

**Playmaker Capital Inc.**  
**Management's Discussion and Analysis**  
**For the Three and Nine Months Ended September 30, 2021**

**November 15, 2021**

The following management discussion and analysis (“MD&A”) dated November 15, 2021 is intended to assist readers in understanding the business environment, strategies and performance and risk factors of Playmaker Capital Inc. (the “Company”, “Playmaker”, “we”, “us” or “our”). This MD&A provides the reader with a view and analysis, from the perspective of management, of the Company’s results of operations and financial position for the three and nine months ended September 30, 2021. This MD&A should be read in conjunction with our condensed consolidated unaudited interim financial statements for the three and nine months ended September 30, 2021 (“Interim Financial Statements”) and notes thereto.

**Basis of Presentation**

The Interim Financial Statements and related financial information presented herein have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). This MD&A should be read in conjunction with our MD&A for the year ended December 31, 2020.

All references in this MD&A to “Q3 2020” are to the Company’s three months ended September 30, 2020 and to “Q3 2021” are to the Company’s three months ended September 30, 2021.

The Interim Financial Statements and the notes thereto for the three and nine months ended September 30, 2021 and this MD&A were approved by the Company’s board of directors.

All figures contained in this MD&A are presented in United States dollars unless otherwise stated herein.

**Cautionary Statement Regarding Forward Looking-Statements**

This MD&A contains certain statements that may be deemed “forward-looking statements”, including statements regarding developments in the Company’s operations in future periods, adequacy of financial resources and future plans and objectives of Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or events or conditions that “will”, “would”, “may”, “could” or “should” occur.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, among other things, continued availability of capital and financing, market or business conditions, and the factors discussed in the “Risk Factors” section of this MD&A. To the extent any forward-looking statements in this MD&A constitutes future-oriented financial information or financial outlook, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future oriented financial information and financial outlook, as with forward-looking information generally, are based on current assumptions and subject to risks, uncertainties and other factors. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information. The Company undertakes no obligation to update these forward-looking statements in the event that Management’s beliefs, estimates, opinions or other factors should change except as required by law.

## **Non-IFRS Measures**

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "EBITDA", "Adjusted EBITDA" or "aEBITDA", "working capital", and metrics that are presented on a pro forma basis. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures including industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures, including industry metrics, in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

## **Description of the Business**

Playmaker (formerly, Apolo III Acquisition Corp.) 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".

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.

### General Description of the Business

Playmaker is a digital sports media company that lives at the intersection of sports, betting, media, and technology. Playmaker is building a collection of premier sports media brands, curated to deliver highly engaged audiences of sports fans to sports betting companies, leagues, teams and advertisers. Playmaker is focused on the immediately profitable portion of the iGaming ecosystem and is rolling up digital sports media assets and technology to create an ecosystem of highly engaged sports fans that we will monetize with sports betting companies, leagues, teams, and advertisers.

The team at Playmaker has global experience in the gambling, sports, technology and media industries. This wide range of experience will provide Playmaker insight into markets around the world, and a strong understanding of what is required to scale businesses in this sector. The mandate for target acquisitions is global with a core focus on the United States, Latin America, and Canada. The team's combined experience and network provide a unique and proprietary source of deal flow that will assist the company in accessing opportunities in markets all around the world.

Sports betting regulation is changing globally. The repeal of the Professional and Amateur Sports Protection Act ("PASPA") in the US in 2018 led to the opening of online gambling and sports betting in many US states, with several more anticipated in the coming years. During the second quarter of 2021, Canada lifted its ban on single event wagering by passing Bill C-218. Argentina passed iGaming legislation in December 2018, as did Brazil. Regulated online gambling presents significant opportunity for Playmaker as iGaming companies have consistently spent significant marketing dollars to acquire customers. Playmaker will look to leverage its team's global experience to get first mover positions in these emerging markets in addition to the US.

Playmaker is acquiring companies that fit into one of four key categories of focus. These four categories will provide Playmaker with the assets necessary to engage and acquire fans to ensure we create a full-service ecosystem. The four key categories are as follows:

1. Large, Diverse, Engaged Fanbases – The need for qualified users that are engaged by great content.
2. Variety of Content, Distribution and Revenue Channels – The need for a variety of content and distribution channels to capture the widest audience possible whenever they want it and however they want it in addition to a diversified revenue model to maximize all revenue opportunities and de-risk concentration on any one particular area.
3. Influencer Networks and Strong Social Presence – The need for influencer networks that are selected carefully to ensure authenticity and relevance to Playmaker’s fans and partners. A strong social presence will provide a stronger community amongst Playmaker’s audience.
4. Tools to Acquire and Retain Users – The need for strong products and retention tools to enhance engagement and promote brand loyalty to achieve Playmaker’s partners’ monetization.

