Playmaker Capital Inc.
Consolidated Financial Statements
For the years ended December 31, 2021 and 2020
(Stated in U.S. dollars)

Independent Auditor's Report

To the Shareholders of Playmaker Capital Inc.:

Opinion

We have audited the consolidated financial statements of Playmaker Capital Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021, December 31, 2020 and January 1, 2020 and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021, December 31, 2020 and January 1, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Chayim David Danziger.

Toronto, Ontario

March 17, 2022

MNP LLP

Chartered Professional Accountants

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

	Note	**December 31, 2021**	December 31, 2020 (*Note 2*)	January 1, 2020 (*Note 2*)
Assets				
Current				
Cash and cash equivalents		**$ 7,111,728**	$ 6,631,358	$ 1,879,007
Accounts receivable	15	**4,406,719**	-	-
Income taxes receivable	18	**45,711**	-	-
Inventory		**18,770**	-	-
Prepaid and other current assets		**377,061**	3,107	4,549
Total current assets		**11,959,989**	6,634,465	1,883,556
Property and equipment	8	**778,381**	610	4,168
Intangible assets	9	**45,808,097**	-	-
Goodwill	10	**28,393,097**	-	-
Deferred tax asset	18	**868,116**	-	-
Other long-term assets		**20,720**	-	-
Total assets		**$ 87,828,400**	$ 6,635,075	$ 1,887,724
Liabilities				
Current				
Accounts payable	15	**$ 567,572**	$ -	$ 5,757
Income taxes payable	18	**81,264**	-	-
Deferred revenue		**188,993**	-	-
Accrued expenses and other current liabilities	5	**2,623,321**	87,767	71,067
Current portion of lease liability	11	**88,951**	-	-
Current portion of long-term debt	12	**14,365**	-	-
Current deferred consideration	13	**2,345,759**	-	-
Current contingent consideration	13	**10,475,031**	-	-
Total current liabilities		**16,385,256**	87,767	76,824
Long-term debt	12	**46,708**	-	-
Long-term lease liability	11	**415,057**	-	-
Deferred tax liability		**4,237,822**	-	-
Deferred consideration	13	**1,848,388**	-	-
Contingent consideration	13	**8,837,406**	-	-
Total liabilities		**31,770,637**	87,767	76,824
Shareholders' Equity				
Share capital	14	**60,494,370**	6,823,258	1,938,080
Contributed surplus		**606,863**	30,740	-
Warrant reserve		**303,278**	38,740	-
Accumulated other comprehensive (loss) income		**(1,368,266)**	90,796	42,864
Deficit		**(3,978,482)**	(436,226)	(170,044)
Total shareholders' equity		**56,057,763**	6,547,308	1,810,900
Total liabilities and shareholders' equity		**$ 87,828,400**	$ 6,635,075	$ 1,887,724

Commitments (*Note 11 and Note 15*)

Subsequent events (*Note 20*)

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 consolidated financial statements

Playmaker Capital Inc.

Consolidated Statements of Net Loss and Comprehensive Loss

For the years ended December 31, 2021 and 2020

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

	Note		**2021**		2020 (*Note 2*)
Revenue	6	**$**	**14,820,154**	$	-
Cost of sales			**1,189,901**		-
Gross profit			**13,630,253**		-
Operating expenses					
Advertising, commissions and fees			**2,666,087**		-
Web services and publishing			**613,851**		-
Salary and wages			**5,797,734**		92,551
Professional fees			**828,410**		71,328
General and administration			**733,966**		45,435
Share-based compensation	14		**576,778**		29,908
Depreciation and amortization	8, 9		**648,441**		1,179
Total operating expenses			**11,865,267**		240,401
Operating income (loss)			**1,764,986**		(240,401)
Listing and filing fees	5		**(1,826,331)**		-
Transaction costs	5		**(842,729)**		-
Interest expense			**(130,144)**		-
Other income			**21,761**		-
Other expenses			**(19,819)**		(2,201)
Change in fair value of consideration	13		**(2,901,005)**		-
Change in fair value of convertible debenture	12		**(678,429)**		-
Foreign exchange gain (loss)			**849,908**		(23,580)
Net loss before taxes			**(3,761,802)**		(266,182)
Deferred income tax recovery			**324,824**		-
Current income tax expense	18		**(105,278)**		-
Net loss		**$**	**(3,542,256)**	$	(266,182)
Other comprehensive (loss) income:					
(Loss) gain on translation			**(1,459,062)**		47,932
Net loss and comprehensive loss		**$**	**(5,001,318)**	$	(218,250)
Basic and diluted net loss per share		**$**	**(0.03)**	$	(0.05)
Basic and diluted weighted average number of shares	14		**128,850,587**		5,565,479

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

(Stated in U.S. dollars)

	Note	Share Capital ($)	Contributed Surplus ($)	Warrant Reserve ($)	Accumulated OCI ($)	Deficit ($)	Shareholders' Equity ($)
As at December 31, 2019		**1,938,080**	**-**	**-**	**42,864**	**(170,044)**	**1,810,900**
Preferred shares repurchase	14b	(166,666)	-	-	-	-	(166,666)
Issue of preferred shares	14b	5,178,585	-	-	-	-	5,178,585
Issue of common shares	14a	382	-	-	-	-	382
Issue costs	14a	(127,123)	-	-	-	-	(127,123)
Share-based compensation		-	30,740	38,740	-	-	69,480
Net loss and comprehensive loss		-	-	-	47,932	(266,182)	(218,250)
As at December 31, 2020		**6,823,258**	**30,740**	**38,740**	**90,796**	**(436,226)**	**6,547,308**
Issue of preferred shares	14b	5,505,000	-	-	-	-	5,505,000
Issue of common shares	14a	19,881,600	-	-	-	-	19,881,600
Issue costs	14a	(1,104,677)	-	286,262	-	-	(818,415)
Issue of common shares to settle FSN convertible debenture	5	14,178,082	-	-	-	-	14,178,082
Issue of common shares to settle RTO	5	783,666	-	-	-	-	783,666
Issue of common shares to Yardbarker	5	5,535,817	-	-	-	-	5,535,817
Issue of common shares to Two-Up	5	2,559,409	-	-	-	-	2,559,409
Issue of common shares to Varsky	5	25,000	-	-	-	-	25,000
Issue of common shares to TNN	5	4,732,660	-	-	-	-	4,732,660
Issue of common shares to SuperPoker	5	1,497,972	-	-	-	-	1,497,972
Warrant and option exercises	14c, d	76,583	-	(21,724)	-	-	54,859
Share-based compensation	14b	-	576,123	-	-	-	576,123
Net loss and comprehensive loss		-	-	-	(1,459,062)	(3,542,256)	(5,001,318)
As at December 31, 2021		**60,494,370**	**606,863**	**303,278**	**(1,368,266)**	**(3,978,482)**	**56,057,763**

