Playmaker Capital Inc.
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three and nine months ended September 30, 2021 and 2020
(Stated in U.S. dollars)

NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Playmaker Capital Inc. (formerly Apolo III Acquisition Corp.) for the three and nine months ended September 30, 2021 and 2020 have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Playmaker Capital Inc.
Condensed Consolidated Interim Statements of Financial Position
(Stated in U.S. dollars)

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited) (*Note 2*)	January 1, 2020 (Audited) (*Note 2*)
Assets				
Current				
Cash and cash equivalents		**$ 13,356,860**	$ 6,631,358	$ 1,879,007
Accounts receivable	14	**3,197,450**	-	-
Income taxes receivable		**79,195**	-	-
Inventory		**30,804**	-	-
Prepaid and other current assets		**393,073**	3,107	4,549
Total current assets		**17,057,382**	6,634,465	1,883,556
Property and equipment	8	**498,028**	610	4,168
Intangible assets	9	**33,874,875**	-	-
Goodwill	10	**19,798,203**	-	-
Other long-term assets		**9,704**	-	-
Total assets		**$ 71,238,192**	$ 6,635,075	$ 1,887,724
Liabilities				
Current				
Accounts payable	14	**$ 622,178**	$ -	$ 5,757
Accrued expenses and other current liabilities	5	**1,541,153**	87,767	71,067
Current portion of lease liability	11	**34,460**	-	-
Current portion of long-term debt	12	**14,357**	-	-
Consideration payable	5	**8,750,000**	-	-
Total current liabilities		**10,962,148**	87,767	76,824
Long-term debt	12	**50,013**	-	-
Long-term lease liability	11	**214,893**	-	-
Deferred consideration	5	**1,793,218**	-	-
Contingent consideration	5	**7,218,804**	-	-
Total liabilities		**20,239,076**	87,767	76,824
Shareholders' Equity				
Share capital	13	**53,122,010**	6,823,258	1,938,080
Contributed surplus		**357,658**	30,740	-
Warrant reserve		**315,036**	38,740	-
Accumulated other comprehensive (loss) income		**(1,794,123)**	90,796	42,864
Deficit		**(1,001,465)**	(436,226)	(170,044)
Total shareholders’ equity		**50,999,116**	6,547,308	1,810,900
Total liabilities and shareholders’ equity		**$ 71,238,192**	$ 6,635,075	$ 1,887,724

Commitments (*Note 11 and Note 12*)

Subsequent events (*Note 18*)

Approved on behalf of the Board of Directors

/s/ John Albright
Director

/s/ Jordan Gnat
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Playmaker Capital Inc.
Condensed Consolidated Interim Statements of Net Income (Loss) and Comprehensive (Loss) Income

Unaudited

(Stated in U.S. dollars, except share information)

	Note	Three months ended September 30, 2021	Three months ended September 30, 2020*	Nine months ended September 30, 2021	Nine months ended September 30, 2020*
Revenue	6	**$ 4,776,080**	$ -	**$ 7,815,221**	$ -
Cost of sales		**306,169**	-	**451,875**	-
Gross profit		**4,469,911**	-	**7,363,346**	-
Operating expenses					
Advertising, commissions and fees		**913,589**	-	**1,685,673**	-
Web services and publishing		**181,272**	-	**295,275**	-
Salary and wages		**1,698,991**	-	**2,903,016**	92,551
Professional fees		**200,165**	1,045	**424,706**	69,450
General and administration		**176,790**	92	**331,136**	44,962
Share-based compensation	13d	**212,837**	-	**329,845**	4,321
Depreciation and amortization	8, 9	**68,811**	159	**85,202**	1,016
Total operating expenses		**3,452,455**	1,296	**6,054,853**	212,300
Operating income (loss)		**1,017,456**	(1,296)	**1,308,493**	(212,300)
Listing and filing fees	5	**(84,162)**	-	**(1,818,466)**	-
Transaction costs	5	**(353,053)**	-	**(581,080)**	-
Interest expense		**(11,552)**	-	**(118,686)**	-
Other income		**9,671**	-	**13,918**	-
Other expenses		**(15,379)**	-	**(18,371)**	(2,201)
Foreign exchange gain (loss)		**330,336**	(28,044)	**669,493**	50,489
Net income (loss) before taxes		**893,317**	(29,340)	**(544,699)**	(164,012)
Income taxes		**(10)**	-	**(20,540)**	-
Net income (loss)		**$ 893,307**	$ (29,340)	**$ (565,239)**	$ (164,012)
Other comprehensive (loss) income:					
(Loss) gain on translation		**(1,336,421)**	31,627	**(1,884,919)**	(24,390)
Net income (loss) and comprehensive (loss) income		**$ (443,114)**	$ 2,287	**$ (2,450,158)**	$ (188,402)
Basic and diluted net income (loss) per share		**$ 0.00**	$ (0.01)	**$ (0.01)**	$ (0.04)
Basic and diluted weighted average number of shares	13	**201,190,143**	4,000,000	**102,150,461**	4,000,000

*See *Note 2*

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

Unaudited
(Stated in U.S. dollars)

	Note	Share Capital ($)	Contributed Surplus ($)	Warrant Reserve ($)	Accumulated OCI ($)	Deficit ($)	Shareholders' Equity ($)
As at December 31, 2020		6,823,258	30,740	38,740	90,796	(436,226)	6,547,308
Issue of preferred shares	13b	5,505,000	-	-	-	-	5,505,000
Issue of common shares	13a	19,881,600	-	-	-	-	19,881,600
Issue costs	13a, 13b, 13c	(1,522,653)	-	286,262	-	-	(1,236,391)
Issue of common shares to settle FSN convertible debenture	5, 13a	13,495,469	-	-	-	-	13,495,469
Issue of common shares to settle RTO	5, 13a	783,666	-	-	-	-	783,666
Issue of common shares to Yardbarker	5, 13a	5,535,817	-	-	-	-	5,535,817
Issue of common shares to Two-Up	5,13a	2,559,409	-	-	-	-	2,559,409
Warrant and option exercises	13c, 13d	60,444	(89)	(9,966)	-	-	50,389
Share-based compensation	13d	-	327,007	-	-	-	327,007
Net loss and comprehensive loss		-	-	-	(1,884,919)	(565,239)	(2,450,158)
As at September 30, 2021		**53,122,010**	**357,658**	**315,036**	**(1,794,123)**	**(1,001,465)**	**50,999,116**
As at December 31, 2019		1,938,080	-	-	42,864	(170,044)	1,810,900
Preferred shares repurchase		(166,666)	-	-	-	-	(166,666)
Share-based compensation		-	4,092	-	-	-	4,092
Net loss and comprehensive loss		-	-	-	(24,390)	(164,012)	(188,402)
As at September 30, 2020		1,771,414	4,092	-	18,474	(334,056)	1,459,924

The accompanying notes are an integral part of these condensed consolidated interim financial statements

(Stated in U.S. dollars)

