

**Playmaker Capital Inc.**  
**Condensed Consolidated Interim Financial Statements (Unaudited)**  
For the three months ended March 31, 2022 and 2021  
(Stated in U.S. dollars)

**NOTICE TO SHAREHOLDERS**

The accompanying unaudited condensed consolidated interim financial statements of Playmaker Capital Inc. (formerly Apolo III Acquisition Corp.) for the three months ended March 31, 2022 and 2021 have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

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

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

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

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 5,066,882	\$ 7,111,728
Accounts receivable	13	3,981,195	4,406,719
Income taxes receivable		99,553	45,711
Inventory		188,160	18,770
Prepaid and other current assets		459,708	377,061
<b>Total current assets</b>		<b>9,795,498</b>	<b>11,959,989</b>
Property and equipment	6	944,617	778,381
Intangible assets	7	48,671,392	45,808,097
Goodwill	8	28,422,683	28,393,097
Deferred tax asset		882,337	868,116
Other long-term assets		41,994	20,720
<b>Total assets</b>		<b>\$ 88,758,521</b>	<b>\$ 87,828,400</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable	13	\$ 629,244	\$ 567,572
Income taxes payable		99,853	81,264
Deferred revenue		142,770	188,993
Accrued expenses and other current liabilities		2,141,374	2,623,321
Current portion of lease liability	9	129,106	88,951
Current portion of long-term debt		-	14,365
Current deferred consideration	11	2,155,000	2,345,759
Current contingent consideration	11	14,125,376	10,475,031
<b>Total current liabilities</b>		<b>19,422,723</b>	<b>16,385,256</b>
Long-term debt		-	46,708
Long-term lease liability	9	538,416	415,057
Deferred tax liability		4,002,790	4,237,822
Deferred consideration	11	1,878,710	1,848,388
Contingent consideration	11	8,671,713	8,837,406
<b>Total liabilities</b>		<b>34,514,352</b>	<b>31,770,637</b>
<b>Shareholders' Equity</b>			
Share capital	12	61,034,944	60,494,370
Contributed surplus		813,278	606,863
Warrant reserve		299,517	303,278
Accumulated other comprehensive (loss) income		(526,205)	(1,368,266)
Deficit		(7,377,365)	(3,978,482)
<b>Total shareholders' equity</b>		<b>54,244,169</b>	<b>56,057,763</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 88,758,521</b>	<b>\$ 87,828,400</b>

**Commitments** (Note 9)

**Subsequent events** (Note 16)

Approved on behalf of the Board of Directors

/s/ John Albright

Director

/s/ Jordan Gnat

Director

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

**Playmaker Capital Inc.**

**Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss**

Unaudited  
(Stated in U.S. dollars, except share information)  
For the three months ended March 31

	Note	2022	2021
<b>Revenue</b>	4	<b>\$ 5,816,573</b>	<b>\$ -</b>
Cost of sales		728,969	-
<b>Gross profit</b>		<b>5,087,604</b>	<b>-</b>
<b>Operating expenses</b>			
Advertising, commissions and fees		478,803	-
Web services and publishing		223,252	-
Salary and wages		2,996,461	17,826
Professional fees		475,036	82,571
General and administration		432,417	7,961
Share-based compensation	12	213,810	90
Depreciation and amortization	6, 7	940,836	297
Total operating expenses		<b>5,760,615</b>	<b>108,745</b>
<b>Operating income (loss)</b>		<b>(673,011)</b>	<b>(108,745)</b>
Listing and filing fees		(5,827)	-
Transaction costs		(648,934)	(56,389)
Interest expense		(10,483)	-
Other income		7,823	-
Other expenses		(12,226)	-
Change in fair value of consideration	11	(1,896,772)	-
Foreign exchange gain (loss)		(137,314)	(173,971)
<b>Net loss before taxes</b>		<b>(3,376,744)</b>	<b>(339,105)</b>
Deferred income tax recovery		-	-
Current income tax expense		(22,139)	-
<b>Net loss</b>		<b>\$ (3,398,883)</b>	<b>\$ (339,105)</b>
Other comprehensive (loss) income:			
(Loss) gain on translation		842,061	174,934
<b>Net loss and comprehensive loss</b>		<b>\$ (2,556,822)</b>	<b>\$ (164,170)</b>
<b>Basic and diluted net loss per share</b>		<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Basic and diluted weighted average number of shares</b>	12	<b>212,960,634</b>	<b>30,000,000</b>