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

Playmaker Capital Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Stated in U.S. dollars)

	Note	2021	2020
Operating activities			
Net loss		**$ (3,542,256)**	$ (266,182)
Depreciation and amortization	8, 9	**648,441**	1,179
Share-based compensation		**576,778**	29,908
Listing fees, RTO costs	5	**618,184**	-
Non-cash interest expense	5, 11	**107,434**	-
Change in fair value of contingent consideration	13	**2,901,005**	-
Change in fair value of convertible debenture	12	**678,429**	-
Unrealized foreign exchange (gain) loss		**(864,176)**	21,969
Deferred income tax recovery	18	**(324,824)**	-
Loss on disposal of asset		**-**	2,201
Change in non-cash working capital:			
Accounts receivable		**(829,901)**	-
Income taxes receivable		**9,745**	-
Inventory		**8,926**	-
Prepaid and other current assets		**(75,341)**	1,442
Accounts payable		**(135,661)**	(5,757)
Income taxes payable		**81,264**	-
Deferred revenue		**121,810**	-
Accrued expenses and other current liabilities		**535,098**	16,700
Net cash flows provided by (used in) operating activities		**514,955**	(198,540)
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	**(9,331,068)**	**-**
Settlement of Yardbarker deferred consideration	5	**(500,000)**	
Acquisition of SoccerMemes	5	**(100,000)**	**-**
Acquisition of Two-Up, net of cash acquired and debt assumed	5	**(676,764)**	**-**
Acquisition of Varsky	5	**(175,804)**	**-**
Acquisition of TNN, net of cash acquired	5	**(4,163,915)**	**-**
Acquisition of SuperPoker	5	**(1,727,806)**	**-**
Acquisition of Cracks	5	**(478,141)**	**-**
Purchase of property and equipment	8	**(246,415)**	**-**
Purchase of intangibles	9	**(55,590)**	**-**
Net cash flows used in investing activities		**(23,725,884)**	**-**
Financing activities			
Issuance of preferred shares	14b	**5,505,000**	5,178,585
Issuance of common shares	14a	**19,881,600**	382
Issuance costs on preferred and common shares	14a	**(1,236,391)**	(88,383)
Options exercised	14d	**36,704**	-
Warrants exercised	14c	**18,066**	-
Long-term debt repayments	12	**(139,587)**	-
Lease liability principal payments	11	**(28,410)**	-
Repurchase of preferred shares	14b	**-**	(166,666)
Net cash flows provided by financing activities		**24,036,982**	4,923,918
Increase in cash and cash equivalents		**826,053**	4,725,378
Foreign exchange impact		**(345,683)**	26,973
Cash and cash equivalents, beginning of year		**6,631,358**	1,879,007
Cash and cash equivalents, end of year		**$ 7,111,728**	$ 6,631,358

The accompanying notes are an integral part of these consolidated 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” and on the OTCQX Best Market under the symbol “PMKRF”.

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, Canada and the United Kingdom, with offices and operations in the United States, Argentina, Brazil, Colombia, Chile, Mexico, United Kingdom, Poland and Canada. 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 consolidated financial statements have been 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.

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

These consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on March 17, 2022.

Basis of measurement

These consolidated 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.

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

2. Basis of presentation (continued)

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 International Auditing Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*. As the change in presentation currency represents a change in accounting policy, the Company applies the change retrospectively, as if the U.S. dollar had always been the Company's presentation currency and presents a third statement of financial position as at the beginning of the preceding period to comply with the provisions of IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The change was applied as follows:

- Assets and liabilities have been translated into USD at the rate of exchange prevailing at the respective reporting dates;
- 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 19* for the impact of the change in presentation currency.

The exchange rates used were as follows:

	December 31, 2021	December 31, 2020	January 1, 2020
CAD/USD			
Closing rate	0.7874	0.7854	0.7699
Average rate for period	0.7977	0.7462	N/A

2. Basis of presentation (continued)

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 consolidated 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	Chile	Chilean Peso	Consolidation
Sociedad Comercial Dale Ideas Limitada	Chile	Chilean Peso	Consolidation
Futbol sites Colombia S.A.S	Colombia	Colombian Peso	Consolidation
Futbol Sites MX S.A. DE C.V.	Mexico	Mexican Peso	Consolidation
FSN S.R.L	Argentina	Argentinian Peso	Consolidation
SPKR MIDIAS E EVENTOS LTDA.	Brazil	Brazilian Reals	Consolidation
EDITORA FLOP LTDA.	Brazil	Brazilian Reals	Consolidation
Yardbarker Media, LLC	United States	U.S. Dollar	Consolidation
Two-Up Agency Ltd.	United Kingdom	Great Britain Pound	Consolidation
Two-Up Agency z.o.o	Poland	Polish Złoty	Consolidation
Oilersnation.com Ltd.	Canada	Canadian Dollar	Consolidation
Dailyfaceoff.com Ltd.	Canada	Canadian Dollar	Consolidation

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

Foreign currencies

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 accumulated other comprehensive income within equity.