For the nine months ended September 30,			
Operating activities	**Note**	**2021**	2020
Net loss		**$ (565,239)**	$ (164,012)
Depreciation and amortization	8	**85,202**	1,016
Share-based compensation	13d	**329,845**	4,321
Listing fees, RTO costs	5	**618,184**	-
Interest expense on convertible debenture, settled with shares	5	**102,740**	-
Unrealized foreign exchange gain		**(669,493)**	(58,300)
Loss on disposal of asset		**-**	2,201
Change in non-cash working capital:			
Accounts receivable		**14,350**	-
Income taxes receivable		**(23,739)**	-
Inventory		**(3,108)**	-
Prepaid and other current assets		**(182,931)**	(14)
Accounts payable		**35,299**	(2,792)
Accrued expenses and other current liabilities		**(274,112)**	(10,674)
Net cash flows used in operating activities		**(533,002)**	(228,254)
Investing activities			
Acquisition of Futbol Sites, net of cash acquired	5	**(6,228,466)**	-
Cash acquired through RTO	5	**162,375**	-
Acquisition of Fanaticos	5	**(204,290)**	-
Acquisition of Yardbarker, net of cash acquired	5	**(9,024,553)**	-
Acquisition of SoccerMemes	5	**(100,000)**	-
Acquisition of Two-Up, net of cash acquired and debt assumed	5	**(676,764)**	-
Purchase of property and equipment	8	**(219,402)**	-
Purchase of intangibles	9	**(13,226)**	-
Net cash flows used in investing activities		**(16,304,326)**	-
Financing activities			
Issuance of preferred shares	13b	**5,505,000**	-
Issuance of common shares	13a	**19,881,600**	-
Issuance costs on preferred and common shares	13a, 13b	**(1,236,391)**	-
Options exercised	13d	**36,882**	-
Warrants exercised	13c	**13,596**	-
Long-term debt repayments	12	**(135,511)**	-
Lease liability principal payments	11	**(18,889)**	-
Repurchase of preferred shares		**-**	(166,666)
Net cash flows provided by (used in) financing activities		**24,046,287**	(166,666)
Increase (decrease) in cash and cash equivalents		**7,208,959**	(394,920)
Foreign exchange impact		**(483,457)**	33,891
Cash and cash equivalents, beginning of period		**6,631,358**	1,879,007
Cash and cash equivalents, end of period		**$ 13,356,860**	$ 1,517,978

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Nature of operations

Playmaker Capital Inc. (formerly, Apolo III Acquisition Corp.) (the "Company" or “Playmaker”) was incorporated under the Business Corporations Act (Ontario) on January 19, 2018. The registered head office of the Company is 2 St Clair Ave W, Suite 601, Toronto, Ontario. The Company is a publicly traded company, listed on the TSX Venture Exchange under the symbol “PMKR”.

As described in Note 5, the Company completed a qualifying transaction and business combination with Playmaker Capital Inc. (“Old Playmaker”), a corporation incorporated on July 16, 2019, by Certificate of Incorporation issued pursuant to the provisions of the laws of Ontario. Pursuant to the transaction, Old Playmaker amalgamated with Apolo III Acquisition Corp. changing its name to Playmaker Capital Inc. The historical operations, assets and liabilities of Old Playmaker are included as the comparative figures, which is deemed to be the continuing entity for financial reporting purposes.

The principal business of the Company is to build a collection of premier sports media brands by acquiring complementary businesses at the convergence of sports, media, betting and technology, in order to deliver highly engaged audiences of sports fans to sports betting companies, leagues, teams and advertisers.

The Company’s current operating subsidiaries are digital sports media websites and advertising technology services based in the United States and the United Kingdom, with offices and operations in the United States, Argentina, Brazil, Colombia, Chile, Mexico, United Kingdom, and Poland. The operating subsidiaries help global brands, sports betting companies, and football federations manage their digital assets, while designing and executing powerful fan-oriented strategies.

2. Basis of presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

Certain information and footnote disclosures normally included in the annual audited financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect on January 1, 2021, have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with Playmaker Capital Inc.’s December 31, 2020 audited financial statements.

The policies set out below are consistently applied to all periods presented, unless otherwise noted.

These condensed consolidated interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on November 11, 2021.

Basis of measurement

These condensed consolidated interim financial statements are stated in U.S. dollars, except otherwise noted and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value inclusive of options and warrants.

Change in presentation currency

Effective April 1, 2021, the Company changed its presentation currency from Canadian dollars to U.S. dollars to better reflect the Company’s business activities. In making this change in presentation currency to U.S. dollars, the Company followed guidance under IAS 21, The Effects of Changes in Foreign Exchange Rates and has applied the change retrospectively, as if the U.S. dollar had always been the Company’s presentation currency, as follows:

- Assets and liabilities have been translated into USD at the rate of exchange prevailing at the respective reporting dates;

(Stated in U.S. dollars, except share information and unless otherwise noted)

2. Basis of preparation (continued)

- The consolidated statements of loss and comprehensive loss were translated at the average exchange rates for the respective reporting periods, or at the exchange rates prevailing at the applicable transaction date;
- Equity transactions have been translated at the exchange rate prevailing at the date of the transactions; and
- Exchange differences arising on translation were recorded in accumulated other comprehensive loss in shareholders' equity.

See *Note 17* for the impact of the change in presentation currency.

The exchange rates used were as follows:

	Sept 30, 2021	Dec 31, 2020	Sept 30, 2020	Jan 1, 2020
CAD/USD				
Closing rate	0.7849	0.7854	N/A	0.7699
Average rate for period	0.7990	N/A	0.7391	N/A

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements of the Company include its wholly owned subsidiaries. The table below lists the Company's whole-owned subsidiaries:

Name of Subsidiary	Jurisdiction	Functional Currency	Accounting Method
Futbol Sites LLC	United States	U.S. Dollar	Consolidation
Odenton Company S.A.	Uruguay	U.S. Dollar	Consolidation
Aeris S.A.	Uruguay	U.S. Dollar	Consolidation
Sociedad Comercial Futbol Sites Network Chile ("FSN Chile")	Chile	Chilean Peso	Consolidation
Sociedad Comercial Dale Ideas Limitada ("DI Chile")	Chile	Chilean Peso	Consolidation
Futbol sites Colombia S.A.S ("FSN Colombia")	Colombia	Colombian Peso	Consolidation
Futbol Sites MX S.A. DE C.V. ("FSN Mex")	Mexico	Mexican Peso	Consolidation
FSN S.R.L ("SRL")	Argentina	Argentinian Peso	Consolidation
Yardbarker Media, LLC	United States	U.S. Dollar	Consolidation
Two-Up Agency Ltd.	United Kingdom	Great Britain Pound	Consolidation

All intercompany transactions, balances, income and expenses are eliminated on consolidation.

2. Basis of preparation (continued)

Foreign currencies

The Company's functional currency is Canadian dollars.

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through income and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into U.S. dollars, the Company's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into U.S. dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income or loss and accumulated in the foreign currency translation reserve within equity.

