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Shoal Games Announces Q3 2017 Results

ANGUILLA, B.W.I., November 14, 2017 - Shoal Games Ltd. (TSXV: SGW) (OTCQB: SGLDF) (“the Company”), mobile software developer, owner, and publisher of Rooplay (www.rooplay.com) and the Rooplay Originals games featuring Garfield, Moomin, and Mr. Men & Little Miss today announced its unaudited financial results for the third quarter ended September 30, 2017. 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:

- Signed license of the popular Mr. Men & Little Miss brand
- Successful closing of a private placement raising US\$1.055 million
- 14 Garfield Rooplay Original entertainment and EdTech games live
- 10 new Rooplay Original entertainment and EdTech games are complete and pending release
- 6 game Moomin Learn English Rooplay Originals bundle live
- Rooplay.com web version of entire Rooplay platform of educational games pending release
- Global distribution opportunities with app stores, mobile networks, broadcasters, and smart televisions continue

"The third quarter of 2017 saw the Rooplay strategy gain momentum. We increased the number of live Rooplay Original games to 14, released two new versions of Rooplay, and signed our third brand license Mr. Men and Little Miss," commented Jason Williams, Shoal Games CEO. "However, the most exciting milestone of this last quarter is the development and release of the six game educational bundle titled "Moomin Learn to Read" in English speaking countries and "Moomin Learn English" in non-English countries. The game is localized into all of the top Moomin markets including Japan, South Korea, Sweden, Norway, Denmark, and Finland where more than 700 million Euros of Moomin merchandise is sold annually. The Moomin Learn English games have value on the Rooplay platform by strengthening the content library of games. The Moomin games also have value off the platform as standalone releases where they can monetize in the app stores and with distribution partners."

"Shoal Games is focused on three elements of its strategy," continued Mr. Williams, "which we believe will lead the company to success. First, we maintain and refine the Rooplay system to improve its performance and the number of platforms it supports. The Google Android version has been live since May, the web version via Rooplay.com will be live in Q4 2017, and the first Apple iOS version of Rooplay is scheduled for release in Q1 2018. Shoal Games is also enabling the Rooplay Original games to work on SmartTVs and is in discussions with a number of cable and broadcasting companies as potential distribution partners. The second part of the Rooplay strategy is to develop an extensive library of entertainment and educational game content featuring our brand partners. We believe that our game team and development strategy provide us a unique competitive advantage to become a leader in multi-platform educational games featuring internationally recognized brands. Each new game we create strengthens Rooplay and provides marketing and monetization capabilities as a standalone release. We are investing in our game pipeline resources and processes so that we can increase the speed and quality of our game releases. The third part of our strategy is to establish a wide range of distribution partnerships with mobile carriers, broadcasters, and cable companies in all regions of the world. The Rooplay platform and our exclusive Rooplay Original content has value for the customers of these companies and we can generate revenue distributing the content in partnership. As we increase our speed and capacity we believe that strong revenues will follow."

Third Quarter Financial Results

Total revenue, net of platform fees to Apple, Google and Amazon, for the quarter ended September 30, 2017, was \$18,853, compared to revenue of \$22,776, in the second quarter of fiscal 2017 and revenue of \$52,758 for third quarter of 2016. This expected decrease in total revenue compared to the third quarter of fiscal 2016 and the second quarter of fiscal 2017, is due to no marketing spend on the Company's legacy products, Trophy Bingo and Garfield's Bingo, whilst the Company continues to complete the development of Rooplay Originals (EdTech games for children and families featuring famous brands) and expand its distribution channels.

Sales and marketing expenses were \$71,351 for the quarter ended September 30, 2017, an increase of 41% from sales and marketing expenses of \$50,531 in the second quarter of fiscal 2017 and an increase over expenses of \$26,044 in the third quarter of fiscal 2016. This increase in sales and marketing expenses in the quarter ended September 30, 2017, compared to the third quarter of fiscal 2016 and the second quarter of fiscal 2017 was due to larger marketing campaigns to promote Rooplay and hiring of marketing consultants to increase the exposure of Rooplay in new territories. Selling and marketing expenses principally include publishing services and user acquisition costs to acquire players.

General and administrative expenses increased to \$96,369 for the quarter ended September 30, 2017, an increase of 36% from costs of \$71,089 in the second quarter of 2017 and an increase of 47% from costs of \$65,601 for the third quarter of fiscal 2016. The increase in general and administrative expenses compared to the third quarter of fiscal 2016 and the second quarter of fiscal 2017, is due to costs incurred from the financing and the promotion of the Company to potential investors.

Salaries, wages, consultants and benefits increased to \$121,697 for the quarter ended September 30, 2017, an increase of 4%, over salaries, wages, consultants and benefits of \$116,537 in the second quarter of 2017 and an increase of 25% compared to salaries, wages, consultants and benefits of \$97,626 in the third quarter of fiscal 2016. This increase compared to the third quarter of fiscal 2016 and the second quarter of fiscal 2017, is due to higher consultant charges incurred.

Development costs during the quarter ended September 30, 2017, decreased to \$194,594, a decrease of 1% compared to development costs of \$196,816 during the second quarter of fiscal 2017 and a decrease of 50% compared to \$387,068 during the third quarter of fiscal 2016. The decrease compared to the third quarter of fiscal 2016 and the second quarter of fiscal 2017, is due to lower development expenses incurred in the development of Trophy Bingo, Garfield's Bingo and Rooplay.

The net loss after taxation for the quarter ended September 30, 2017, amounted to (\$462,710), a loss of (\$0.01) per share, compared to a net loss of (\$1,156,098) or (\$0.01) per share in the quarter ending September 30, 2016 and net loss of (\$439,042), or (\$0.01) per share in the second quarter of fiscal 2017.

During the quarter ended September 30, 2017, we used cash of (\$432,240) in operating activities compared to cash used in operating activities of (\$126,625) in the same period in the prior year and compared to using cash of (\$563,510) in the second quarter of 2017.

Net cash generated by financing activities was \$999,760 in the quarter ended September 30, 2017, which compares to cash generated by financing activity of \$26,631 in the same period in the prior year and \$785,728 during the second quarter of fiscal 2017. This cash generated by financing activity is due to the cash raised from the private placement Unit offering.

We had cash of \$818,085 and working capital of \$746,215 at September 30, 2017. This compares to cash of \$60,190 and working capital of \$13,896 at December 31, 2016.

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

About Shoal Games Ltd.

Shoal Games Ltd. (TSXV:SGW) (OTCQB:SGLDF) www.shoalgames.com is the parent company of the group of companies, which owns Rooplay (www.rooplay.com), an innovative EdTech games platform that empowers children to play, learn, and create; Rooplay Original edugames series featuring Garfield; Garfield's Bingo (www.garfieldsbingo.com), the first bingo game to feature a mega-brand; and Trophy Bingo (www.trophybingo.com), live across mobile platforms with over 500,000 installs. Rooplay is available exclusively on Android and is live worldwide in Google Play. The product offers families a handpicked and

growing selection of more than 500 interactive games for a monthly subscription fee. Rooplay follows the same subscription business model as Netflix, but with games instead of video.

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 31, 2017, 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:

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