Playmaker Capital Inc.
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2022

The following management discussion and analysis ("MD&A") dated August 15, 2022 is intended to assist readers in understanding the business environment, strategies and performance and risk factors of Playmaker Capital Inc. (the "Company", "Playmaker", "we", "us" or "our"). This MD&A provides the reader with a view and analysis, from the perspective of management, of the Company's results of operations and financial position for the three and six months ended June 30, 2022. This MD&A should be read in conjunction with our unaudited condensed consolidated interim financial statements and notes thereto for the three and six months ended June 30, 2022 (the "Interim Financial Statements").

Basis of Presentation

The Interim Financial Statements and related financial information presented herein have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). This MD&A should be read in conjunction with our MD&A for the years ended December 31, 2021 and 2020. All references in this MD&A to (i) "Q1 2022" are to the Company's three months ended March 31, 2022, (ii) "Q2 2022" are to the Company's three months ended June 30, 2022, and (iii) "Q2 2021" are to the Company's three months ended June 30, 2021. The Interim Financial Statements and the notes thereto for the three and six months ended June 30, 2022 and this MD&A were approved by the Company's board of directors. All figures contained in this MD&A are presented in United States dollars unless otherwise stated herein.

Cautionary Statement Regarding Forward Looking-Statements

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

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

Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "EBITDA", "Adjusted EBITDA" or "aEBITDA", "working capital", and metrics that are presented on a "Pro Forma" basis.

"EBITDA" is earnings before interest, taxes, depreciation and amortization.

"Adjusted EBITDA" or "aEBITDA" is earnings of the Company's operating subsidiaries before interest, taxes, depreciation and amortization excluding the impact of head office costs and any one-time costs.

"working capital" is the Company's current assets minus its current liabilities.

"Pro Forma" is an adjustment to incorporate the results of any acquisitions made through the date of this MD&A, assuming each acquisition occurred on the first day of the period being presented.

These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures including industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures, including industry metrics, in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

Description of the Business

Playmaker (formerly, Apolo III Acquisition Corp.) was incorporated under the Business Corporations Act (Ontario) on January 19, 2018. The registered head office of the Company is 2 St Clair Ave W, Suite 601, Toronto, Ontario, M4V 1L5. The Company is a publicly traded company, listed on the TSX Venture Exchange ("TSXV") 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.

General Description of the Business

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

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

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

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

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

Principal Products and Services

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

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

Growth and Acquisitions

During 2021, the Company executed its M&A strategy by making nine acquisitions, including: Futbol Sites, Fanáticos, Yardbarker, Two-Up, SoccerMemes, Varsky, The Nation Network, SuperPoker and Cracks, and in Q1 2022, the Company acquired Futmarketing.

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

Acquisition of The Sports Drop

On April 8, 2022, the Company purchased the digital media assets of The Sports Drop, a U.S. based sports media company that focuses on NFL, NBA, and collegiate sports coverage, for total cash consideration of $1.2 million.

The acquisition of The Sports Drop builds on Playmaker's already robust reach in the U.S., a key market for the company as it continues to make inroads with both English-speaking and U.S. Hispanic sports fans. The Sports Drop generates an average of more than 30 million monthly page views and 200 million monthly ad impressions, and it will contribute an average of more than 3 million monthly users to Playmaker's North American audience.

As part of the acquisition, The Sports Drop Founder, Mike Bellom, joined Playmaker's senior leadership team as Head of Paid Media. Mr. Bellom is a proven digital media entrepreneur and leader with an expertise in affiliate and paid media. In his new role, Mr. Bellom will help drive revenue and cost synergies across Playmaker's ecosystem of brands.

Subsequent Events

Acquisition of World Soccer Talk

On July 5, 2022, the Company acquired the digital assets of Double Decker Group, LLC ("World Soccer Talk"), a U.S.-based, soccer-focused media business that provides breaking news, deep analysis, and need-to-know broadcast and streaming information related to soccer events, leagues, and clubs globally, for aggregate consideration of up to $1.15 million.

The purchase price consideration consisted of (i) a closing cash payment of $0.35 million, (ii) the issuance of 510,000 Common Shares on closing, priced at C$0.75 per Common Shares, and (iii) up to a total of $0.5 million in the form of an earn-out, payable to the sellers upon World Soccer Talk achieving certain revenue and performance targets in the first and second year following closing.