Classification of Argentina as a hyper-inflationary economy

The Argentinian economy was designated as hyperinflationary since July 1, 2018. As a result, application of International Auditing Standard ("IAS") 29, *Financial Reporting in Hyperinflationary Economies*, has been applied to FSN S.R.L, whose functional currency is the Argentinian Peso. The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date.
- Adjustment of the statement of operations for inflation during the reporting period.
- The statement of operations is translated at the period end foreign exchange rate instead of an average rate.
- Adjustment of the statement of operations to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

3. Significant accounting policies

Revenue recognition

For arrangements that the Company determines are within the scope of IFRS 15, the Company performs the following 5 steps: (i) identifies the contracts with a customer; (ii) identifies the performance obligations within the contract, including whether they are distinct and capable of being distinct in the context of the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

Any significant discounts and rebates given for the period are offset against gross revenue.

Taxes assessed by governmental authorities on revenue producing transactions are excluded from revenue. Taxes collected are recorded as liabilities until their remittance.

The Company's revenue generating operations are all concentrated around: (1) online advertising, (2) online branding campaigns, and (3) online internet sports marketing. Revenue from these sources is recognized at a point in time based on the satisfaction of various performance obligations. Performance obligations are typically completed once the customer has the access and ability to leverage the advertising inventory. Collectively, the method of revenue recognition for these revenue streams is similar and therefore all revenue streams are presented combined in net revenues in the accompanying statements of net income (loss) and comprehensive income (loss).

Cash and cash equivalents

Cash and cash equivalents are comprised of cash held with financial institutions, all short-term investments purchased with an original maturity of three months or less, and cash held in trust.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses. The cost of an item of property and equipment includes the purchase price to acquire the asset and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the condensed consolidated interim statements of net loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the condensed consolidated interim statements of net income (loss) and comprehensive income (loss).

Depreciation is charged to income or loss over the estimated useful life of an asset. Depreciation is based on a straight-line method over the following periods:

Office equipment	5 - 7 years
Computer hardware	2 - 5 years
Leasehold improvements	Shorter of asset's useful life and the term of lease
Right-of-use asset	Term of the lease

Depreciation methods, rates and residual values are reviewed annually and revised if the current method, estimated useful life or residual value is different from that estimated previously. The effect of such changes is recognized on a prospective basis in the condensed consolidated interim financial statements.

3. Significant accounting policies (continued)

Leases

The Company assesses, at the inception of contract, whether it contains a lease. A contract is classified as a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any indirect costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined using the same criteria as those for property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses and adjusted for certain remeasurements of the lease liability, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payment arising from a change in an index or rate, or changes in assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization on a straight-line basis over the following periods:

Software and website	3 years
Application	2 years
Customer relationship	Attrition rate
Brand	Indefinite life

Amortization expense is included in the consolidated statements of loss and comprehensive loss.

The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis. These assets are subject to impairment testing as described below.

Goodwill

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Company's share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses.

3. Significant accounting policies (continued)

Impairment of intangible assets, goodwill and property and equipment

For purposes of assessing impairment under IFRS, assets are grouped at the lowest levels for which there are largely independent cash inflows ("cash-generating unit" or "CGU"). The Company has multiple CGUs after the acquisitions. Intangible assets that have indefinite useful lives and goodwill are tested for impairment at least annually. All other long-lived assets and finite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell or value-in-use. The resulting impairment loss is recognized in income or loss.

To determine the value-in-use, management estimates expected future cash flows from the CGU and determines a suitable pre-tax discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements.

Discount factors have been determined for the CGUs and reflect its risk profile as assessed by management.

Any impairment losses for the CGUs reduce first the carrying amount of any goodwill allocated to that CGU, with any remaining impairment loss charged pro rata to the other assets in the CGU. In allocating an impairment loss, the Company does not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal or its value in use and zero.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the assets' recoverable amount exceeds its carrying amount only to the extent of the new carrying amount does not exceed the carrying value of the asset had it not originally been impaired. There is no reversal of impairment losses on goodwill impairments.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to determine the dilutive effect of stock options and warrants. The treasury stock method assumes the notional exercise of all in-the-money stock options and warrants and that all notional proceeds to the Company are used to repurchase the Company's stock at the average market price during the period. No adjustment to diluted loss per share is made if the result of this calculation is anti-dilutive or if the Company is in a loss position.

Share-based payments

The Company grants common stock options to its employees, officers, directors and certain non-employee advisors pursuant to a stock option plan. The Company applies a fair value-based method of accounting to all share-based payments.

Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. The cost of stock options is presented as share-based compensation expense when applicable with a corresponding credit to contributed surplus.

3. Significant accounting policies (continued)

Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. Stock options granted to non-employees are recorded as an asset or expense in the same period and in the same manner as if the Company had paid cash for the goods or services received, with a corresponding increase in contributed surplus. In situations where stock options are issued to non-employees and the fair value of the good or services received by the entity as consideration cannot be estimated reliably, they are measured at fair value of the stock options granted. The costs of equity settled transactions are measured by reference to the fair value of the equity instrument at the date on which they are granted using the Black-Scholes valuation model.

On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Warrants

All warrants issued under a unit financing arrangement are valued on the date of grant using the Black-Scholes pricing model, net of related issuance costs.

If and when warrants are exercised, consideration received is credited to share capital and the fair value attributed to these warrants is transferred from warrant reserve to share capital. Expired warrants are removed from contributed surplus and moved directly to share capital.

Business combinations and asset acquisitions

On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value on the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustment to those provisional fair values effective as at the acquisition date. Incremental costs related to acquisitions are expensed as incurred. When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in income or loss.

The Company, where applicable, applies the optional 'concentration test' permitted under IFRS 3 to perform a simplified assessment to determine if in an acquisition substantially all of the fair value of the assets is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the Company recognizes the acquisition as an asset acquisition as opposed to a business combination.

Segment information

The Company's chief operating decision makers ("CODM"), being the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer, evaluate performance and make decisions about resources to be allocated based on financial data consistent with the presentation in these condensed consolidated interim financial statements. The Company's operating segments consist of digital media, technology services and corporate. The Company's CODM does not review any financial data with any further segmentation.

3. Significant accounting policies (continued)

Taxes

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Income taxes receivable and payable are based on the income tax amounts from the current and prior periods that has not been remitted or received. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Financial instruments

<u>*Financial assets*</u>

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

For financial assets are classified at amortized cost, assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash and cash equivalents and accounts receivable.

Impairment

The measurement of impairment of financial assets classified at amortized cost is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

3. Significant accounting policies (continued)

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, *Financial Instruments*, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates, probability of payment as well as credit ratings of major customers.

Derecognition

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method or FVTPL. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Financial liabilities measured at amortized costs are accounts payable, accrued liabilities and debt. Financial liabilities measure at FVTPL are consideration payable, deferred consideration, contingent consideration and convertible debentures.

Derecognition

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

4. Significant accounting estimates and assumptions (continued)

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. When determining the fair value, the Company reaches its best estimate by taking into account the risks and uncertainties that surround the underlying future events and their impact and timing.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share-based compensation

Share-based compensation is subject to the estimation of the fair value of the award at the date of grant using the Black-Scholes pricing model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeitures.