### Principal Products and Services

The Playmaker ecosystem is comprised of five principal customer categories and revenue streams: (i) sports betting and iGaming operators, (ii) traditional advertisers, (iii) syndication, (iv) services, and (v) direct to consumer.

1. Sports Betting and iGaming Operators: Revenue from Sports Betting and iGaming clients is earned via programmatic advertising, direct campaigns and through agencies specializing in gambling clients.
2. Traditional Advertisers: Advertising revenue is generated from traditional blue chip clients including via programmatic advertising, direct campaigns, ad agency and sponsorships.
3. Syndication: Advertising revenue that is generated via an extensive network of syndication partners.
4. Services: Services revenue is generated through technical design and product development services that seek to help clients find solutions to problems caused by legacy infrastructure, a lack of time, or a lack of resources.
5. Direct to Consumer: Revenue is generated direct from consumers via an eCommerce shop on the Dale Albo fan site in Chile and streaming revenue sharing with rights holders of various media rights.

### Growth and Acquisitions

In addition to a plan focused on strong organic growth for the Company’s existing subsidiaries, Playmaker has a robust and growing proprietary pipeline that will continue to generate value. In seeking out additional acquisition targets, Playmaker will emphasize (i) significant strategic benefits and synergies, (ii) financial accretion, (iii) equity and/or earn-out sale mechanics and (iv) proven and aligned management teams, and (v) profitability or a clear path to profitability.

### Acquisition of Futbol Sites

The Company’s first acquisition, closed on April 1, 2021 was Futbol Sites LLC and Odenton Company S.A. (collectively “Futbol Sites” or “FSN”). Futbol Sites is a digital sports media group based in the United States and Latin America. Futbol Sites helps global brands, sports betting companies, and football federations manage their digital assets, while designing and executing powerful fan-oriented strategies. With offices and operations in the United States, Argentina, Brazil, Colombia, Chile, and Mexico, Futbol Sites aims to bridge the gap between brands and fans, using data, technology, and a deep knowledge of the sports industry.

Futbol Sites delivers, at scale, the coveted sports fan. FSN is uniquely positioned to deliver engaged and loyal sports fans to advertisers and sports betting companies to the US Hispanic market and in Latin America as one of the largest digital sports media companies in the region. The company operates three flagship brands; BolaVIP, Futbol Centro América and Redgol, as well as over 10 different fan sites and over 100 social media assets. The BolaVIP, Redgol and

Futbol Centro América brands are top ranking across the region. BolaVip is focused on South America, Mexico and the US and is available in Spanish, Portuguese, and English. Futbol Centro América is focused on Central America and the Caribbean and Redgol is focused exclusively on the Chilean market where it is the number one local digital sports media brand. Futbol Sites' fan sites and social media assets connect the most loyal fans to their favourite teams.

FSN generates revenue from its owned and operated media properties and digital assets. There are seven main categories of revenue; six are advertising based and one is direct to consumer. Advertising revenue is generated from Sports Betting and iGaming clients through programmatic advertising, direct campaigns and through agencies specializing in gambling clients. Advertising revenue is also generated from traditional blue-chip clients. This revenue is generated via programmatic advertising, direct campaigns, ad agency and sponsorship. Revenue is generated direct from consumers via an eCommerce operation in Chile and streaming revenue sharing with rights holders of various media rights.

Futbol Sites is focused on two core geographies, Latin America and the United States. A strong focus on localized content has continued to drive audience growth for Futbol Sites' media properties in these key markets. In addition, in both Chile and Mexico, Futbol Sites has begun to live stream sporting events in partnership with the local rights holders on a revenue share basis. This is another way that Futbol Sites continues to develop new revenue channels.

In the US market, Futbol Sites has seen continued growth in sessions and revenue per session. As the US sports betting market begins to develop, key states require suppliers to have various supplier licenses to offer their services. Futbol Sites is currently licensed in the following seven States in the US as a media supplier: New Jersey, Indiana, Tennessee, West Virginia, Pennsylvania, Michigan, and Colorado. Futbol Sites is continuing to build relationships with US sports betting operators for direct marketing campaigns and in the future the objective is to move to an affiliate revenue model.

#### *Acquisition of Fanáticos*

On June 11, 2021, Playmaker acquired the domain name, trademark and social media accounts of Fanáticos Por Futbol ("Fanáticos") for aggregate consideration of up to \$443,200.