2. Basis of presentation (continued)

Classification of Argentina as a hyper-inflationary economy

The Argentinian economy was designated as hyperinflationary since July 1, 2018. As a result, application of IAS 29 *Financial Reporting in Hyperinflationary Economies* ("IAS 29") 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 Revenue from contracts with customers ("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 outlined below.

Digital media revenue generating operations:

- Online advertising is recognized over time based on the satisfaction of various performance obligations (impressions, views, etc.), which are typically completed once the customer has the access and ability to leverage the advertising inventory or right to our content. The Company uses the IFRS 15 practical expedient to measure the amount of revenue based on the right to invoice. Typical payment terms range between net 30-60 days. In some cases, the Company collects a fixed fee and recognizes deferred revenue associated to the outstanding performance obligations until such a time that those obligations are met. Additionally, the Company analyzes principal versus agent considerations in IFRS 15 to determine if contracts within this stream should be recognized gross versus net.

- E-commerce is the sale of merchandise and is recognized at a point in time once the customer has purchased the good and items are delivered. Payments are made upon time of sale.

- Subscription is recognized over time based on the satisfaction of performance obligations being tied to providing continuous service to the customer. The Company uses the IFRS 15 practical expedient to measure the amount of revenue based on the right to invoice. Payments are made upon time of sale.

Technology services revenue generating operations:

- Revenue is split into three categories: 1) design, 2) development, and 3) maintenance. Each category has a standalone selling price outlined in agreements with customers. Design is recognized at a point in time once the work is completed and the customer has accepted the design. Development is recognized based on percentage of completion of the project. Maintenance is recognized over time with use of the IFRS 15 practical expedient to measure the amount of revenue based on the right to invoice. Typical payment terms are net 30 days

Collectively, the revenue recognition for these revenue streams is similar and therefore all revenue streams are presented combined in net revenues in the accompanying consolidated statements of net loss and comprehensive loss.

3. Significant accounting policies (continued)

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 consolidated 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 consolidated statements of net loss and comprehensive 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 consolidated financial statements.

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.

3. Significant accounting policies (continued)

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 definite 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, digital media and licensed rights	2 years
Customer relationship and streaming rights	Attrition rates (6.5 – 10 years)
Brand (definite and indefinite life)	5 years / Indefinite

Intangible assets with indefinite lives are seen as having no foreseeable limit to the period over which they are expected to generate net cash inflows. The Company views all indefinite lived intangible assets to require minimal maintenance to continue to generate these cashflows and there are no plans to modify the brands as they are acquired.

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.

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 five CGUs. 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.

3. Significant accounting policies (continued)

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.

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 warrant reserve and moved directly to share capital.

3. Significant accounting policies (continued)

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 *Financial Instruments* (“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 *Business Combinations* (“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 consolidated 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.

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

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statements of comprehensive income (loss) except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss). 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.

3. Significant accounting policies (continued)

Financial instruments

Financial assets

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 that 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.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 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.

3. Significant accounting policies (continued)

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, judgements and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgements 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 judgements are continuously evaluated and are based on management's experience and other factors, including expectationsof future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from theseestimates.

Estimates

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

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.

Percentage of completion methodology

For technology services contracts billed on a fixed price basis, revenue is recognized over time based on the proportion of services performed. The Company determines this based on the actual labor hours incurred relative to the total forecasted hours. This requires the Company to estimate the labor hours required to complete the contract at the reporting date, the uncertainty inherent in which will not be resolved until the contract is completed.

Estimated useful lives of long-lived assets and intangible assets

Management reviews the useful lives of intangible and 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.

4. Significant accounting estimates, judgements and assumptions (continued)

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.

Impairment testing and recoverability of assets

The Company has five 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.

Right-of-use assets and lease liability incremental borrowing rate

The Company has applied estimates the incremental borrowing rate used in lease analysis, which significantly affects the amount of lease liability and right-of-use assets recognized.

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 judgement, 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.

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.

4. Significant accounting estimates, judgements and assumptions (continued)

Judgements

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

Recognition of revenue on a gross versus net basis

The Company follows the guidance provided in IFRS 15 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 judgement.

Right-of-use assets and lease liability

The Company has applied judgement to determine 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.

Determination of functional currency

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

Determination of CGUs

The Company gives priority to the considerations outlined in IAS 36 when determining CGUs based on the smallest identifiable group of assets that generate cash inflows largely independently of other assets or groups of assets.

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 judgement 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 judgement 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 judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from this process impacts the amount of the deferred tax assets management judges is probable.

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

5. Reverse takeover transaction, business combinations and asset acquisitions

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.

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 consolidated statements of net loss and comprehensive loss, 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
Listing and filing fees from Proposed Transaction	**$**	**746,240**	**$**	**618,184**

5. Reverse takeover transaction, business combinations and asset acquisitions (continued)

Business combinations

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

Futbol Sites

On April 1, 2021, the Company acquired all of the issued and outstanding shares of Futbol Sites LLC and Odenton Company S.A. (collectively referred to as “Futbol Sites” or “FSN”) for aggregate consideration of up to $35,000,000.

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 $12,500,000 in a convertible debenture.

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 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 in the form of a reverse takeover. As a result, 38,074,461 common shares of the Company were issued to the holders of the convertible debentures at a fair value of $14,178,082. $102,740 in interest expense was recognized as a result of interest accrued until May 31, 2021 and the fair value change of $678,429 was realized in the consolidated statements of net loss and comprehensive loss. See *Note 12*.

As part of the purchase consideration, the Company agreed to pay for working capital amounts held by Futbol Sites exceeding $750,000 as of the acquisition date. Total cash consideration for the working capital was $1,645,669.