World Soccer Talk's audience across web, social channels, and podcasts is primarily based in the U.S. and immediately contributes to Playmaker's growing presence with North American soccer fans. Playmaker's wholly owned subsidiary, Futbol Sites, has an expansive footprint across Brazil, Argentina, Chile, Colombia, Mexico, and the U.S. Hispanic market through widely popular soccer-first web properties, and it ranks as the largest regional digital sports media group in Latin America. World Soccer Talk will complement Playmaker's presence in the Latin American sports market and with the U.S. Hispanic population, and establish Playmaker as a leading provider of digital soccer content in North America.

Convertible Facility with Beedie Capital

On July 11, 2022, the Company closed a $20.0 million convertible loan facility (the "Convertible Facility") with Beedie Investments Ltd. ("Beedie Capital"), maturing on July 11, 2026. The Company received an initial advance of $15.0 million upon closing of the Convertible Facility, with the remaining $5.0 million available for subsequent advances in minimum tranches of $2.5 million over the term of the Convertible Facility. Beedie Capital may elect to convert the principal amount of the Initial Advance into Common Shares at a conversion price of C$0.70 per Common Share, subject to adjustment in accordance with the terms of the credit agreement entered into in respect of the Convertible Facility. The Convertible Facility bears interest at a fixed rate of 9% per annum on advanced funds and carries a standby fee equal to 1.25%

per annum on the unadvanced portion of the Convertible Facility compounded monthly and payable in arrears.

Acquisition of JuanFutbol

On August 2, 2022, Playmaker acquired the digital assets of JuanFutbol (“JuanFutbol”), operator of an assortment of widely popular social media and digital channels as well as leading sports-focused web properties from Soccerly SAPI de C.V., to accelerate Playmaker’s growth in key Mexican and US Hispanic markets, for aggregate consideration of up to $2.8 million.

The purchase price consideration consisted of (i) a closing cash payment of $0.4 million, (ii) the issuance of 421,754 Common Shares on closing, priced at C$0.75 per Common Share, and (iii) a target earn-out of $1.4 million payable to the sellers upon JuanFutbol achieving certain revenue and performance targets in the period of July 1, 2022 to December 31, 2023. The earnout can increase to a maximum of $2.1 million if targets are exceeded, and 40% of the earn-out shall be satisfied in Common Shares, subject to the approval of the TSXV.

JuanFutbol delivers authentic digital soccer content to more than 6 million social media followers across Facebook, Instagram, Twitter, TikTok, and YouTube. Collectively, JuanFutbol’s social media content generates a monthly reach in excess of 50 million. The acquisition of JuanFutbol also includes baseball-focused asset, JuanBeisbol, and women’s-focused sports property, FridaPop. JuanBeisbol introduces the first baseball-oriented brand to the Playmaker ecosystem, a top 3 sport in Mexico with strong year-long levels of interest and engagement. FridaPop will complement Playmaker’s other female branded asset, Redgol Fem in Chile, and directly contribute to a concerted effort to increase coverage of women’s soccer and elevate women in sport globally.

Playmaker brand, Futbol Sites, will integrate JuanFutbol’s team of experts in branded content to enhance the execution of sponsored campaigns in the region and more broadly across Latin America and the US. JuanFutbol’s strong track record of partnering with top-tier brands adds market leading relationships and reputation to Playmaker’s direct selling capabilities. The Mexico City based team that includes social media experts, media planners, creatives, video editors, copywriters, designers, and data scientists will be critical in supporting high-value brand partnerships ahead of FIFA World Cup Qatar 2022 and beyond.

Second Quarter Highlights

In 000s	Three Months Ended June 30		Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
Revenue	$ 6,978	$ 3,039	$ 12,794	$ 3,039
Operating (loss) income	(692)	400	(1,365)	291
Net loss	(1,113)	(1,119)	(4,512)	(1,459)
aEBITDA	1,829	912	3,501	912
Pro Forma revenue	7,371	6,699	14,328	12,238
Pro Forma aEBITDA	1,884	2,181	3,593	3,740

- Built on our already robust reach in the U.S. with the acquisition of The Sports Drop in April 2022.
- Launched Bark Bets newsletter that provides users with deep analysis and actionable information on the biggest games and events in sports with the goal of better informing sports fans' betting decisions.
- Achieved record engagement metrics in Q2 2022 across owned and operated web properties, reaching a monthly high of more than 95 million users and generating 674 million sessions in the quarter, representing a 27% and a 40% increase, respectively, over Q2 2021.
- Q2 2022 Pro Forma revenue increased by 10% over Q2 2021 driven by strong organic growth across our acquired businesses.
- Q2 2022 Pro Forma aEBITDA decreased by 14% compared to Q2 2021 as the Company continues to invest in the growth of its businesses by building out its teams to drive top line growth.
- On an IFRS basis, Q2 2022 revenue increased by 130% over Q2 2021 due to acquisitions made in the latter part of 2021. Operating loss was $0.7 million in Q2 2022 compared to operating income of $0.4 million in Q2 2021, a decrease of $1.1 million resulting from increased amortization on acquired intangible assets.