Fanáticos started in 2015 as a Facebook Fan Page and within one year of launch, they had more than 1 million engaged fans. With a major focus on International Soccer content, primarily Champions League and European leagues, Fanáticos is one of Brazil's leading and most engaging soccer news communities, with more than 4.5 million fans across its owned social media channels.

#### *Acquisition of Yardbarker*

On July 26, 2021, Playmaker acquired the California-based sports and entertainment digital media business, YB Media LLC (d.b.a. Yardbarker) ("Yarbarker") for aggregate consideration of up to \$24.0 million.

The purchase price consideration consisted of a payment of \$10.0 million in cash and the issuance of \$8.0 million of Playmaker common shares (the "Initial Shares") on closing, an additional \$2.0 million of Playmaker common shares (the "Contingent Shares") to be issued to the sellers upon Yardbarker achieving a minimum EBITDA of \$1.5 million within the 12-month period following closing and up to \$2.0 million per year (\$4.0 million in aggregate), payable to the sellers based on Yardbarker's performance toward an EBITDA target of \$2.5 million in each of the two years following closing. The Initial Shares were priced at the equivalent of 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.

With its comprehensive North American sports and entertainment focus and highly engaged fan base, Yardbarker represents an integral pillar of Playmaker's growth ambitions and a strong platform from which it will continue to expand its U.S. presence and build its global sports media ecosystem.

Yarbarker is a premier U.S. sports and entertainment media platform, attracting over four million unique users per month and generating more than nine million total sessions across its primarily NFL, NBA, MLB, College Sports, and

NHL content offerings. The company's core editorial focus is to create and surface timely, engaging, and relevant news and analysis to its users in a fun and efficient format. The platform publishes over 25,000 full-text articles per month through a combination of its in-house editorial team and 125+ content syndication partner sites, while also augmenting traditional coverage with a collection of over 5,000 sports and entertainment quizzes and slideshows. The unique content mix allows Yardbarker to offer a differentiated user experience and generate high engagement and interaction rates among its audiences.

The Morning Bark, Yardbarker's daily email newsletter, reaches more than 365,000 subscribers with open rates in excess of 25%. The all-in-one email product features a Top 10 rundown of the most important stories of the day and a customizable newsfeed that allows users to keep track of their favourite sports, schools and teams. A significant driver of traffic to the website, The Morning Bark serves as a low-cost, repeatable, first-party user acquisition tool.

#### *Acquisition of Two-Up Agency Ltd.*

On August 31, 2021, the Company completed the acquisition of Two-Up Agency Ltd. ("Two-Up") for aggregate consideration of up to \$5.75 million.

The purchase price consideration consisted of a payment of \$0.75 million in cash, the issuance of \$2.5 million of Playmaker common shares priced at CAD\$0.60 per Playmaker Share and up to a maximum of US\$2.5 million in the form of an earn-out, payable to the sellers as follows:

- \$0.83 million payable based on achieving targets of \$1.75 million of revenue and \$0.4 million of EBITDA in the year beginning on August 31, 2021.
- \$0.83 million payable based on achieving targets of \$2.5 million of revenue and \$0.5 million of EBITDA in the year beginning on August 31, 2022.
- \$0.83 million payable based on achieving targets of \$3.5 million of revenue and \$0.75 million of EBITDA in the year beginning on August 31, 2023.

In addition, the sellers are eligible to receive a bonus earn-out in each of the three years following the closing date in the event the EBITDA and revenue targets in a given year are exceeded.

Two-Up provides technical solutions to the online gaming industry's biggest brands, bringing best-in-class technology tools and in-depth knowledge and expertise of the market to their clients.

Two-Up was founded in 2016 by gaming technology expert Robbie Morris who joined the Playmaker leadership team on closing of the acquisition. Playmaker also added a team of 24 experienced sales and technology experts spread across two primary offices in London, UK and Krakow, Poland. This team includes 15 engineers with deep experience in the development of regulated betting products, monetization tools, free-to-play games, and APIs into major real money gaming operators.

#### *Acquisition of SoccerMemes*

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

### **Subsequent Events**

#### *Acquisition of Varsky*

On November 1, 2021, the Company announced that it had acquired the rights to the social accounts @VarskySports on Twitter, Instagram, and Facebook, which have a cumulative global audience of more than two million followers. @VarskySports is one of the most influential digital sports content accounts in South America, followed by hundreds of athletes, head coaches, national federations, and journalists.