Yardbarker

On July 26, 2021, the Company acquired 100% of the common shares of YB Media, LLC (“Yardbarker” or “YB”) for aggregate consideration of up to $24,000,000.

The purchase price consideration consisted of a payment of $10,000,000 in cash (inclusive of $500,000 of deferred consideration) and the issuance of $8,000,000 of Playmaker common shares (the “YB Initial Shares”) on closing, up to an additional $2,000,000 of Playmaker common shares (the “YB Contingent Shares”) to be issued to the sellers upon Yardbarker achieving a minimum EBITDA targets 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 targets in each of the two years following closing.

The YB Initial Shares were priced at CAD$0.55 per share resulting in the issuance of 18,280,762 shares with a fair value of $5,535,817. The YB 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.

As part of the purchase consideration, the Company agreed to pay for working capital amounts held by Yardbarker exceeding $525,000 as of the acquisition date. Total cash consideration for the working capital was $306,515.

5. Reverse takeover transaction, business combinations and asset acquisitions (continued)

Two-Up Agency Ltd.

On August 31, 2021, the Company acquired 100% of the outstanding common shares of Two-Up Agency Ltd. ("Two-Up" or "TU") 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 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 common share consideration on closing resulted in the issuance of 5,293,656 shares with a fair value of $2,559,409.

As part of the purchase consideration, the Company agreed to pay for working capital amounts held by Two-Up exceeding £125,000 as of the acquisition date. Two-up had working capital below the target resulting in $22,890 owed to the Company.

The Nation Network

On November 2, 2021, the Company acquired all of the issued and outstanding common shares of Oilersnation.com Ltd. and its wholly-owned subsidiary, DailyFaceoff.com Ltd., (collectively referred to as "The Nation Network" or "TNN") for aggregate consideration of up to CAD$15,000,000.

The purchase price consideration consisted of a payment of CAD$6,000,000 ($4,837,200) in cash, the issuance of CAD$6,000,000 ($4,837,200) of common shares and up to CAD$3,000,000 ($2,418,600) in earn-out consideration payable upon the achievement of certain EBITDA and revenue targets over the twelve-month period following closing.

The common share consideration on closing resulted in the issuance of 8,894,349 shares with a fair value of $4,732,660.

As part of the purchase consideration, the Company agreed to pay for working capital amounts held by The Nation Network exceeding CAD$350,000 ($282,170) as of the acquisition date. Total cash consideration owing for the working capital was $380,602.

SuperPoker

On November 3, 2021, the Company acquired all of the issued and outstanding common shares of the legal entities Spkr Midias E Eventos Ltda. and Editora Flop Ltda (collectively referred to as "SuperPoker" or "SP") 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 $1,000,000 in the form of an earn-out payable upon the achievement of certain revenue targets in calendar 2022 and 2023.

The common share consideration on closing resulted in the issuance of 2,735,503 shares with a fair value of $1,497,972.

As part of the purchase consideration, the Company agreed to pay for working capital amounts held by SuperPoker exceeding $70,000 as of the acquisition date. SuperPoker had working capital below the target resulting in $74,299 owed to the Company.

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

5. Reverse takeover transaction, business combinations and asset acquisitions (continued)

Purchase price allocation summary

The following table is purchase price allocations for all business combinations:

	FSN	YB	TU	TNN	SP
Fair value of identifiable net assets					
Cash	$ 1,417,203	$ 475,447	$ 21,432	$ 673,285	$ 22,194
Accounts receivable	1,770,523	897,797	556,884	346,563	1,944
Prepaid and other current assets	228,834	54,097	10,391	12,210	1,932
Equipment	41,939	-	15,834	277,918	16,381
Intangible assets	50,531	-	-	-	-
Intangible asset – Brand	22,017,000	4,116,000	108,000	10,493,499	1,965,000
Intangible asset – Application	493,000	-	-	-	-
Intangible asset – Customer relationship	-	4,180,000	758,000	-	-
Intangible asset – Streaming rights	-	-	-	-	115,000
Goodwill	9,174,155	11,282,260	3,559,207	2,022,806	2,299,811
Deferred tax asset	-	-	-	115,782	-
Other long-term assets	-	-	-	11,246	-
Accounts payable	(525,787)	(3,746)	(62,988)	(108,581)	(2,131)
Accrued expenses and other current liabilities	(466,939)	(592,080)	(361,962)	(260,705)	(28,241)
Lease liability	-	-	-	(268,955)	-
Long-term debt	(135,511)	-	(66,457)	-	-
Deferred tax liability	(1,572,564)	-	(211,583)	(1,732,605)	(707,200)
Total fair value of identifiable net assets	**$ 32,492,384**	**$ 20,409,775**	**$ 4,326,758**	**$ 11,582,463**	**$ 3,684,690**
Consideration					
Cash	$ 6,000,000	$ 9,500,000	$ 750,000	$ 4,837,200	$ 1,750,000
Common shares	-	5,535,817	2,559,409	4,732,660	1,497,972
Working capital	1,645,669	306,515	(22,890)	380,602	(74,301)
Deferred consideration	3,770,605	500,000	-	-	-
Convertible debenture	13,392,729	-	-	-	-
Contingent consideration	7,683,381	4,567,443	1,092,043	1,632,001	511,019
Less: long-term debt assumed (net of short-term portion)	-	-	(51,804)	-	-
Total consideration	**$ 32,492,384**	**$ 20,409,775**	**$ 4,326,758**	**$ 11,582,463**	**$ 3,684,690**
Impact since acquisition:					
Revenue	**$** 11,427,406	**$** 2,268,216	**$** 543,007	**$** 464,214	**$** 117,311
Net income before taxes	**$** 3,871,656	**$** 1,304,307	**$** (36,358)	**$** (76,766)	**$** 54,186
Transaction costs	**$** 274,786	**$** 161,413	**$** 209,211	**$** 147,829	**$** 37,707

5. Reverse takeover transaction, business combinations and asset acquisitions (continued)

Transaction costs are included in the consolidated statements of net loss and comprehensive loss and are part of operating activities in the consolidated statements of cash flows.