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

**Playmaker Capital Inc.**  
**Condensed Consolidated Interim Statement of Changes in Shareholders' Equity**  
Unaudited  
*(Stated in U.S. dollars)*

	Note	Share Capital (\$)	Contributed Surplus (\$)	Warrant Reserve (\$)	Accumulated OCI (\$)	Deficit (\$)	Shareholders' Equity (\$)
<b>As at December 31, 2021</b>		<b>60,494,370</b>	<b>606,863</b>	<b>303,278</b>	<b>(1,368,266)</b>	<b>(3,978,482)</b>	<b>56,057,763</b>
Issue of common shares to Futmarketing	12a	500,000	-	-	-	-	500,000
Warrant exercises	12a,b	30,574	-	(3,761)	-	-	26,813
Share-based compensation	12a,c	10,000	206,415	-	-	-	216,415
Net loss		-	-	-	842,061	(3,398,883)	(2,556,822)
<b>As at March 31, 2022</b>		<b>61,034,944</b>	<b>813,278</b>	<b>299,517</b>	<b>(526,205)</b>	<b>(7,377,365)</b>	<b>54,244,169</b>
<b>As at December 31, 2020</b>		<b>6,823,258</b>	<b>30,740</b>	<b>38,740</b>	<b>90,796</b>	<b>(436,226)</b>	<b>6,547,308</b>
Issue of preferred shares		5,505,000	-	-	-	-	5,505,000
Issue costs		(149,727)	-	-	-	-	(149,727)
Share-based compensation		-	90	-	-	-	90
Net loss		-	-	-	174,934	(339,104)	(164,170)
<b>As at March 31, 2021</b>		<b>12,178,531</b>	<b>30,830</b>	<b>38,740</b>	<b>265,730</b>	<b>(775,330)</b>	<b>11,738,501</b>

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

**Playmaker Capital Inc.**  
**Condensed Consolidated Interim Statements of Cash Flows**

Unaudited  
(Stated in U.S. dollars)  
For the three months ended March 31

<b>Operating activities</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Net loss		\$ (3,398,883)	\$ (339,104)
Depreciation and amortization	6, 7	940,836	297
Share-based compensation		213,810	90
Non-cash interest expense	9	6,543	-
Change in fair value of contingent consideration	11	1,896,772	-
Unrealized foreign exchange (gain) loss		137,314	155,775
Change in non-cash working capital:			
Accounts receivable		425,524	(25)
Income taxes receivable		(53,842)	-
Inventory		(169,390)	-
Prepaid and other assets		(94,998)	(31,146)
Accounts payable		61,672	25
Income taxes payable		18,589	-
Deferred revenue		(46,223)	-
Accrued expenses and other current liabilities		(543,023)	(26,321)
<b>Net cash flows used in operating activities</b>		<b>(605,299)</b>	<b>(240,409)</b>
<b>Investing activities</b>			
Restricted Cash – Futbol Sites Acquisition		-	(6,000,000)
Acquisition of Futmarketing	3	(875,000)	-
Settlement of consideration	11	(429,691)	-
Purchase of property and equipment	6	(25,117)	(3,087)
Purchase of intangibles	7	(44,040)	-
<b>Net cash flows used in investing activities</b>		<b>(1,373,848)</b>	<b>(6,003,087)</b>
<b>Financing activities</b>			
Issuance of preferred shares		-	5,505,000
Issuance costs on preferred and common shares		-	(149,727)
Warrants exercised	12c	26,813	-
Lease liability principal payments	9	(40,161)	-
<b>Net cash flows provided by financing activities</b>		<b>(13,348)</b>	<b>5,355,273</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>(1,992,495)</b>	<b>(888,223)</b>
<b>Foreign exchange impact</b>		<b>(52,351)</b>	<b>19,160</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>7,111,728</b>	<b>6,631,358</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 5,066,882</b>	<b>\$ 5,762,295</b>

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

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)  
For the three months ended March 31, 2022

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### 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".

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

Certain information and footnote disclosures normally included in the annual audited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect on January 1, 2022, have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company's December 31, 2021 audited financial statements.

Certain comparative figures have been reclassified to conform to the current year's presentation.