As part of the deal, renowned Argentinian sports journalist Juan Pablo Varsky has joined Playmaker as an ambassador. A key element of the agreement will see Varsky publish a weekly opinion column on Bolavip.com, accessible to more than 20 million unique Spanish-speaking soccer fans who visit the site each month.

The purchase price consisted of a closing cash payment of \$175,000 and the issuance of \$25,000 of Playmaker common shares on closing, priced at CAD\$0.6819 per share.

Acquisition of Oilersnation.com Ltd. and Dailyfaceoff.com Ltd.

On November 2, 2021, the Company acquired 100% of the outstanding shares of Oilersnation.com Ltd., which owns and operates The Nation Network (“TNN”) and its wholly-owned subsidiary, Daily Faceoff (“DFO”). TNN is an Edmonton-based, hockey-first digital media group that attracts millions of sports fans annually to its network of fan community sites, podcasts, and rapidly growing hockey reference property, DFO.

The purchase price included aggregate consideration of up to CAD\$15 million. The purchase price consideration consisted of (i) a closing cash payment of CAD\$6.0 million, (ii) the issuance of CAD\$6.0 million of Playmaker common shares on closing, priced at CAD\$0.68 per share and (iii) up to a maximum of CAD\$3.0 million in the form of an earn-out, payable to the sellers upon TNN achieving targets of CAD \$3.0 million of revenue and \$0.45M of EBITDA over the twelve-month period following closing. On closing, Playmaker established a management bonus plan, pursuant to which certain employees of TNN can receive a bonus payment of up to \$3.0 million. The management bonus plan is payable as follows:

- Up to CAD \$1.5 million payable upon TNN achieving targets of CAD \$5.0 million of revenue and CAD \$0.75 million of EBITDA in the year beginning on the 12-month anniversary of the closing date.
- Up to CAD \$1.5 million payable upon TNN achieving targets of CAD \$8.0 million of revenue and CAD \$1.25 million of EBITDA in the year beginning on the 24-month anniversary of the closing date.

Co-founded in 2007 by CEO Jay Downton, TNN and DFO have generated over one billion pageviews since their inception and have become one of the largest online destinations for independent sports coverage in North America, with a combined annual audience of over 27 million users. TNN’s differentiated channels of distribution deliver breaking news, analysis, and fantasy projections to their highly engaged group of users, including through a subscription model, a net-new revenue stream within the Playmaker ecosystem. TNN also delivers market-leading analysis through the platforms of several key influencers.

TNN and DFO generate more than 5.2 million monthly sessions and engage with 5.4 million social media followers across multiple platforms including Instagram, Twitter, Facebook and TikTok. The TNN brand family includes more than ten web properties, including Oilernation.com, Canucksarmy.com, Hockeyfights.com and Daily Faceoff, the popular source of breaking news, analysis, and fantasy data that generates more than 83 million annual page views. TNN also produces a host of podcasts, including DFO Rundown and a partnership with Dropping the Gloves hosted by John Scott, that combine for 4.6 million annual downloads.

Acquisition of Grupo SuperPoker

On November 3, 2021, Playmaker acquired leading Brazilian media company Grupo SuperPoker (“SuperPoker”), consisting of legal entities Spkr Mídias E Eventos Ltda. and Editora Flop Ltda, for aggregate consideration of up \$4.25 million.

The purchase price consideration consisted of a payment of \$1.75 million in cash, the issuance of \$1.5 million of Playmaker common shares priced at CAD\$0.68 per share, and up to a maximum of \$1.0 million in the form of an earn-out. The earn-out is payable to the sellers upon SuperPoker achieving a revenue target of \$1.0 million in each of the two years following closing, with a maximum earn-out payment of \$0.5 million in each year. In addition, the sellers are eligible to receive a commission bonus based on sales that exceed \$0.8 million.

SuperPoker provides a suite of online poker websites, social media pages, and online streaming services, producing an extensive library of high-quality video and editorial content for poker fans in Brazil, one of the largest poker

markets in the world. Playmaker’s acquisition of SuperPoker adds a team of over 15 experienced sales and gaming-related content experts based in Sao Paulo, Brazil.

SuperPoker is the official Portuguese language streaming platform for the Brazilian Series of Poker (“BSOP”), European Poker Tour, PokerStars Players Championship, World Series of Poker - Brazil Circuit, and the Pan-American Poker Tour (“PAPT”).