Goodwill

The goodwill recognized across all business combinations is primarily attributed to the expected synergies, assembled workforce and other benefits from combining the assets and activities of Futbol Sites, Yardbarker, Two-Up, The Nation Network and SuperPoker with those of the Company. The goodwill is not deductible for income tax purposes.

Impact of acquisitions

If all the above acquisitions had taken place at the beginning of the year, consolidated revenue for the year ended December 31, 2021, would have been $22,973,629 and consolidated net loss before taxes for the same period would have been $2,768,261.

Asset acquisitions

The following are accounted for as asset acquisitions as they do not meet the IFRS 3 definition of a business due to the lack of substantive processes acquired.

Fanáticos Por Futebol

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 for an ongoing monthly fee of R$15,000 ($2,950). Amounts below are stated in Brazilian Real (“BRL” or “R$”) and then converted to U.S. Dollar using the exchange rate on June 11, 2021 of 1 USD = 5.085604 BRL.

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).

SoccerMemes

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

Varksy Sports

On November 1, 2021, the Company entered into an agreement to purchase Varsky Sports, which was comprised of a domain name, social media accounts and licensed rights. In connection with the purchase and sales agreement, the Company entered into a Services Agreement with the seller whereby the seller would provide services – including public appearances and content creation – for a period of 2 years for total annual fees of $60,000 comprised of $30,000 in cash and $30,000 in common shares issued at the greater of C$0.55 per share or the trailing 20-day average, volume adjusted share price.

The purchase consideration consisted of a cash payment of $175,000 and $25,000 in common shares. Common share consideration resulted in 45,479 shares issued at CAD$0.68.

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

5. Reverse takeover transaction, business combinations and asset acquisitions (continued)

Cracks

On December 17, 2021, the Company acquired the digital media assets, trademarks and copyrights of Cracks for a total purchase consideration of up to $1,560,000.

The total purchase consideration consists of $750,000 cash consideration with an amount of $354,691 in deferred consideration and up to $810,000 in contingent consideration based on certain milestones and performance related targets. The agreement also includes $160,000 in services provided by the vendors to the Company in 2022.

Purchase consideration summary

The following table shows allocations for the asset acquisitions in the year:

	Fanaticos	Soccermemes	Varsky	Cracks
Fair value of identifiable net assets				
Digital media assets	$ 396,991	$ 100,000	$ -	$ 1,642,832
Licensed rights	-	-	200,804	-
Consideration				
Cash	$ 204,290	$ 100,000	$ 175,000	$ 395,309
Common shares	-	-	25,000	-
Deferred consideration	22,613	-	-	354,691
Contingent consideration	170,088	-	-	810,000
Transaction costs	-	-	804	82,832
Total consideration	**$ 396,991**	**$ 100,000**	**$ 200,804**	**$ 1,642,832**

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

6. Revenue

The following table summarizes sales by country based on the customer's country of domicile for the years ended December 31:

		2021		2020
United States	$	9,262,846	$	-
Canada		1,133,876		-
Chile		936,075		-
Argentina		819,832		-
Israel		657,990		-
Mexico		675,780		-
United Kingdom		543,007		
Other		790,748		-
Total revenue	**$**	**14,820,154**	**$**	**-**

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 consolidated 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 tables summarize the operating results of each segment for years ended December 31:

2021		Digital media		Technology services		Corporate		Total
Revenue	$	14,277,147	$	543,007	$	-	$	14,820,154
Gross margin		13,425,301		204,952		-		13,630,253
Operating expenses		8,253,537		241,545		3,370,185		11,865,267
Operating income (loss)		5,171,764		(36,593)		(3,370,185)		1,764,986
Other expenses		221,414		(235)		5,305,609		5,526,788
Net income (loss)		4,869,658		(60,944)		(8,350,970)		(3,542,256)

2020		Digital media		Technology services		Corporate		Total
Revenue	$	-	$	-	$	-	$	-
Gross margin		-		-		-		-
Operating expenses		-		-		240,401		240,401
Operating loss		-		-		(240,401)		(240,401)
Other expenses		-		-		25,781		25,781
Net loss		-		-		(266,182)		(266,182)

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

7. Segment information (continued)

The following tables summarize the geographic location of certain balance sheet captions as at December 31:

2021	Canada	United States	United Kingdom	Uruguay	Rest of World	Total
Cash and cash equivalents	$ 3,530,037	$ 1,620,942	$ 298,929	$ 1,130,900	$ 530,920	$ 7,111,728
Accounts receivable	385,940	2,418,118	421,850	542,642	638,169	4,406,719
Total current assets	4,081,731	4,168,558	720,779	1,684,858	1,304,063	11,959,988
Intangible assets	41,388,373	163,204	-	4,220,942	35,578	45,808,097
Goodwill	26,062,271	-	-	2,330,826	-	28,393,097
Total assets	$ 73,120,613	$ 4,341,918	$ 734,142	$ 8,236,626	$ 1,395,101	$ 87,828,400
Accounts payable	$ 139,791	$ 303,177	$ 11,834	$ -	$ 112,770	$ 567,572
Total current liabilities	13,067,558	1,034,261	429,453	1,376,991	476,993	16,385,256
Total liabilities	$ 28,005,958	$ 1,034,261	$ 476,162	$ 1,777,263	$ 476,993	$ 31,770,637

2020	Canada	United States	United Kingdom	Uruguay	Rest of World	Total
Cash and cash equivalents	$ 6,631,358	$ -	$ -	$ -	$ -	$ 6,631,358
Accounts receivable	-	-	-	-	-	-
Total current assets	6,634,465	-	-	-	-	6,634,465
Intangible assets	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Total assets	$ 6,635,075	$ -	$ -	$ -	$ -	$ 6,635,075
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Total current liabilities	87,767	-	-	-	-	87,767
Total liabilities	$ 87,767	$ -	$ -	$ -	$ -	$ 87,767