The results reported in these interim consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for an entire year. The policies set out below are consistently applied to all periods presented, unless otherwise noted.

These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 12, 2022.

#### **Basis of measurement**

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

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. These condensed interim financial statements have been prepared using the same judgements, estimates and assumptions as reported in the Company's December 31, 2021 audited annual financial statements.

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

### 3. Asset acquisition

#### *Futmarketing*

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.

#### *Purchase consideration summary*

The following table shows allocations for the asset acquisition during the period:

	<b>Futmarketing</b>	
<b>Fair value of identifiable net assets</b>		
Digital media assets	\$	3,201,563
<b>Consideration</b>		
Cash	\$	875,000
Common shares		500,000
Deferred consideration		155,000
Contingent consideration		1,671,563
<b>Total consideration</b>	<b>\$</b>	<b>3,201,563</b>

### 4. Revenue

The following table summarizes sales by country based on the customer's country of domicile for the three months end March 31:

	<b>2022</b>		<b>2021</b>	
United States	\$	3,314,390	\$	-
Canada		667,938		-
Chile		329,166		-
Spain		153,084		-
Argentina		120,879		-
Israel		125,172		-
Mexico		200,334		-
United Kingdom		455,484		-
Other		450,126		-
<b>Total revenue</b>	<b>\$</b>	<b>5,816,573</b>	<b>\$</b>	<b>-</b>

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

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

For the three months ended March 31, 2022

### 5. Segment information

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

The following tables summarize the operating results of each segment:

#### Three months ended March 31, 2022

	Digital media		Technology services		Corporate		Total	
Revenue	\$	5,361,089	\$	455,484	\$	-	\$	5,816,573
Gross margin		4,980,275		107,329		-		5,087,604
Operating expenses		3,314,103		161,644		2,284,868		5,760,615
Operating income (loss)		1,666,172		(54,315)		(2,284,868)		(673,011)
Other expenses		23,597		-		2,680,136		2,703,733
Net income (loss)		1,620,436		(54,315)		(4,965,004)		(3,398,883)

#### Three months ended March 31, 2021

	Digital media		Technology services		Corporate		Total	
Revenue	\$	-	\$	-	\$	-	\$	-
Gross margin		-		-		-		-
Operating expenses		-		-		108,745		108,745
Operating loss		-		-		(108,745)		(108,745)
Other expenses		-		-		230,360		230,360
Net loss		-		-		(339,105)		(339,105)



**Playmaker Capital Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**

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

For the three months ended March 31, 2022

**6. Property and equipment**

The following table presents a reconciliation of property and equipment as at March 31, 2022:

	Office equipment	Right-of-use asset	Leasehold improvements	Computer hardware	Total
December 31, 2021	\$ 60,471	\$ 476,743	\$ 144,546	\$ 96,621	\$ 778,381
Additions	-	180,580	5,939	19,178	205,697
Depreciation	(3,343)	(30,326)	(7,624)	(8,240)	(49,533)
Foreign exchange	254	7,490	2,157	171	10,072
<b>March 31, 2022</b>	<b>\$ 57,382</b>	<b>\$ 634,487</b>	<b>\$ 145,018</b>	<b>\$ 107,730</b>	<b>\$ 944,617</b>

**7. Intangible assets**

The following table presents intangible assets by category as at March 31, 2022:

	Software and website	Digital media, Licensed rights and application	Streaming rights	Customer Relationship	Brand	Total
December 31, 2021	\$ 49,656	\$ 2,563,947	\$ 115,285	\$ 4,694,302	\$ 38,384,907	\$ 45,808,097
Acquired (Note 3)	-	3,201,563	-	-	-	3,201,563
Additions	2,640	41,400	-	-	-	44,040
Amortization	(5,569)	(765,889)	(5,715)	(114,130)	-	(891,303)
Foreign exchange	(2,592)	-	21,872	(18,678)	508,393	508,995
<b>March 31, 2022</b>	<b>\$ 44,135</b>	<b>\$ 5,041,021</b>	<b>\$ 131,442</b>	<b>\$ 4,561,494</b>	<b>\$ 38,893,300</b>	<b>\$ 48,671,392</b>

**8. Goodwill**

The following table presents a reconciliation of goodwill by CGU:

	Futbol Sites	Yardbarker	Two-Up	The Nation Network	SuperPoker	Total
December 31, 2021	\$ 9,174,155	\$ 11,282,260	\$ 3,592,516	\$ 2,013,340	\$ 2,330,826	\$ 28,393,097
Foreign exchange	-	-	(397,415)	31,026	395,975	29,586
<b>March 31, 2022</b>	<b>\$ 9,174,155</b>	<b>\$ 11,282,260</b>	<b>\$ 3,195,101</b>	<b>\$ 2,044,366</b>	<b>\$ 2,726,801</b>	<b>\$ 28,422,683</b>

The Company will perform its annual impairment testing at December 31 or at an interim date when events or changes in business environment (triggering events) occur. During the three months ended March 31, 2022, the Company concluded that there were no triggering events requiring an impairment assessment.

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

### 9. Lease liability and obligations

The Company's leased assets include office premises. When measuring lease, 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 as at March 31, 2022:

		Office lease
December 31, 2021	\$	504,008
Additions during the period		180,580
Lease payments		(31,577)
Interest expense		6,543
Foreign exchange		7,968
March 31, 2022	\$	667,522
Less: current portion of lease liability		(129,106)
Long-term lease liability		538,416

The Company expenses payments for short-term leases and low-value leases as incurred. These payments for the three months ended March 31, 2022 and 2021, were \$19,871 and \$nil, respectively.

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

Less than 1 year	\$	163,699
1 to 2 years		168,954
2 to 3 years		175,055
3 to 4 years		175,865
4 to 5 years		63,740
5 and more years		-
Total		747,313

### 10. Long-term debt

On March 30, 2022, the Company entered into three credit facilities with a Tier 1 bank, totaling \$15,000,000, to use for acquisitions and general corporate purposes. The first credit facility is a \$2,000,000 operating revolving credit facility that bears an interest rate at bank's prime lending rate plus 1.75% per annum. The second credit facility is a \$10,000,000 revolving term facility that bears an interest rate at bank's prime lending rate plus 3.25% per annum. And lastly, a delayed draw term facility of \$3,000,000 that bears an interest rate of bank's lending rate plus 2.25% per annum. All interest is payable monthly.

The facilities have a two-year term, with an option to extend for an additional 12 months, subject to the Bank's approval. The total facility limit can be increased by an additional \$11,000,000, if the Company delivers evidence satisfactory to the Bank that it has completed a minimum equity raise of \$10,000,000. As of March 31, 2022, no amount has been drawn on the credit facility.

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

### 11. Deferred and contingent consideration

The following reconciles the deferred and contingent consideration as at March 31, 2022:

		Deferred Consideration		Contingent Consideration	
<b>December 31, 2021</b>	<b>\$</b>	<b>4,194,147</b>	<b>\$</b>	<b>19,312,437</b>	
Acquired (Note 3)		155,000		1,671,563	
Changes in fair value		39,254		1,857,518	
Settled		(354,691)		(75,000)	
Foreign exchange		-		30,571	
<b>March 31, 2022</b>	<b>\$</b>	<b>4,033,710</b>	<b>\$</b>	<b>22,797,089</b>	
Current portion	\$	2,155,000	\$	14,125,376	
Long-term portion	\$	1,878,710	\$	8,671,713	

Fair value of the deferred and contingent consideration was determined by unwinding the time value of money factors from the December 31, 2021 fair values which were calculated using the following inputs and assumptions:

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

### 12. Share capital

#### a) Common shares

The Company is authorized to issue an unlimited number of common shares. The following table reflects the continuity of common shares:

	Number of Shares	US (\$)
<b>Balance, December 31, 2021</b>	<b>212,061,061</b>	<b>61,788,190</b>
Common shares issued to Futmarketing (Note 3)	914,928	500,000
Common shares issued to service provider	21,071	10,000
Warrants exercised (Note 12b)	20,000	30,574
<b>Balance, March 31, 2022</b>	<b>213,017,060</b>	<b>62,328,764</b>
Less: Share issuance costs		1,293,820
<b>Share capital</b>		<b>61,034,944</b>

#### b) 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	Weighted average exercise price (\$)	Weighted average remaining life (years)
Outstanding, December 31, 2021	2,175,016	0.37	0.78
Exercised	(20,000)	0.25	0.92
<b>Outstanding, March 31, 2022</b>	<b>2,155,016</b>	<b>0.37</b>	<b>0.78</b>

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

### 12. Share capital (continued)

#### c) Stock options (“Options”) and restricted share units (“RSUs”)

The Company has adopted an Omnibus Equity Incentive Plan (“Plan”) which provides that the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company share-related awards. The Company is authorized to various types of equity instruments outlined in the Plan. The Board of Directors determines the instrument and type of award which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the award.