Judgments

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Recognition of revenue on a gross versus net basis

The Company follows the guidance provided in IFRS 15, *Revenue from Contracts with Customers*, for determining whether the Company is the principal or an agent in arrangements with customers that involve another party that contributes to providing a specified service to a customer. In these instances, the Company determines whether it has promised to provide the specified service itself (as principal) or to arrange for the specified service to be provided by another party (as an agent). This determination depends on the facts and circumstances of each arrangement and, in some instances, involves significant judgment.

Right-of-use assets and lease liability

The Company has applied judgment to determine the incremental borrowing rate and the lease term for some lease contracts in which it is a lessee that include renewal options, which significantly affects the amount of lease liability and right-of-use assets recognized.

Impairment testing and recoverability of assets

The Company has three CGUs and reviews its fair value versus the carrying value. The recoverable amount of the CGUs is estimated based on an assessment of value in use using a discounted cash flow approach. In determining the estimated recoverable amounts, the Company's significant assumptions include expected future cash flows, terminal growth rates and discount rates. The approach uses cash flow projections based upon a financial forecast approved by management, covering a five-year period. Cash flows for the years thereafter are extrapolated using the estimated terminal growth rate. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events.

4. Significant accounting estimates and assumptions (continued)

Estimated useful lives of long-lived assets

Management reviews the useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to website content and application and technology development.

Identification and valuation of intangible assets acquired in business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management, with assistance from an independent valuation expert where necessary, develops the fair value using appropriate valuation techniques which are based on a forecast of the total expected future net cash flows. In determining the fair value of the intangible assets at the acquisition date, the Company's significant assumptions include the future net cash flows and the discount rate applied.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for no more than one year from the acquisition date.

Provision for expected credit losses ("ECLs")

The Company performs impairment testing annually for trade receivables in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Determination of functional currency

The Company gives priority to the considerations outlined in IAS 21 paragraph 9 when determining functional currencies of its entities based on which currency most faithfully represents the economic effects of the underlying transactions and events.

Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgment as to the purpose of the financial instrument and to which category is most applicable.

Interpretation of laws and regulations

Interpretation of laws and regulations, requires judgment from management and could have an impact on revenue recognition and provisions.

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable income will be available to utilize the Company's deductible temporary differences which are based on management's judgment on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

5. Business combinations, reverse takeover transaction and asset acquisitions

Futbol Sites business combination

On April 1, 2021, the Company acquired all of the issued and outstanding shares of Futbol Sites LLC ("FSN") and Odenton Company S.A. ("Odenton" and together with FSN, "Futbol Sites") for aggregate consideration of up to $35,000,000.

Futbol Sites is a digital sports media group based in the United States, with offices and operations in Argentina, Brazil, Colombia, Chile, and Mexico. Futbol Sites helps global brands, sports betting companies, and football federations manage their digital assets, while designing and executing powerful fan-oriented strategies., Futbol Sites aims to bridge the gap between brands and fans, using data, technology, and a deep knowledge of the sports industry.

The purchase consideration includes $6,000,000 in cash payable on closing, up to $4,000,000 in deferred cash payable over the 2 years following closing, up to $12,500,000 in earnouts based on revenue and earnings in 2021 and 2022, and a $12,500,000 in convertible debentures. The convertible debentures mature 2 years from the closing date and bear interest in an amount of 5% per annum.

If at any time before payment of amounts owing under the convertible debentures, the Company consummates a liquidity event, then effective immediately prior to the completion of such event, the convertible debentures shall be deemed to have been surrendered and converted by the holders thereof into the Company's common shares at a price equal to the greater of (i) $0.10 per the Company's common share, and (ii) 80% of the per-share price attributed to the Company's common shares in connection with the applicable liquidity event. On May 31, 2021, the Company completed a liquidity event which triggered this clause to take effect. As a result, 38,074,461 common shares of the Company were issued to the holders of the convertible debentures and $102,740 in interest expense was recognized.

In addition to the purchase consideration, the Company agreed to pay for working capital amounts held by Futbol Sites over and above $750,000 on acquisition. Total cash consideration for the working capital was $1,645,669.

The business combination is accounted for in accordance with IFRS 3, *Business Combinations*, as the operations of Futbol Sites constitute a business. As a result, the business combination is accounted for using the acquisition method of accounting and Futbol Sites identifiable net assets acquired are recognized at their fair value.

(Stated in U.S. dollars, except share information and unless otherwise noted)

5. Business combination and reverse takeover transaction (continued)

The following table is preliminary purchase price allocation:

Fair value of identifiable net assets		
Cash	$	1,417,203
Accounts receivable		1,770,523
Prepaid and other current assets		228,834
Equipment		41,939
Intangible assets		50,531
Intangible asset - Brand		22,017,000
Intangible asset - App		493,000
Goodwill		7,601,591
Accounts payable		(525,787)
Accrued expenses and other current liabilities		(466,939)
Long-term debt		(135,511)
Total fair value of identifiable net assets	**$**	**32,492,384**
Consideration		
Cash	$	7,645,669
Deferred consideration		3,770,605
Convertible debenture		13,392,729
Contingent consideration		7,683,381
Total consideration	**$**	**32,492,384**

From the date of acquisition, Futbol Sites has contributed $6,860,956 of revenue and $2,308,157 of net income before taxes.

The goodwill recognized is primarily attributed to the expected synergies, assembled workforce and other benefits from combining the assets and activities of Futbol Sites with those of the Company. The goodwill is not deductible for income tax purposes.

The financial liabilities as part of this allocation were recognized at fair value as at date of acquisition. There has been no change to this fair value at the date of reporting given that the Company is still finalizing the purchase price allocations.

Transaction costs of $261,152 have been expensed and are included in Transaction costs in the condensed consolidated interim statements of net income (loss) and comprehensive (loss) income and are part of operating activities in the condensed consolidated financial interim statements of cash flows.

Reverse takeover transaction

On April 19, 2021, Old Playmaker entered into a definitive business combination agreement with Apolo III Acquisition Corp. (“Apolo”), a capital pool company listed on the TSX Venture Exchange (the “Exchange”), to effect a business combination of the two companies (the “Proposed Transaction”). The Proposed Transaction was a reverse takeover of Apolo by Old Playmaker and its shareholders.

On May 31, 2021, the Company completed the Proposed Transaction. Pursuant to the reverse takeover transaction the Company changed its name to Playmaker Capital Inc. and amalgamated with a subsidiary of Apolo. The amalgamation constituted a reverse takeover transaction of Apolo by Old Playmaker as the accounting acquirer. The historical operations, assets and liabilities of Old Playmaker are included as the comparative figures, which is deemed to be the continuing entity for financial reporting purposes.