(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:

	Office equipment	Right-of-use asset	Leasehold improvements	Computer hardware	Total
December 31, 2019	$ -	$ -	$ -	$ 4,168	$ 4,168
Depreciation	-	-	-	(1,179)	(1,179)
Disposal	-	-	-	(2,201)	(2,201)
Foreign exchange	-	-	-	(178)	(178)
December 31, 2020	$ -	$ -	$ -	$ 610	$ 610
Acquired (*Note 5*)	13,949	268,955	-	69,168	352,072
Additions	52,371	263,909	154,362	39,682	510,324
Depreciation	(6,391)	(37,273)	(9,192)	(17,785)	(70,641)
Foreign exchange	542	(18,848)	(624)	4,946	(13,984)
December 31, 2021	**$** 60,471	**$** 476,743	**$** 144,546	**$** 96,621	**$** 778,381

9. Intangible assets

The following table presents intangible assets by category:

	Software and website	Digital media, Licensed rights and application	Streaming rights	Customer Relationship	Brand	Total
December 31, 2019	$ -	$ -	$ -	$ -	$ -	$ -
December 31, 2020	$ -	$	$	$ -	$ -	$ -
Acquired (*Note 5*)	50,531	2,833,627	115,000	4,938,000	38,699,499	46,636,657
Additions	9,790	45,800	-	-	-	55,590
Amortization	(23,590)	(315,480)	(1,933)	(229,597)	(7,200)	(577,800)
Foreign exchange	12,925	-	2,218	(14,101)	(307,392)	(306,350)
December 31, 2021	**$** 49,656	**$** 2,563,947	**$** 115,285	**$** 4,694,302	**$** 38,384,907	**$** 45,808,097

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

10. Goodwill

The following table presents a reconciliation of goodwill by CGU:

	Futbol Sites	Yardbarker	Two-Up	The Nation Network	SuperPoker	Total
December 31, 2019	$ -	$ -	$ -	$ -	$ -	$ -
December 31, 2020	$ -	$ -	$ -	$ -	$ -	$ -
Acquired (*Note 5*)	9,174,155	11,282,260	3,559,207	2,022,806	2,299,811	28,338,239
Foreign exchange	-	-	33,309	(9,466)	31,015	54,858
December 31, 2021	$ 9,174,155	$ 11,282,260	$ 3,592,516	$ 2,013,340	$ 2,330,826	$ 28,393,097

The following table shows the indefinite lived intangible asset allocated to each CGU as part of impairment testing:

	Futbol Sites	Yardbarker	The Nation Network	SuperPoker
Brand (indefinite lived)	$ 22,017,000	$ 4,116,000	$ 10,248,819	$ 2,003,266

The Company performed its annual impairment testing at December 31, 2021, and determined that no impairment charge was necessary. The Company chose the value-in-use approach to determine the value of the CGUs outlined above. The recoverable amount of the Company's CGUs was estimated based on an assessment of their value in use using a discounted cash flow approach. 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. The Company has made certain assumptions in determining the expected future cash flows based on budgets approved by management and include management's best estimate of expected market conditions. Accordingly, it is reasonably possible that future changes in assumptions may negatively impact future valuations of goodwill and the Company would be required to recognize an impairment loss. The following are key assumptions on which management based its determinations of the recoverable amount for goodwill based on each CGU's value in use:

	Futbol Sites	Yardbarker	Two-Up	The Nation Network	SuperPoker
Average revenue growth rates	9%	4%	16%	33%	15%
Terminal growth rates	2%	2%	2%	2%	2%
Pre-tax discount rates	18%	13%	21%	19%	23%

The Company determined the revenue growth rate, the terminal revenue growth rate based on past performance and its expectations for market development. The pre-tax discount rates used reflect specific risks in relation to the CGU. The Company noted that 1% change in the discount rates would not generate impairment and therefore will not disclose any further sensitivity analysis.

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

11. Lease liability and obligations

The Company's leased assets only include office premises. When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using an incremental borrowing rate of 4.09% to 5.70%.

The following table presents the reconciliation of the lease liability:

		Office lease
December 31, 2019	$	-
December 31, 2020	$	-
Additions during the period		528,207
Lease payments		(13,778)
Interest expense		4,694
Foreign exchange		(15,115)
December 31, 2021	$	504,008
Less: current portion of lease liability		(88,951)
Long-term lease liability		415,057

The Company expenses payments for short-term leases and low-value leases as incurred. These payments for the years ended December 31, 2021 and 2020, were $50,803 and $20,035, respectively.

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

Less than 1 year	$	111,737
1 to 2 years		116,658
2 to 3 years		120,006
3 to 4 years		124,928
4 to 5 years		94,313
5 and more years		-
Total		567,642

12. Long-term and convertible debt

The Company acquired $135,511 in debt with the acquisition of Futbol Sites (*Note 5*). 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 December 31, 2021, the total remaining balance outstanding was $61,073, of which $14,365 was due within the next twelve months. This loan bears an interest rate of 2.5%, per annum.

The following reconciles the convertible debt that was issued with the Futbol Sites acquisition:

		Convertible debt
December 31, 2020	$	-
Issued (*Note 5*)		13,392,729
Interest expense		102,740
Fair value change		678,429
Settlement (*Note 5*)		(14,178,082)
Foreign exchange		4,184
December 31, 2021	$	-

Fair value of the convertible debt was determined using a binomial lattice methodology based on a Cox-Ross-Rubenstein approach. The calculation was based on a share price on settlement of $0.41 (C$0.50) which was discounted at 80% based on the agreement and a 10% discount for lack of marketability at the time of issuance.