### Third Quarter Highlights

- Completed the acquisition of a leading media brand Yardbarker and a leading technology services company, Two-Up. Subsequent to quarter-end, significantly strengthened our position in Canada with the platform acquisition of TNN and its wholly-owned subsidiary DFO and acquired leading Brazilian media company SuperPoker.
- Including the results of our acquired companies on a pro forma basis, pro forma revenue increased by 104% to \$6.3 million in Q3 2021, compared to \$3.1 million in Q3 2020. Pro forma adjusted EBITDA increased by 125% to \$2.6 million in Q3 2021 from \$1.2 million in Q3 2020.
- On an IFRS basis, revenue increased to \$4.8 million in Q3 2021 from \$nil in Q3 2020. Operating income increased to \$1.0 million in Q3 2021, compared to operating loss of \$1,296 in Q3 2020.

### Discussion of Results of Operations

#### *Select Pro Forma Metrics*

The Company acquired the following entities during 2021:

- Futbol Sites: acquired on April 1, 2021
- Fanáticos: acquired on June 11, 2021
- Yardbarker: acquired on July 26, 2021
- Two-Up: acquired on August 31, 2021
- SoccerMemes: acquired on September 17, 2021
- VarskySports: acquired on November 1, 2021
- The Nation Network: acquired on November 2, 2021
- Grupo SuperPoker: acquired on November 3, 2021

The “pro forma” figures below assume the acquisition of each entity occurred on the first day of the respective period. The Company is providing pro forma information because the acquisitions in 2021 reduce the comparability of year-over-year figures presented in the financial statements.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Pro forma revenue	\$6,267,281	\$3,075,734	\$15,674,865	\$7,194,257
Pro forma adjusted EBITDA	\$2,589,398	\$1,151,042	\$5,848,536	\$1,664,651

On a pro forma basis, the Company’s revenue increased by 104% in the three months ended September 30, 2021, from \$3,075,734 in Q3 2020 to \$6,267,281 in Q3 2021. The main driver of that increase was Futbol Sites, which saw an increase from \$1,535,068 in Q3 2020 to \$3,789,552 in Q3 2021.

For the nine months ended September 30, 2021, the Company's pro forma revenue increased by 118%, from \$7,194,257 in 2020 to \$15,674,865 in 2021. The increase was driven primarily by Futbol Sites, which saw an increase from \$3,337,621 in the nine months ended September 30, 2020 to \$9,086,603 in the same period of 2021.

Pro forma adjusted EBITDA was \$2,589,398 in the three months ended September 30, 2021 and \$5,848,536 in the nine months ended September 30, 2021. These figures were driven primarily by Futbol Sites, which accounted for \$1,413,521 in the three months ended September 30, 2021 and \$2,942,108 in the nine months ended September 30, 2021.

On a consolidated basis, pro forma revenue and pro forma adjusted EBITDA for the trailing 8 quarters is as follows:

<b>Quarter</b>	<b>Pro Forma Revenue</b>	<b>Pro Forma Adjusted EBITDA</b>
	<b>(\$000s)</b>	<b>(\$000s)</b>
September 30, 2021	\$6,267	\$2,589
June 30, 2021	\$5,288	\$1,911
March 31, 2021	\$4,120	\$1,348
December 31, 2021	\$4,952	\$2,310
September 30, 2021	\$3,076	\$1,151
June 30, 2020	\$1,666	\$143
March 31, 2020	\$2,452	\$371
December 31, 2019	\$3,964	\$1,775

The Company's revenue is driven primarily by two factors: the number of user sessions on our websites (traffic) and the revenue earned per session. Both factors are impacted by seasonality during the year, which follows the seasonality in advertiser spend. Advertiser spend is impacted by many factors – including the timing of each advertiser's fiscal year-end and the timing of significant events such as the Olympics or the soccer World Cup – but it generally increases in Q4, which includes Black Friday and the Christmas shopping season. Our revenue is therefore typically highest in Q4 and lowest in Q1 each year. Due to this seasonality, the results in any given quarter are not necessarily indicative of the results for the entire year.

#### *Summary of Financial Results*

Financial results in the section below include the results of each acquired business from the date of the closing of their respective acquisitions.

	<b>Three Months Ended Sept. 30,</b>		<b>Nine Months Ended Sept. 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	4,776,080	-	7,815,221	-
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)
Net income (loss)	893,307	(29,340)	(565,239)	(164,012)
Net income (loss) per share - basic & diluted	0.00	(0.01)	(0.01)	(0.04)



Revenue

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue	4,776,080	-	7,815,221	-

In Q3 2021, Yardbarker, acquired on July 26, 2021, and Two-Up, acquired on August 31, 2021, accounted for \$830,721 and \$194,865 of revenue, respectively. The remainder of Playmaker's revenue in the three and nine months ended September 30, 2021 was generated by Futbol Sites, which was acquired on April 1, 2021. Prior to April 1, 2021, the Company had no operating entities and no revenue.