(Stated in U.S. dollars, except share information and unless otherwise noted)

5. Business combination and reverse takeover transaction (continued)

Pursuant to the terms of the Proposed Transaction:

a) Old Playmaker performed the following steps:
   - Converted all class A preferred shares into common shares of Old Playmaker.
   - Consolidated its shares on the basis of one share for every 2.5 Old Playmaker shares.
   - Converted all convertible debentures into shares of the Company.
   - Exchanged the issued and outstanding subscription receipts for the Company's shares on a basis of one share for every one subscription receipt.

b) Apolo consolidated its shares on the basis of one Apolo post-consolidation common share for every 4.54 Apolo common shares.

c) Apolo exchanged its consolidated shares on a basis of one share for every one share of the Company.

Without significant operating activities, Apolo did not meet the accounting definition of a business pursuant to IFRS 3 and the Proposed Transaction was accounted for as an acquisition of the net assets of Apolo by Old Playmaker in exchange for shares in the Company under IFRS 2, *Share-based Payments*. The excess of the fair value of the consideration provided over the net assets received was recognized as an expense in the condensed consolidated interim statements of net income (loss) and comprehensive (loss) income, included in Listing and filing fees. The non-cash listing cost of the Proposed Transaction was determined as follows:

Consideration transferred:		**CAD**		**USD**
1,894,267 common shares valued at CAD $0.50 per share	$	946,000	$	783,666
Net assets acquired:				
Cash	$	196,010	$	162,375
Accounts receivable		3,750		3,107
Total net assets acquired:	**$**	**199,760**	**$**	**165,482**
Difference booked to listing and filing fees expense	**$**	**746,240**	**$**	**618,184**

Fanáticos Por Futebol asset acquisition

On June 11, 2021, the Company acquired the domain name, trademark and social media accounts of Fanáticos Por Futebol ("Fanáticos"). In connection with the purchase and sales agreement, the Company entered into a Professional Services Agreement with the seller whereby the seller would provide several services – including management, consulting, community management, content, marketing and communication services – for a period of 2 years.

The purchase consideration is made up of R$1,035,000 ($204,290) cash on closing, R$115,000 ($22,613) cash payable once the Fanáticos mark is transferred and registered under the Company and up to R$1,100,000 ($216,297) in potential contingent consideration over the 2 years following the close date. The contingent consideration is based on targets around the number of user sessions (R$800,000) and targets around engagement on social media pages (R$300,000). The maximum purchase consideration is up to R$2,250,000 ($443,200).

Note: translation to USD provided above is based on the June 11, 2021, exchange rate of 1 USD = 5.085604 BRL.

The acquisition is accounted for as an asset acquisition based on the use of the concentration of asset test under IFRS 3 whereby substantially all of the asset value resided in the trademark rights of the Fanáticos brand.

(Stated in U.S. dollars, except share information and unless otherwise noted)

5. Business combination and reverse takeover transaction (continued)

The following table is preliminary purchase price allocation:

Fair value of identifiable net assets		**BRL**		**USD**
Intangible asset - Brand	$	2,015,000	$	396,991
Consideration		**BRL**		**USD**
Cash	$	1,035,000	$	204,290
Deferred contingent consideration		115,000		22,613
Contingent consideration		865,000		170,088
Total consideration	**$**	**2,015,000**	**$**	**396,991**

Yardbarker business combination

On July 26, 2021, the Company acquired 100% of the common shares of YB Media, LLC (“Yardbarker”) for aggregate consideration of up to $24,000,000. The purchase price consideration consisted of a payment of $10,000,000 in cash and the issuance of $8,000,000 of Playmaker common shares (the “Initial Shares”) on closing, up to an additional $2,000,000 of Playmaker common shares (the “Contingent Shares”) to be issued to the sellers upon Yardbarker achieving a minimum EBITDA of $1,500,000 within the 12-month period following closing and up to $2,000,000 per year ($4,000,000 in aggregate), payable to the sellers based on Yardbarker’s performance toward an EBITDA target of $2,500,000 in each of the two years following closing. The Initial Shares were priced at CAD$0.55 per share. The Contingent Shares will be priced at the greater of CAD$0.60 per share or the trailing 30-day average, volume adjusted, share price of the common shares of Playmaker prior to such issuance.

The business combination is accounted for in accordance with IFRS 3 as the operations of Yardbarker constitute a business. As a result, the business combination is accounted for using the acquisition method of accounting and Yardbarker’s identifiable net assets acquired are recognized at their fair value.

The following table is preliminary purchase price allocation:

Fair value of identifiable net assets		
Cash	$	475,447
Accounts receivable		897,797
Prepaid and other current assets		54,097
Intangible asset – Brand		4,655,000
Intangible asset – Customer relationship		5,532,000
Goodwill		9,391,260
Accounts payable		(3,746)
Accrued expenses and other current liabilities		(592,080)
Total fair value of identifiable net assets	**$**	**20,409,775**
Consideration		
Cash	$	9,500,000
Common shares		5,535,817
Accrued liability – working capital consideration		306,515
Consideration payable		500,000
Contingent consideration		4,567,443
Total consideration	**$**	**20,409,775**

(Stated in U.S. dollars, except share information and unless otherwise noted)

5. Business combination and reverse takeover transaction (continued)

From the date of acquisition, Yardbarker has contributed $830,721 of revenue and $479,894 of net income before taxes.

The financial liabilities as part of this allocation were recognized at fair value as at date of acquisition. There has been no change to this fair value at the date of reporting given that the Company is still finalizing the purchase price allocations.

The goodwill recognized is primarily attributed to the expected synergies, assembled workforce and other benefits from combining the assets and activities of Yardbarker with those of the Company. The goodwill is not deductible for income tax purposes.

Transaction costs of $161,861 have been expensed and are included in Transaction costs in the condensed consolidated interim statements of net income (loss) and comprehensive (loss) income and are part of operating activities in the condensed consolidated financial interim statements of cash flows.

Two-Up Agency Ltd. business combination

On August 31, 2021, the Company acquired 100% of the outstanding common shares of Two-Up Agency Ltd. (“Two-Up”) for aggregate consideration of up to $5,750,000. The purchase price consideration consisted of a payment of $750,000 in cash, the issuance of $2,500,000 of Playmaker common shares at the Canadian dollar equivalent of CAD$0.60 and up to a maximum of $2,500,000 in the form of an earn-out, payable to the sellers upon Two-Up achieving certain EBITDA and revenue targets over the three-year period following closing. In addition, the sellers are eligible to receive a bonus earn-out in the event the EBITDA and revenue targets are exceeded.

The business combination is accounted for in accordance with IFRS 3 as the operations of Two-Up constitute a business. As a result, the business combination is accounted for using the acquisition method of accounting and Two-Up’s identifiable net assets acquired are recognized at their fair value.

The following table is preliminary purchase price allocation:

Fair value of identifiable net assets		
Cash	$	21,432
Accounts receivable		540,373
Property and equipment		15,834
Intangible asset – Brand		207,000
Intangible asset – Customer relationship		934,000
Goodwill		3,072,624
Accounts payable		(57,346)
Accrued expenses and other current liabilities		(361,964)
Long-term debt		(66,457)
Total fair value of identifiable net assets	**$**	**4,305,496**
Consideration		
Cash	$	750,000
Common shares		2,559,409
Contingent consideration		1,047,891
Less: long-term debt assumed		(51,804)
Total consideration	**$**	**4,305,496**

From the date of acquisition, Two-Up has contributed $194,865 of revenue and $102,809 of net income before taxes.