Discussion of Results of Operations

Summary of Pro Forma results

In 000s	Three Months Ended June 30		Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
Pro Forma revenue	$ 7,371	$ 6,699	$ 14,328	$ 12,238
Pro Forma aEBITDA	1,884	2,181	3,593	3,740

The Company's Q2 2022 Pro Forma revenue increased by $0.7 million or 10% compared to Q2 2021 driven by the organic growth and increased traffic of our Digital Media segment. The organic revenue increase occurred despite the fact that Q2 2021 revenue was supported by the delayed NHL and NBA playoffs that ran into July and major international sporting events (European soccer championship and Copa America) that were originally slated for 2020.

For the six months ended June 30, 2022, the Company's Pro Forma revenue increased by $2.1 million or 17% over the prior year driven by organic growth of our Digital Media segment.

The Company's Q2 2022 Pro Forma aEBITDA decreased by $0.3 million or 14% compared to Q2 2021 due to the fact that Q2 2021 aEBITDA was enhanced by two major international soccer tournaments in that quarter. In addition, the Company has continued to invest in the growth of its businesses during 2022, particularly in preparation for the upcoming World Cup in Q4 2022.

For the six months ended June 30, 2022, the Company's Pro Forma aEBITDA decreased by $0.1 million or 4% due to the above noted event and investment in the business.

The following table shows the trailing 8 quarters of Pro Forma revenue and aEBITDA:

In 000s	**Pro Forma Revenue**	**Pro Forma aEBITDA**
Q2 2022	$ 7,371	$ 1,884
Q1 2022	6,957	1,710
Q4 2021	8,563	2,946
Q3 2021	7,716	2,896
Q2 2021	6,699	2,181
Q1 2021	5,540	1,559
Q4 2020	6,445	2,626
Q3 2020	4,188	1,404

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

Summary of Financial Results

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

In 000s, except per share information	**Three Months Ended June 30**		**Six Months Ended June 30**	
	2022	**2021**	**2022**	**2021**
Revenue	$ 6,978	$ 3,039	$ 12,794	$ 3,039
Gross profit	6,312	2,893	11,399	2,893
Operating expenses	7,004	2,494	12,764	2,602
Operating income / (loss)	(692)	400	(1,365)	291
Net Loss	(1,113)	(1,119)	(4,512)	(1,459)
Net Loss per Share	(0.01)	(0.01)	(0.02)	(0.03)

Revenue and gross profit

Revenue increased by $3.9 million or 130% in Q2 2022 compared to Q2 2021. The increase is the result of organic growth in the Futbol Sites business and the impact of the Company's acquisitions since June 30 2021.

During the six months ended June 30, 2022, revenue increased by $9.8 million or 321% due mainly to the above noted acquisitions. Prior to the acquisition of Futbol Sites on April 1, 2021, the Company had no operating entities and no revenue.

Gross profit increased by $3.4 million or 118% in Q2 2022 compared to Q2 2021 – and by $8.5 million or 294% in the six months ended June 30, 2022 compared to the prior year – as a result of the Company's acquisitions noted above.

Costs of sales impacting gross profit includes the merchandise cost of inventory sold through e-commerce stores, syndication publisher costs and cost to develop our technology services.

Operating Expenses

In 000s	Three Months Ended June 30				Six Months Ended June 30			
		2022		**2021**		**2022**		**2021**
Advertising, commissions and fees	$	1,199	$	772	$	1,677	$	772
Web services and publishing		269		114		492		114
Salary and wages		3,322		1,186		6,319		1,204
Professional fees		219		142		694		225
General and administration		500		147		933		154
Stock-based compensation		371		117		584		117
Depreciation and amortization		1,124		16		2,065		16
Total operating expenses	$	**7,004**	$	**2,494**	$	**12,764**	$	**2,602**

Advertising, commissions and fees consists primarily of paid advertising expenses focused on user acquisition. Web services and publishing mainly includes the cost of hosting and other technology costs required to maintain the Company's sites. General and administration costs consist of rent, insurance, and other general and office expenses. Depreciation and amortization relate to the depreciation on the Company's fixed and intangible assets. In all cases, these expenses increased in 2022 compared to 2021 due to the acquisitions made during 2021.

Salary and wages consist of the salaries, benefits and bonuses, along with the wages paid to independent contractors. These expenses increased primarily due to the 2021 acquisitions noted above. Playmaker also built out its executive team during 2021.