During the three months ended March 31, 2022, the Company recognized \$213,810 (2021: \$90) in share-based compensation expense relating to issued and outstanding Options and RSUs for directors, officers, employees and consultants and services provided.

The following table shows a summary of the Option activity:

	Number of Options	Weighted average exercise price (\$)	Weighted average remaining life (years)
Outstanding, December 31, 2021	7,663,000	0.3534	9.17
Forfeitures	(400,000)	0.5388	9.69
<b>Outstanding, March 31, 2022</b>	<b>7,263,000</b>	<b>0.3432</b>	<b>9.14</b>
<b>Exercisable, March 31, 2022</b>	<b>717,167</b>	<b>0.0677</b>	<b>7.08</b>

During the three months ended March 31, 2022, the Company also issued 1,590,421 RSUs to officers and employees of the Company. The RSUs vest in 3 tranches ending in December 2024 with no expiry terms. All RSUs allow the individuals to receive one common share of the Company per RSUs issued. No RSUs are exercisable as at March 31, 2022.

### 13. 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.

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

### 13. Financial instruments (continued)

#### *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 and cash equivalents, 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:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Current	\$ 2,831,709	\$ 3,028,706
1-29 days past due	755,457	464,416
30-59 days past due	88,600	619,584
60-89 days past due	181,368	137,621
Over 90 days past due	124,061	156,392
<b>Total</b>	<b>\$ 3,981,195</b>	<b>\$ 4,406,719</b>

iii. Major customers

The following table summarizes sales to major customers:

	<b>Revenue</b>	<b>% of</b>	<b>Accounts</b>	<b>% of</b>
	<b>Three months ended</b>	<b>Revenue</b>	<b>Receivable</b>	<b>Accounts</b>
	<b>March 31, 2022</b>			<b>Receivable</b>
Customer A	\$ 1,499,745	25.78%	\$ 520,989	13.14%
Customer B	720,179	12.38%	855,704	21.58%
<b>Total</b>	<b>\$ 2,219,924</b>	<b>38.16%</b>	<b>\$ 1,376,693</b>	<b>34.72%</b>

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

### 13. Financial instruments (continued)

#### *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 March 31, 2022, the Company had a cash balance of \$5,066,882 (December 31, 2021: \$7,111,728) to pay current liabilities of \$19,422,723 (December 31, 2021: \$16,385,256).

The following table shows the accounts payable aging:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Current	\$ 417,566	\$ 382,821
1-29 days overdue	136,344	64,157
30-59 days overdue	10,530	59,636
60-89 days overdue	6,934	30,149
Over 90 days overdue	57,870	30,809
<b>Total</b>	<b>\$ 629,244</b>	<b>\$ 567,572</b>

Overall, the Company sees itself having limited liquidity risk due to the fact 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.

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

#### iii. Commodity risk

The Company is not exposed to commodity price risk.

# Playmaker Capital Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

*(Stated in U.S. dollars, except share information and unless otherwise noted)*  
For the three months ended March 31, 2022

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### 14. 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.

### 15. Related party transactions

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

During the three months ended March 31, 2022, the Company incurred \$202,717 (2021: \$90) in share-based compensation expense associated to executives and board members of the Company.

During the three months ended March 31, 2022, the Company incurred \$334,207 (2021: \$17,826) in salary and wages expense associated to executives of the Company.

During the three months ended March 31, 2022, the Company incurred expenses of \$nil (2021: \$2,017) which were paid for by an affiliate of a board member and reimbursed by the Company.

During the three months ended March 31, 2022, the Company incurred professional fees of \$17,806 which were paid to a member of the board for services performed. During the three months ended March 31, 2021, the Company incurred professional fees of \$70,625 which were paid to an executive of the Company for services provided prior to becoming a full-time employee.

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.

### 16. Subsequent events

On April 8, 2022, the Company purchased the digital media assets of The Sports Drop.