The financial liabilities as part of this allocation were recognized at fair value as at date of acquisition. There has been no change to this fair value at the date of reporting given that the Company is still finalizing the purchase price allocations.

(Stated in U.S. dollars, except share information and unless otherwise noted)

5. Business combination and reverse takeover transaction (continued)

The goodwill recognized is primarily attributed to the expected synergies, assembled workforce and other benefits from combining the assets and activities of Two-Up with those of the Company. The goodwill is not deductible for income tax purposes.

Transaction costs of $153,067 have been expensed and are included in Transaction costs in the condensed consolidated interim statements of net income (loss) and comprehensive (loss) income and are part of operating activities in the condensed consolidated financial interim statements of cash flows.

SoccerMemes asset acquisition

On September 17, 2021, the Company acquired a social media community account SoccerMemes for a total purchase consideration of $100,000 in cash.

The acquisition is accounted for as an asset acquisition based on the use of the concentration of asset test under IFRS 3 whereby substantially all of the asset value resided in the social media account of SoccerMemes.

Impact of acquisitions

If all the above acquisitions had taken place at the beginning of the year, consolidated revenue for the nine months ended September 30, 2021, would have been $13,950,988 and consolidated net income before taxes for the same period would have been $1,274,315.

6. Revenue

The following table summarizes sales by country based on the customer's country of domicile:

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
United States	$ 3,020,703	$ -	$ 4,879,441	$ -
Chile	268,716	-	544,474	-
Canada	260,665	-	498,382	-
Argentina	235,697	-	448,709	-
Israel	241,553	-	400,757	-
Mexico	316,530	-	462,988	-
Other	432,216	-	580,470	-
Total revenue	**$ 4,776,080**	**$ -**	**$ 7,815,221**	**$ -**

(Stated in U.S. dollars, except share information and unless otherwise noted)

7. Segment information

The Company's CODM evaluate performance and make decisions about resources to be allocated based on financial data consistent with the presentation in these condensed consolidated interim financial statements. The Company's operating segments consist of digital media, technology services and corporate. The Company's CODM does not review any financial data with any further segmentation.

The following table summarizes the operating results of each segment:

Three months ended September 30, 2021

	Digital media	Technology services	Corporate	Total
Revenue	$ 4,581,215	$ 194,865	$ -	$ 4,776,080
Gross margin	4,324,224	145,687	-	4,469,911
Operating expenses	2,459,045	42,831	950,579	3,452,455
Operating income (loss)	1,865,179	102,856	(950,579)	1,017,456
Other expenses	36,039	47	88,053	124,139
Net income (loss)	1,829,130	102,809	(1,038,632)	893,307

Three months ended September 30, 2020

	Digital media	Technology services	Corporate	Total
Revenue	$ -	$ -	$ -	$ -
Gross margin	-	-	-	-
Operating expenses	-	-	1,296	1,296
Operating loss	-	-	(1,296)	(1,296)
Other expenses	-	-	28,044	28,044
Net loss	-	-	(29,340)	(29,340)

Nine months ended September 30, 2021

	Digital media	Technology services	Corporate	Total
Revenue	$ 7,620,356	$ 194,865	$ -	$ 7,815,221
Gross margin	7,217,659	145,687	-	7,363,346
Operating expenses	4,440,152	42,831	1,571,870	6,054,853
Operating income (loss)	2,777,507	102,856	(1,571,870)	1,308,493
Other expenses	41,225	47	1,811,920	1,853,192
Net income (loss)	2,715,742	102,809	(3,383,790)	(565,239)

Nine months ended September 30, 2020

	Digital media	Technology services	Corporate	Total
Revenue	$ -	$ -	$ -	$ -
Gross margin	-	-	-	-
Operating expenses	-	-	212,300	212,300
Operating loss	-	-	(212,300)	(212,300)
Other income	-	-	(48,288)	(48,288)
Net loss	-	-	(164,012)	(164,012)

(Stated in U.S. dollars, except share information and unless otherwise noted)

8. Property and equipment

The following table presents a reconciliation of property and equipment as at September 30, 2021:

	Office equipment	Right-of-use asset	Leasehold improvements	Computer hardware	Total
December 31, 2020	$ -	$ -	$ -	$ 610	$ 610
Acquired (*Note 5*)	7,865	-	-	49,908	57,773
Additions	49,241	263,909	141,686	28,475	483,311
Depreciation	(2,379)	(17,541)	(2,362)	(8,233)	(30,515)
Foreign exchange	(17)	(12,782)	(711)	359	(13,151)
September 30, 2021	**$** 54,710	**$** 233,586	**$** 138,613	**$** 71,119	**$** 498,028

9. Intangible assets

The following table presents a reconciliation of intangible assets as at September 30, 2021:

	Software	Website	Application	Customer Relationships	Brand	Total
December 31, 2020	$ -	$ -	$ -	$ -	$ -	$ -
Acquired (*Note 5*)	43,844	6,687	493,000	6,466,000	27,375,991	34,385,522
Additions	2,605	4,221	6,400	-	-	13,226
Amortization	(11,925)	(1,546)	(41,216)	-	-	(54,687)
Foreign exchange	(2,150)	-	(6,197)	(93,722)	(367,117)	(469,186)
September 30, 2021	**$** 32,374	**$** 9,362	**$** 451,987	**$** 6,372,278	**$** 27,008,874	**$** 33,874,875

10. Goodwill

The following table presents a reconciliation of goodwill as at September 30, 2021:

	Futbol Sites	Yardbarker	Two-Up	Total
December 31, 2020	$ -	$ -	$ -	$ -
Acquired	7,601,591	9,391,260	3,072,624	20,065,475
Foreign exchange	(94,766)	(144,816)	(27,690)	(267,272)
September 30, 2021	$ 7,506,825	$ 9,246,444	$ 3,044,934	$ 19,798,203

The Company will perform its annual impairment testing at December 31 or at an interim date when events or changes in business environment (triggering events) occur. During the three months ended September 30, 2021, the Company concluded that there were no triggering events requiring an impairment assessment.

11. Lease liability and obligations

The following table presents the lease liability as at September 30, 2021:

	Office lease
December 31, 2020	$ -
Additions during the period	259,252
Foreign exchange	(12,898)
Interest expense @ 4.09%	2,999
	$ 249,353
Less: current portion of lease liability	(34,460)
Long-term lease liability	214,893

The Company expenses payments for short-term leases and low-value leases as incurred. These payments for the three and nine months ended September 30, 2021, were $16,691 and $33,651, respectively (2020: $nil).

(Stated in U.S. dollars, except share information and unless otherwise noted)

11. Lease liability and obligations

The following is a schedule which summarizes our undiscounted lease payment commitments:

Less than 1 year	$	71,295
1 to 2 years		59,880
2 to 3 years		56,388
3 to 4 years		58,155
4 to 5 years		59,922
5 and more years		5,006

12. Long-term debt

The Company acquired $135,511 in debt with the acquisition of Futbol Sites (*Note 5*). As at September 30, 2021, the total balance was repaid in full along with outstanding interest on July 1, 2021.