Professional fees are primarily corporate activities and are comprised of legal, audit, tax, accounting and other consulting fees. These fees increased in 2022 compared to 2021 due growth in the Company's operations arising from the acquisitions in 2021 noted above, along with fees associated with the Company's shelf prospectus and annual general meeting.

Share-based compensation expense recorded during 2022 relates primarily to options awarded to executives of the Company when they were hired and to board members of the Company who were appointed during 2021.

Net loss

In 000s		Three Months Ended June 30 2022		2021		Six Months Ended June 30 2022		2021
Operating (loss) income	$	**(692)**	$	**400**	$	**(1,365)**	$	**291**
Listing and filing fees		(6)		(1,735)		(12)		(1,734)
Transaction costs		(100)		(172)		(749)		(228)
Interest expense		(93)		(107)		(104)		(107)
Other income		4		4		12		4
Other expenses		(60)		(3)		(72)		(3)
Change in fair value on contingent consideration		-		-		(1,897)		-
Foreign exchange (loss) gain		(139)		513		(276)		339
Net loss before taxes		**(1,086)**		**(1,100)**		**(4,463)**		**(1,438)**
Net loss		**(1,113)**		**(1,119)**		**(4,512)**		**(1,459)**

The Company produced an operating loss for 2022 compared to operating income for 2021 primarily due to increased amortization of our acquired intangible assets. During the three and six months ended June 30, 2022, our operating segments produced operating income of $0.8 million and $1.5 million, respectively and aEBITDA of $1.8 million and $3.5 million, respectively, offset by operating loss of $1.4 million and $2.9 million, respectively in our corporate segment.

During the three and six months ended June 30, 2022, the differences between the Company's consolidated operating loss and its net loss were primarily the result of the following factors:

- The Company incurred transaction costs of $0.1 million and $0.7 million, respectively related to acquisitions and to the closing of the Company's $15.0 million credit facility.
- The Company recognized $nil and $1.9 million, respectively in non-cash expense relating to the increase in fair value of contingent consideration associated with our acquisitions. This increase was mainly a reflection of the fact that the Company's acquired businesses continue to exhibit strong performance relative to earn-out targets – and as a result, the fair value of earn-out liabilities on the Company's balance sheet have increased since the acquisition dates.

Quarterly Results of Operations

In $000s, except per share information		Revenue		Net (loss) income		Net (loss) income per share – basic and diluted
Q2 2022	$	6,978	$	(1,113)	$	(0.01)
Q1 2022		5,817		(3,399)		(0.02)
Q4 2021		7,005		(2,977)		(0.01)
Q3 2021		4,776		893		-
Q2 2021		3,039		(1,121)		(0.01)
Q1 2021		-		(339)		(0.01)
Q4 2020		-		(102)		(0.01)
Q3 2020		-		(29)		(0.01)

On April 1, 2021, the Company acquired Futbol Sites. Prior to that acquisition, the Company had no operating activities. Accordingly, there was no revenue recognized prior to the second quarter of 2021 and only small amounts of expenses recorded in those quarters.

Since the second quarter of 2021, revenue has grown steadily due to organic growth in existing assets and acquisitions of new companies over the course of the year.

Reconciliation of Adjusted EBITDA

The following table reconciles Adjusted EBITDA to net loss:

In 000s	Three Months Ended June 30 2022	2021	Six Months Ended June 30 2022	2021
Adjusted EBITDA	**$ 1,829**	**$ 912**	**$ 3,501**	**$ 912**
Operating loss of the Corporate segment	(1,443)	(510)	(2,900)	(621)
Depreciation and amortization of operating segments	(1,078)	-	(1,966)	-
Listing and filing fees	(6)	(1,735)	(12)	(1,734)
Transaction costs	(100)	(171)	(749)	(228)
Interest expense	(93)	(107)	(104)	(107)
Other income	4	4	12	4
Other expenses	(60)	(3)	(72)	(3)
Change in FV on contingent consideration	-	-	(1,897)	-
Foreign exchange loss (gain)	(139)	513	(276)	339
Taxes	(27)	(21)	(49)	(21)
Net loss	**$ (1,113)**	**$ (1,119)**	**$ (4,512)**	**$ (1,459)**

Liquidity

The following table is selected information from the Company's financial position as at the indicated dates:

In 000s	June 30, 2022	December 31, 2021
Cash	$ 2,478	$ 7,112
Current assets	8,128	11,960
Intangible assets	48,330	45,808
Goodwill	28,085	28,393
Total assets	86,454	87,828
Current liabilities	17,297	16,385
Total deferred consideration	2,034	4,194
Total contingent consideration	16,307	19,312
Long-term debt	5,889	47
Total liabilities	32,377	31,771
Net working capital deficiency	$ (9,170)	$ (4,425)

The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet operational needs and maintain an ability to continue investing in its business and assets. The Company intends to acquire companies and assets that are profitable or that have a clear path to profitability. The Company has historically financed these endeavours through the issuance of share capital. The Company closed a $15.0 million credit facility with a Canadian Tier 1 Bank during Q1 2022 and subsequent to the end of Q2 2022, closed another $20.0 million Convertible Facility with Beedie Capital – taking an initial advance of $15.0 million – to further expand its available liquidity.