Cost of Sales & Operating Expenses

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cost of sales (a)	306,169	-	451,875	-
Advertising, commissions and fees (a)	913,589	-	1,685,673	-
Web services and publishing (a)	181,272	-	295,275	-
Salary and wages (b)	1,698,991	-	2,903,016	92,551
Professional fees (a)	200,165	1,045	424,706	69,450
General and administration (a)	176,790	92	331,136	44,962
Stock-based compensation (c)	212,837	-	329,845	4,321
Depreciation and amortization (a)	68,811	159	85,202	1,016
<b>Total cost of sales &amp; operating expenses</b>	<b>3,758,624</b>	<b>1,296</b>	<b>6,506,728</b>	<b>212,300</b>

Notes:

- (a) Cost of sales primarily includes the merchandise cost of inventory sold through e-commerce stores. Advertising, commissions and fees consists primarily of paid advertising expenses focused on user acquisition. Web services and publishing mainly includes the cost of hosting and other technology costs required to maintain the Company's sites. Professional fees are primarily corporate activities and are comprised of legal, audit, tax, accounting and other consulting fees. General and administration costs consist of rent, insurance, and other general and office expenses. Depreciation and amortization relates to the depreciation on the Company's fixed and intangible assets. In all cases, these expenses were significantly higher in the three and nine months ended September 30, 2021 than in the comparative periods due to the acquisitions of Futbol Sites, Yardbarker and Two-Up in 2021.
- (b) Salary and wages consist of the salaries, benefits and bonuses paid to employees, along with the wages paid to independent contractors. These expenses increased primarily due to the acquisitions noted above. Playmaker also built out its executive team during 2021, adding a Chief Financial Officer in March 2021, a Chief Executive Officer in May 2021, and a Chief Operating Officer in June 2021.
- (c) Share-based compensation expense relates to options awarded to the Company's executive officers and board members. The expense recorded during Q3 2021 relates primarily to options awarded to the CEO, COO and CFO when they were hired and to options awarded to the board members of Playmaker who were appointed at the time of the Reverse Takeover of Apolo on May 31, 2021.

*Net loss*

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Operating income (loss)</b>	<b>1,017,456</b>	<b>(1,296)</b>	<b>1,308,493</b>	<b>(212,300)</b>
Transaction costs	(353,053)	-	(581,080)	-
Listing and filing fees	(84,162)	-	(1,818,466)	-
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
<b>Net income (loss) before taxes</b>	<b>893,317</b>	<b>(29,340)</b>	<b>(544,699)</b>	<b>(164,012)</b>
<b>Net income (loss)</b>	<b>893,307</b>	<b>(29,340)</b>	<b>(565,239)</b>	<b>(164,012)</b>

The Company produced positive operating income for the three and nine months ended September 30, 2021 due to the profitability of the Company's operating entities, Futbol Sites, Yardbarker and Two-Up. The differences between the Company's operating income and its net income (loss) in the three and nine month ended September 30, 2021 was primarily the result of the one-time charges and acquisition-related items. In particular, the Company incurred listing and filing fees of \$1,818,466 in the nine months ended September 30, 2021, primarily in relation to the Company's reverse takeover of Apollo and its public listing on the Exchange. The Company also incurred transaction costs for the three and nine months ended September 30, 2021 of \$353,053 and \$581,080, respectively, related to acquisitions noted above.

Interest expense consists mainly of interest paid on the convertible debt issued as part of the purchase consideration for Futbol Sites on April 1, 2021. The Company incurred \$102,740 of interest expense on the convertible debt between its issuance on April 1, 2021 and May 31, 2021, at which point the convertible debt and interest thereon was converted settled in exchange for common shares.

The foreign exchange gains recorded in the three and nine months ended September 30, 2021 are primarily the result of exchange gains on U.S. dollars held by Playmaker Capital Inc., an entity with a Canadian dollar functional currency. The U.S. dollar appreciated significantly relative to the Canadian dollar between May 31, 2021, the date on which subscription receipt proceeds were paid to Playmaker, and September 30, 2021.