The Company acquired $66,457 of debt with the acquisition of Two-Up (*Note 5*). As at September 30, 2021, the total remaining balance outstanding was $64,370, of which $14,357 was due within the next twelve months. This loan bears an interest rate of 2.5%, per annum.

13. Share capital

a) Common shares

The Company is authorized to issue an unlimited number of common shares.

The following table reflects the continuity of common shares:

	Number of Shares[i]	US ($)
Balance, December 31, 2020	30,000,000	483
Founder options exercised	9,550,000	328
Conversion of preferred shares to common shares	49,060,000	12,516,919
Subscription receipts[ii]	48,000,000	19,881,600
Contingent consideration common shares issued to FSN (*Note 5*)	38,074,461	13,495,469
Reverse takeover transaction common shares issued (*Note 5*)	1,894,267	783,666
Common shares issued to Yardbarker (*Note 5*)	18,280,762	5,535,817
Common shares issued to Two-Up (*Note 5*)	5,293,656	2,559,409
Options exercised (*Note 13d*)	101,200	36,554
Warrants exercised (*Note 13c*)	54,384	23,562
Balance, September 30, 2021	**200,308,730**	**54,833,807**

(i) On May 31, 2021, the Company completed a share consolidation of 2.5:1 which has been retroactively applied.

(ii) On April 1, 2021, the Company completed an offering pursuant to which it issued 48,000,000 subscription receipts at a price of $0.41 (CAD$0.50) per subscription receipt for gross proceeds of $19,881,600 (CAD$24,000,000). The Company incurred share issuance costs of $1,086,665 associated to legal and finders' fees.

(Stated in U.S. dollars, except share information and unless otherwise noted)

13. Share capital (continued)

b) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares. Preferred shares are eligible for conversion to common shares on a 1:1 basis.

The following table reflects the continuity of preferred shares:

	Number of Shares[i]	US ($)
Balance, December 31, 2020	27,040,000	7,011,919
Class A Preferred Shares issued[ii]	22,020,000	5,505,000
Converted to common shares	(49,060,000)	(12,516,919)
As at September 30, 2021	**-**	**-**

(i) On May 31, 2021, the Company approved a share consolidation of 2.5:1 which has been retroactively applied.

(ii) In January 2021, 22,020,000 units were issued at a price of $0.25 per unit. Each unit is comprised of one Class A Preferred Share and one-tenth of a Class A Preferred Share warrant, (each whole special warrant, a “Special Warrant”). Each Special Warrant entitles the holder to acquire, for no additional consideration, one Preferred Share. Each Special Warrant may be exercised immediately following December 31, 2021, unless a Qualified Event has occurred on or before that date. If a Qualified Event occurs on or prior to that date the Special Warrants will expire. A Qualified Event is defined as a public listing of the Company’s shares or a liquidation event. On May 31, 2021, the Qualified Event occurred and therefore all Special Warrants expired. The Company incurred share issuance costs of $149,726 associated to legal and finders’ fees.

c) Warrants

Each common share warrant entitles a holder to one common share of the Company.

The following table reflects the continuity of warrants:

	Number of warrants[i]	Weighted average exercise price[i] ($)	Weighted average remaining life (years)
Outstanding, December 31, 2020	206,400	0.25	0.75
Issued with preferred shares[ii]	524,400	0.25	0.75
Issued with subscription receipts[iii]	1,575,600	0.41	1.17
Exercised	(54,384)	0.25	0.75
Outstanding, September 30, 2021	**2,252,016**	**0.36**	**1.04**

(i) On May 31, 2021, the Company completed a share consolidation of 2.5:1 which impacted the issued and outstanding warrants and has been retroactively applied.

(ii) In connection with the January 2021 Class A Preferred Share issuances, the Company granted 524,400 warrants to the agent, with each warrant allowing the holder to acquire one common share. These warrants are exercisable at a price of $0.25 per common share. A fair value of $nil has been assigned to these warrants, see below for summary of assumptions used in valuing these instruments.

(iii) On May 31, 2021, in connection with the subscription receipt common share issuance, the Company granted 1,575,600 warrants to the agent, with each warrant allowing the holder to acquire one common share. These warrants are exercisable at a price of $0.41 (CAD$0.50) per common share. A fair value of $286,262 has been assigned to these warrants and included as share issuance costs, see below for summary of assumptions used in valuing these instruments.

(Stated in U.S. dollars, except share information and unless otherwise noted)

13. Share capital (continued)

The fair value of the warrants was estimated based on the Black-Scholes option pricing model using the following assumptions:

Risk free rate	0.04% - 0.16%
Expected life	1.42 - 1.56 years
Estimated common stock price	$0.00001 - $0.41
Expected volatility	82% - 95%
Forfeiture rate	0%
Dividend yield	0%

d) Stock options

The Company has adopted an incentive stock option plan ("Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares. The Company is authorized to grant stock options to purchase common shares up to 10% of the Company's fully diluted share capital. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option. Options typically vest over four years for employees, directors and officers and five years for non-employees and become partially exercisable on the first anniversary date the options were granted.

During the three and nine months ended September 30, 2021, the Company recognized $212,837 and $329,845, respectively (2020: $nil and $4,321, respectively) in share-based compensation expense to employees and consultants.

Expected volatility was determined by calculating the daily historical volatility of a basket of comparable public companies during the period. The expected life used in the model has been adjusted, based on time to vest and expected time to exercise, from the vest date and is based on management's best estimate.

The fair value of each option granted was estimated using the Black-Scholes option pricing model on the date of grant using the following assumptions:

Risk free rate	0.3% - 1.67%
Expected life	10 years
Estimated stock price	$0.00001 - $0.55
Expected volatility	78% - 87%
Forfeiture rate	0%
Dividend yield	0%

(Stated in U.S. dollars, except share information and unless otherwise noted)

13. Share capital (continued)

The following table shows a summary of the stock option activity:

	Number of options[i]	Weighted average exercise price[i] ($)	Weighted average remaining life (years)
Outstanding, December 31, 2020	**450,000**	**0.0025**	**8.63**
Issued	7,394,200	0.3606	9.32
Issued Founders' Options[ii]	9,550,000	0.00001	N/A
Founders' Options exercised[ii]	(9,550,000)	0.00001	N/A
Exercised	(101,200)	0.3728	0.67
Outstanding, September 30, 2021	**7,743,000**	**0.3397**	**9.39**
Exercisable, September 30, 2021	**175,500**	**0.1882**	**4.45**

(i) On May 31, 2021, the Company completed a share consolidation of 2.5:1 which impacted the issued and outstanding options and has been retroactively applied.

