shoalgames.com](mailto:ir@shoalgames.com)  
(888) 374-2163  
[www.shoalgames.com](http://www.shoalgames.com)