*Adjusted EBITDA*

We use Adjusted EBITDA as a key measure of operating performance. Adjusted EBITDA is intended to present the results of our operating subsidiaries and it is therefore based on the EBITDA of our Digital Media and Technology Services operating segments. This measure excludes any one-time costs and it excludes the head office costs incurred within our Corporate segment, as in our view those costs are not representative of our core operating results.

Adjusted EBITDA is not a measure of performance under IFRS and should not be considered in isolation or as a substitute for the IFRS measures of profitability presented in our condensed consolidated interim financial statements. Adjusted EBITDA does not have a standardized definition and is therefore not necessarily comparable to other companies.

Because Adjusted EBITDA is intended to reflect our operating results, there is no Adjusted EBITDA recorded in the periods before our April 1, 2021 acquisition of Futbol Sites, our first operating entity.

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Adjusted EBITDA</b>	<b>1,977,995</b>	<b>-</b>	<b>2,899,683</b>	<b>-</b>
<i>Reconciliation to net income (loss):</i>				
Operating loss of the Corporate segment	(950,579)	(1,296)	(1,571,870)	(212,300)
Depreciation and amortization of operating segments	(9,960)	-	(19,320)	-
Listing and filing fees	(84,162)	-	(1,818,466)	-
Transaction costs	(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
Taxes	(10)	-	(20,540)	-
<b>Net income (loss)</b>	<b>893,307</b>	<b>(29,340)</b>	<b>(565,239)</b>	<b>(164,012)</b>

### Quarterly Results of Operations

Quarterly Results	Revenue	Net income (loss)	Net income (loss) per share - basic and diluted
	(\$000s)	(\$000s)	\$
September 30, 2021	4,776	893	0.00
June 30, 2021	3,039	(1,121)	(0.01)
March 31, 2021	-	(338)	(0.01)
December 31, 2020	-	(102)	(0.01)
September 30, 2020	-	(29)	(0.01)
June 30, 2020	-	(162)	(0.04)
March 31, 2020	-	27	0.00
December 31, 2019	-	(170)	(0.04)

On April 1, 2021, the Company acquired Futbol Sites. Prior to that acquisition, the Company had no operating activities. Accordingly, there was no revenue recognized prior to Q2 2021. The fluctuations in net income (loss) compared to prior quarters were primarily driven by the changes in operating activities as the Company ramped up and commenced acquisition activity.

The increase in revenue for Q3 2021 was driven by an increase in Futbol Sites revenue from \$3,039,141 in Q2 2021 to \$3,789,552 in Q3 2021, along with incremental revenue resulting from the acquisitions of Yardbarker and Two-Up. The net income in Q3 2021 was the result of strong operating results from our segments delivering net income of \$1,931,939 partially offset by a net loss from the Corporate segment of \$1,038,632 which was driven mainly by the transactions costs associated to the acquisitions in the quarter of Yardbarker and Two-Up.

## Liquidity

The table below presents selected financial information about the Company's financial position as at the indicated dates:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
	\$	\$
Cash	13,356,860	6,631,358
Total Assets	71,238,192	6,635,075
Total Liabilities	20,239,076	87,767
Share Capital, Contributed Surplus, Warrant Reserve and Accumulated Other Comprehensive Income (Loss)	52,000,581	6,983,534
Deficiency	(1,001,465)	(436,226)
Working Capital	6,095,234	6,546,698

Total liabilities consist of the following:

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
	\$	\$
Accounts payable	622,178	-
Accrued expenses and other current liabilities	1,541,153	87,767
Consideration payable	8,750,000	-
Current portion of lease liability	34,460	-
Current portion of long-term debt	14,357	-
Long-term debt	50,013	-
Long-term lease liability	214,893	-
Deferred consideration	1,793,218	-
Contingent consideration	7,218,804	-
<b>Total liabilities</b>	<b>20,239,076</b>	<b>87,767</b>

The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet operational and investing requirements. The Company has historically financed its operations primarily through the sale of share capital – and may at times sell additional share capital to finance future acquisitions. The Company intends to acquire companies that are profitable or that have a clear path to profitability.

As at September 30, 2021, the Company had cash of \$13,356,860 (December 31, 2020: \$6,631,358) and working capital of \$6,095,234 (December 31, 2020: \$6,546,698). Though the Company has historically incurred net losses, in Q3 2021 the Company generated net income of \$893,307 which was driven primarily by strong performance from our recently acquired operating segments. As shown in the *Select Pro Forma Metrics* section, the Company has been profitable on an Adjusted EBITDA basis when including the results of acquired entities on a pro forma basis.