(ii) On January 28, 2021, the Company issued an additional aggregate of 9,550,000 options (the “Founders’ Options”) governed by the Plan to the founders of the Company pursuant to an option agreement to acquire an equal number of Common Shares at a price of $0.00001 per Common Share. The Founders’ Options expire on the earlier of (i) December 31, 2021, and (ii) the day immediately prior to the effective date of a public listing of the Company’s Common Shares. On April 23, 2021, the holders of 9,550,000 Founders’ Options exercised those options to acquire common shares.

14. Financial instruments

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices).
Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other current liabilities, and long-term debt approximates their fair value due to the short-term maturities of these items. The fair value of deferred consideration and contingent consideration are determined using Level 3 valuation techniques.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments which potentially expose the Company to concentration of credit risk are comprised of cash, accounts receivable, and major customers.

i. Cash and cash equivalents

The Company maintains deposit balances at financial institutions that, from time to time, may exceed U.S. federally insured limits. U.S. federally insured amounts are currently insured up to $250,000 per each qualified financial institution by the Federal Deposit Insurance Company (“FDIC”). The Company maintains its cash with quality financial institutions, which the Company believes limits these risks.

(Stated in U.S. dollars, except share information and unless otherwise noted)

14. Financial instruments (continued)

ii. Accounts receivable

The Company does business and extends credit based on an evaluation of the customers' financial condition generally without requiring collateral. Exposure to losses on receivables is expected to vary by customer due to the financial condition of each customer. Exposure to credit losses on receivables is evaluated continuously by management.

The following table is the accounts receivable aging:

		September 30, 2021		December 31, 2020
Current	$	2,095,052	$	-
1-29 days past due		952,571		-
30-59 days past due		84,030		-
60-89 days past due		39,587		-
Over 90 days past due		26,210		-
Total	$	3,197,450	$	-

iii. Major customers

The following table summarizes sales to major customers:

		Revenue Nine months ended September 30, 2021	% of Revenue		Accounts Receivable	% of Accounts Receivable
Customer A	$	2,279,194	29.16%	$	296,261	9.27%
Customer B		533,822	6.83%		501,141	15.67%
Total	$	2,813,016	35.99%	$	797,402	24.94%

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Company had a cash balance of $13,356,860 (December 31, 2020: $6,631,358) to pay current liabilities of $10,962,148 (December 31, 2020: $87,767).

The following table shows the accounts payable aging:

		September 30, 2021		December 31, 2020
Current	$	350,939	$	-
1-29 days overdue		215,820		-
30-59 days overdue		4,410		-
60-89 days overdue		8,281		-
Over 90 days overdue		42,728		-
Total	$	622,178	$	-

14. Financial instruments (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The objective of market risk management is to mitigate and control exposures within acceptable parameters while optimizing the return on risk.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument (ex. loans and borrowings) will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations which are in the local currencies. The Company manages its interest rate risk by having a portfolio of generally all fixed rate loans and borrowings. Management believes the Company's sensitivity on interest payments is economically limited.

ii. Foreign exchange and currency risk

Foreign exchange risk is the potential loss from exposure to foreign exchange rate fluctuation. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. Exposure to foreign currency risk is evaluated continuously by management. Management believes the Company's sensitivity to variations in foreign exchange rates is economically limited.

The Company does not utilize any financial instruments to hedge this risk.

iii. Commodity risk

The Company is not exposed to commodity price risk.

15. Capital management

The Company's capital consists of share capital. The Company's objectives for managing capital are to maximize shareholder value and maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,

ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end.

16. Related party transactions

Transactions with related parties are incurred in the normal course of business and initially recorded at fair value.

During the three and nine months ended September 30, 2021, the Company incurred $203,792 and $319,158, respectively, in share-based compensation expense associated to executives and board members of the Company.

During the three and nine months ended September 30, 2021, the Company incurred $255,156 and $478,584, respectively, in salary and wages expense associated to executives of the Company.

During the three and nine months ended September 30, 2021, the Company incurred expenses of $nil and $4,013, respectively (2020: $nil and $58,464, respectively) which were paid for by an affiliate of a shareholder and reimbursed by the Company.

During the three and nine months ended September 30, 2021, the Company incurred professional fees of $11,546 and $108,855, respectively (2020: $nil for each period) which were paid to a member of the board for services performed and an executive of the Company for services provided prior to becoming a full-time employee.

During the three and nine months ended September 30, 2021, the Company incurred no occupancy costs (2020: $nil and $20,035, respectively) for a space leased by an affiliate of a shareholder.

An executive of the Company has the opportunity to receive 27% (their proportionate share) of the deferred consideration as well as the contingent consideration associated with the acquisition of Futbol Sites (*Note 5*).

17. Change in presentation currency

For comparative purposes, the consolidated statements of financial position as at January 1, 2020, and December 31, 2020, include adjustments to reflect the change in presentation currency from Canadian Dollars to U.S. Dollars. The amounts previously reported in Canadian Dollars as shown below have been translated into U.S. Dollars using exchange rates mentioned in *Note 2*. The effect of the translation is as follows:

	Jan 1, 2020		Dec 31, 2020	
	CAD	USD	CAD	USD
Current assets	2,446,495	1,883,556	8,447,243	6,634,465
Non-current assets	5,413	4,168	777	610
Total assets	2,451,908	1,887,724	8,448,020	6,635,075
Current and total liabilities	99,785	76,824	111,748	87,767

For comparative purposes, the consolidated statement of income (loss) and comprehensive (loss) income for the period ended September 30, 2020, includes adjustments to reflect the change in accounting policy resulting from the change in presentation currency to the U.S Dollar. The amounts previously reported in Canadian Dollars as shown below have been translated into U.S. Dollars using the exchange rate mentioned in *Note 2*. The effect of the translation is as follows:

	Sept 30, 2020	
	CAD	USD
Operating expenses	289,252	212,300
Non-operating income	(62,554)	(48,288)
Net loss	(226,698)	(164,012)
Other comprehensive loss	-	(24,390)
Net loss and comprehensive loss	(226,698)	(188,402)

18. Subsequent events

On November 1, 2021, the Company entered into an agreement to purchase Varsky Sports, a social media asset, for aggregate consideration of $200,000. The purchase consideration consisted of a cash payment of $175,000 and $25,000 in common shares.

On November 2, 2021, the Company entered into an agreement to purchase all of the issued and outstanding common shares of The Nation Network and its wholly-owned subsidiary, Daily Faceoff, for aggregate consideration of up to CAD$15,000,000. The purchase price consideration consisted of a payment of CAD$6,000,000 in cash, the issuance of CAD$6,000,000 of common shares on closing and up to a maximum of CAD$3,000,000 in earn-out consideration payable upon the achievement of certain EBITDA and revenue targets over the twelve-month period following closing.

On November 3, 2021, the Company entered into an agreement to purchase all of the issued and outstanding common shares of Grupo SuperPoker, consisting of legal entities Spkr Midias E Eventos Ltda. and Editora Flop Ltda, for aggregate consideration of up to $4,250,000. The purchase price consideration consisted of a payment of $1,750,000 in cash, the issuance of $1,500,000 of common shares and up to a maximum of $1,000,000 in the form of an earn-out.