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

13. Deferred and contingent consideration

The following reconciles the deferred and contingent consideration:

		Deferred Consideration		Contingent Consideration
December 31, 2020	$	-	$	-
Acquired		4,647,909		16,465,975
Changes in fair value		46,238		2,854,767
Settled (*Note 5*)		(500,000)		-
Foreign Exchange		-		(8,305)
December 31, 2021	$	4,194,147	$	19,312,437
Current portion	$	2,345,759	$	10,475,031
Long-term portion	$	1,848,388	$	8,837,406

Fair value of the deferred and contingent consideration was determined using a Monte Carlo Simulation (“MSC”) approach for estimating the corresponding payments. The assumptions used the following inputs:

Risk free rate	0.06% - 1.90%
Weighted average cost of capital	14.0% - 22.3%
Volatility on inputs	25%-88%
Share price	CAD $0.76

14. Share capital

a) Common shares

The Company is authorized to issue an unlimited number of common shares. As at December 31, 2021, the Company has 35,150,390 shares held in escrow. The following table reflects the continuity of common shares:

	Number of Shares[i]	**US ($)**
Balance, December 31, 2019	4,000,000	100
Preferred shares exchanged to common shares	10,700,000	-
Common shares issued	15,300,000	382
Balance, December 31, 2020	**30,000,000**	**482**
Founder options exercised	9,550,000	328
Conversion of preferred shares to common shares on RTO (*Note 14b)*	49,060,000	12,516,919
Subscription receipts[ii]	48,000,000	19,881,600
Conversion of convertible debt to common shares (*Note 5*)	38,074,461	14,178,082
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
Common shares issued to Varsky Sports (*Note 5*)	45,479	25,000
Common shares issued to The Nation Network (*Note 5*)	8,894,349	4,732,660
Common shares issued to SuperPoker (*Note 5*)	2,735,503	1,497,972
Options exercised (*Note 14d*)	101,200	36,465
Warrants exercised (*Note 14c*)	131,384	39,790
Balance, December 31, 2021	**212,061,061**	**61,788,190**
Less: Share issuance costs		1,293,820
Share capital		**60,494,370**

(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)

14. 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, 2019	**8,000,000**	**2,000,000**
Seed Preferred Shares repurchased	(666,664)	(166,666)
Preferred Shares exchanged	(1,007,676)	-
Preferred Shares issued	3,674,340	918,585
Preferred Shares issued	17,040,000	4,260,000
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 (*Note 14a*)	(49,060,000)	(12,516,919)
Balance, December 31, 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.

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

14. Share capital (continued)

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, 2019	-	N/A	N/A
Issued with preferred shares	206,400	0.25	0.50
Outstanding, December 31, 2020	206,400	0.25	**0.50**
Issued with preferred shares[ii]	524,400	0.25	0.50
Issued with subscription receipts[iii]	1,575,600	0.41	0.92
Exercised	(131,384)	0.31	0.76
Outstanding, December 31, 2021	**2,175,016**	**0.37**	**0.78**

(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.

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 stock price	CAD $0.00001 - $0.50
Expected volatility	95%
Forfeiture rate	0%
Dividend yield	0%

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

14. Share capital (continued)

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 year ended December 31, 2021, the Company recognized $576,778 (2020: $29,908) 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	CAD $0.00001 - $0.69
Expected volatility	78% - 87%
Forfeiture rate	0%
Dividend yield	0%

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, 2019	-	N/A	N/A
Issued	450,000	0.0250	8.38
Outstanding, December 31, 2020	**450,000**	**0.0250**	**8.38**
Issued	7,714,200	0.3674	9.10
Issued Founders' Options[ii]	9,550,000	0.000025	N/A
Founders' Options exercised[ii]	(9,550,000)	0.000025	N/A
Exercised	(101,200)	0.3728	0.41
Forfeitures	(400,000)	0.2500	9.09
Outstanding, December 31, 2021	**7,663,000**	**0.3534**	**9.17**
Exercisable, December 31, 2021	**234,667**	**0.1554**	**5.16**

(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.

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

15. 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.

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:

	December 31, 2021	December 31, 2020
Current	$ 3,028,706	$ -
1-29 days past due	464,416	-
30-59 days past due	619,584	-
60-89 days past due	137,621	-
Over 90 days past due	156,392	-
Total	$ 4,406,719	$ -

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

15. Financial instruments (continued)

iii. Major customers

The following table summarizes sales to major customers:

		Revenue Year ended December 31, 2021	% of Revenue		Accounts Receivable	% of Accounts Receivable
Customer A	$	4,426,502	29.87%	$	854,666	19.40%
Customer B		1,445,670	9.75%		636,764	14.45%
Total	$	5,872,172	39.62%	$	1,491,430	33.85%

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 December 31, 2021, the Company had a cash balance of $7,111,728 (December 31, 2020: $6,631,358) to pay current liabilities of $16,385,256 (December 31, 2020: $87,767).

The table below summarizes the Company's contractual obligations into relevant maturity groups at the balance sheet date based on the expected contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows for operations:

		2021		2022		2023		2024		2025		Total
Accounts Payable	$	567,572	$	-	$	-	$	-	$	-	$	567,572
Deferred Consideration		-		2,345,759		1,848,388		-		-		4,194,147
Contingent Consideration		-		10,475,031		8,335,636		501,771		-		19,312,437
Long-Term Debt		-		14,365		46,708		-		-		61,073
Total	$	567,572	$	12,835,155	$	10,230,732	$	501,771	$	-	$	24,135,229

Overall, the Company sees itself having limited liquidity risk due to the fact it has positive cash flow from operations and a positive operating income, along with recognizing that a portion of the contingent consideration will be settled in shares. The Company has access to capital markets to raise funds as needed to sustain its financial obligations and needs.

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 due to the nominal value of debt.

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.