During the nine months ended September 30, 2021, the Company's overall position of cash and cash equivalents increased by \$6,725,502, which can be attributed to the following:

- Cash flows used in operations of \$533,002 (2020: \$228,254). The year-over-year increase was primarily driven by an increase in net loss from \$164,012 in 2020 to \$565,239 in 2021, which in turn was primarily related to one-time charges arising from the Company's reverse takeover, public listing, and acquisition activity.
- Cash flows used in investing activities of \$16,304,326 (2020: \$nil). This included \$6,228,466 related to the acquisition of Futbol Sites, \$204,290 related to the acquisition of Fanáticos, \$9,024,553 related to the

acquisition of Yardbarker, \$100,000 related to the acquisition of SoccerMemes, \$676,764 related to the acquisition of Two-Up and \$232,628 of purchases of property and equipment and intangibles. These amounts were offset by \$162,375 of cash received via the reverse takeover of Apolo.

- Cash flows provided by financing activities of \$24,046,287 (2020: cash used in financing activities of \$166,666). This increase was primarily the result of \$5,355,274 of net proceeds on the issuance of preferred shares in January 2021 and \$18,794,935 of net proceeds arising from the issuance on subscription receipts in April 2021, which were exchanged for common shares on completion of the Company's Reverse Takeover of Apolo in May 2021.
- A decrease of \$483,457 (2020: increase of \$33,891) arising from the impact of foreign exchange on cash.

### Capital Resources

At September 30, 2021, the Company's capital resources consisted primarily of cash and accounts receivable.

### Commitments

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

### Transactions with Related Parties

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 (2020: \$nil for each period), in share-based compensation expense associated to executives and board members of the Company (Jordan Gnat, Jake Cassaday, Michael Cooke, Maryann Turcke, Sebastian Siseles, Wayne Purboo, Mark Trachuk, and Nicole Musicco).

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 (Jordan Gnat, Jake Cassaday, Michael Cooke and Federico Grinberg).

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 Relay Ventures Canada Inc., an affiliate of a shareholder (Relay Ventures Fund III) 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 (Sebastien Siseles) for services performed and an executive (Jordan Gnat) of the Company for services 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 VS Media Inc., an affiliate of a shareholder (Scott Moore).

An executive of the Company (Federico Grinberg) 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.

## **Financial Instruments**

The Company, as part of its operations, carries financial instruments consisting of cash and cash equivalents, accounts receivable, income tax receivable, accounts payable, accrued expenses and other current liabilities, due to related parties, long-term debt, deferred consideration and contingent consideration.

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, income tax receivable, accounts payable, accrued expenses and other current liabilities, and due to related parties 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 valuation techniques that are not observable.

## **Outstanding Share Data**

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this MD&A, the Company has 211,984,061 common shares outstanding. The Company also has 8,058,000 stock options, 676,416 common warrants and 1,575,600 broker warrants issued and outstanding.

## **Risk Factors**

For a detailed description of risk factors associated with the Company, refer to the sections titled "Financial Instruments and Financial Risk Exposures" and "Business Risks & Uncertainties" contained in the Company's management's discussion and analysis for the year ended December 31, 2020 appended to the Company's non-offering prospectus dated May 21, 2021, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company's financial instruments consist of cash, prepaid expenses and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposure and the manner in which such exposure is managed is as follows:

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The Company is expected to be able to satisfy its obligations in the near term with its cash balances. As at September 30, 2021, the Company had a working capital balance of \$6,095,234 (December 31, 2020: \$6,546,698). As such, the Company currently has little exposure to liquidity risk.

### *Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash is held primarily with a major Canadian financial institution. Refer to the Company's Interim Financial Statements for further discussion on credit risk.

#### *Interest rate risk*

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.

#### *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 – but it will re-evaluate this position should circumstances change over time.

#### **Critical Accounting Estimates**

The Company has ramped up its operations and made acquisitions since December 31, 2020. Accordingly, the Company has made new accounting estimates around topics that have arisen since December 31, 2020. The Company's significant accounting estimates and assumptions are summarized in Note 4 to the Interim Financial Statements for the three and nine months ended September 30, 2021.

#### **Significant Accounting Policies**

The Company has ramped up its operations and made acquisitions since December 31, 2020. Accordingly, the Company has introduced new accounting policies around topics that have arisen since December 31, 2020. The Company's significant accounting policies are summarized in Note 3 to the Interim Financial Statements for the three and nine months ended September 30, 2021.

#### **Future Changes in Accounting Policies**

There are no new standards issued by the International Accounting Standards Board ("IASB") that were not effective at September 30, 2021 that are expected to have a significant impact on the Company.