15. Financial instruments (continued)

The Company's operations are exposed to exchange rate changes in the Canadian dollar relative to the United States dollar since a portion of sales and expenses are denominated in Canadian dollars. As at December 31, 202, a fluctuation of the Canadian dollar of 5% would result in an exchange gain or loss on the net financial assets of approximately $88,000 (2020: $nil).

The Company's operations are exposed to exchange rate changes in the Great Britain pound relative to the United States dollar since a portion of sales and expenses are denominated in Great Britain pound. As at December 31, 2021, a fluctuation of the Great Britain pound of 5% would result in an exchange gain or loss on the net financial assets of approximately $35,000 (2020: $nil).

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

iii. Commodity risk

The Company is not exposed to commodity price risk.

16. 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.

17. Related party transactions

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

During the year ended December 31, 2021, the Company incurred $538,467 in share-based compensation expense associated to executives and board members of the Company.

During the year ended December 31, 2021, the Company incurred $1,144,918 in salary and wages expense associated to executives of the Company.

During the year ended December 31, 2021, the Company incurred expenses of $4,013 (2020: $61,430) which were paid for by an affiliate of a board member and reimbursed by the Company.

During the year ended December 31, 2021, the Company incurred professional fees of $160,599 (2020: $13,885) 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 year ended December 31, 2021, the Company incurred no occupancy costs (2020: $20,035) 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*).

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

18. Income tax

Provision for income taxes

The Company's income tax expense (income) varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below for year ended December 31:

		2021		2020
Net loss before taxes	$	(3,761,802)	$	(266,182)
Statutory tax rate		26.50%		26.50%
Income tax income based on applicable statutory tax rate[1]		(996,878)		(70,538)
(Decrease) increase in taxes resulting from:				
Impact of jurisdictional rate differences		78,495		-
Non-deductible transaction costs		348,753		-
Stock-based compensation		153,983		-
Exempt income		(772,437)		-
Non-deductible costs and permanent items		200,849		1,355
Change in unrecognized tax benefits		756,132		69,183
Other items		11,557		-
Income tax income		**(219,546)**		**-**
Current income tax expense		105,278		-
Deferred income tax income		(324,824)		-
	$	**(219,546)**	**$**	**-**

[1]Statutory rate for 2021 is 26.50% (2020: 26.50%)

The components of the current income tax expense and deferred income tax income:

		2021		2020
Current income tax expense				
Current Period	$	105,278	$	-
Adjustment in respect of prior periods		-		-
		105,278		**-**
Deferred income tax income				
Origination and reversal of temporary differences		(204,359)		-
Effect of change in income tax rates		(4,352)		-
Adjustment in respect of prior periods		(116,113)		-
		(324,824)		**-**
Income tax income	**$**	**(219,546)**	**$**	**-**

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

18. Income tax

Deferred tax assets (liabilities)

Deferred tax assets are recognized if management has determined that it is probable that such deferred tax assets may be recovered. The change in the year for the components of the deferred tax assets and liabilities are as follows:

	Opening balance	Recognized in net income	Recognized in equity	Business combination	Closing balance
Deferred tax assets					
Property and equipment	$ -	$ 4,746	$ -	$ 227,667	$ 232,413
Non-capital loss / Net operating loss carryforward balance	-	170,095	-	65,711	235,806
Net right of use asset	-	6,752	-	411	7,163
Financing fees	-	146,571	-	-	146,571
Share issuance expenses	-	-	433,005	-	433,005
	$ -	$ 328,164	$ 433,005	$ 293,789	$ 1,054,958
Deferred tax liabilities					
Property and equipment	$ -	$ (15,600)	$ -	$ -	$ (15,600)
Goodwill	-	(145,852)	-	-	(145,852)
Intangibles	-	158,111	-	(4,421,323)	(4,263,212)
	$ -	$ (3,341)	$ -	$ (4,421,323)	$ (4,424,664)
Net deferred tax assets (liabilities)	**$ -**	**$ 324,823**	**$ 433,005**	**$ (4,127,534)**	**$ (3,369,706)**

As at December 31, 2021 and 2020, the Company believes that the following deductible temporary differences relating to items charged or credited directly to income, do not currently meet the criteria for recognition:

	2021	2020
Property and equipment / Intangibles	$ 1,578,417	$ -
Non-capital loss / Net operating loss carryforward balance	2,262,758	397,245
Other	4,384	34,208
Total unrecognized net deductible temporary differences in net loss	**$ 3,845,559**	**$ 431,453**

Non-capital losses

As at December 31, 2021, the Company has income tax losses of approximately $3,249,803 (2020: $397,245), which may be used to reduce future years' taxable income. Approximately $2,300,000 of these non-capital or net operating losses have not been recognized in the current year (2020: approximately $397,000).

	Expiry	Non-capital losses
Canada	2039-2041	1,097,519
United States	Indefinite	2,103,504
Other jurisdictions	Various	48,780

19. 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:

	January 1, 2020		December 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 December 31, 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:

	December 31, 2020	
	CAD ($)	USD ($)
Operating expenses	325,861	240,401
Non-operating income	27,843	25,781
Net loss	(353,704)	(266,182)
Other comprehensive loss	-	47,932
Net loss and comprehensive loss	(353,704)	(218,250)

20. Subsequent events

On January 5, 2022, the Company purchased the digital media assets of Futmarketing for aggregate consideration of up to $4,143,981. The purchase price consideration consisted of (i) a cash payment of $845,000 at closing and a deferred cash payment of $125,000 on the second anniversary of closing, (ii) a cash payment of $30,000 within 10 days after certain marks for digital assets are transferred, (iii) the issuance of $500,000 of common shares on closing, priced at CAD$0.70 and (iv) up to a maximum of $2,643,981 million in the form of an earn-out, payable to the sellers upon Futmarketing achieving certain performance related targets over the period beginning on December 1, 2021 and ending on June 30, 2024.