As at June 30, 2022, the Company had cash of $2.5 million (December 31, 2021: $7.1 million) and a working capital deficit of $9.2 million (December 31, 2021: working capital deficit of $4.4 million). The Company's working capital deficit relates primarily to the current portion of purchase consideration payable in connection with acquisitions made by the Company, including contingent or earn-out consideration, which had a fair value of $16.3 million at June 30, 2022. The Company's earn-outs include profitability targets; therefore, the acquired companies would need to produce positive aEBITDA before the payment date in order for the liability to become payable. The Company has the option to settle approximately 53% of the remaining contingent consideration – and approximately 60% of the current portion of contingent consideration – with shares instead of cash.

Additionally, the Company produces positive operating income from operating segments that contributes to its working capital each quarter. During the three and six months ended June 30, 2022, the Company's operating segments produced operating income of $0.2 million and $1.8 million, respectively and aEBITDA of $1.8 million and $3.5 million, respectively.

The $15.0 million credit facility with a Canadian Tier 1 Bank and $20.0 million Convertible Facility with Beedie Capital noted above further strengthens the balance sheet and provides additional flexibility for the Company to continue the pursuit of its strategic goals. The Company receive an initial draw of $15.0 million when it closed the Convertible Facility on July 11, 2022.

Cashflow

In 000s	Three Months Ended June 30		Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
Cashflows used in operations	(171)	(592)	(777)	(833)
Cashflows used in investing	(8,277)	(221)	(9,651)	(6,224)
Cashflows from financing	5,968	18,789	5,954	24,144
Foreign exchange impact	(107)	(225)	(160)	(206)

During the six months ended June 30, 2022, the Company's cash and cash equivalents decreased by $4.6 million, which can be attributed to the following:

- Cash flows used in operations of $0.8 million (2021: $0.8 million). Those cash outflows were primarily driven by the payment of payables and accrued liabilities that had been recorded at December 31, 2021, and purchases of inventory during 2022 partially offset by collection of accounts receivable. In 2021 the cash outflows were related to settlement of corporate head office costs due to the fact that we had limited operating results as we only acquired Futbol Sites on April 1, 2021.
- Cash flows used in investing activities of $9.7 million (2021: $6.2 million) included $7.4 million for the settlement of consideration amounts arising from acquisitions closed during 2021, $1.2 million for the acquisition of The Sports Drop, and $0.9 million for the acquisition of Futmarketing. In 2021, $6.2 million of cash was used for the acquisition of Futbol Sites, $0.2 million for the acquisition of Fanaticos partially offset by $0.2 million of cash acquired from our reverse takeover.
- Cash flows provided by financing activities of $6.0 million (2021: $24.0 million). In 2022, the Company received funds from the credit facility $5.9 million and for the exercise of warrants $0.2 million offset by $0.1 million in cash paid in relation to office leases. In 2021, the Company had completed its go-public raise for net proceeds of $18.8M and preferred share issuance for net proceeds of $5.4 million.
- A decrease of $0.2 million (2021: $0.2 million) arising from the impact of foreign exchange on cash.

Capital Resources

At June 30, 2022, the Company's capital resources consisted primarily of cash and accounts receivable.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments

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

Less than 1 year	$	198,601
1 to 2 years		185,094
2 to 3 years		173,287
3 to 4 years		159,222
4 to 5 years		30,661
5 and more years	$	-

Transactions with Related Parties

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

During the three and six months ended June 30, 2022, the Company incurred $316,525 and $519,242, respectively (2021: $115,276 and $115,366, respectively) in share-based compensation associated to executives and board members of the Company (Jordan Gnat, Jake Cassaday, Michael Cooke, Maryann Turcke, Sebastian Siseles and Mark Trachuk).

During the three and six months ended June 30, 2022, the Company incurred $625,897 and $960,104, respectively (2021: $321,964 and $321,964, respectively) in salary and wages expense associated to executives of the Company (Jordan Gnat, Jake Cassaday, Michael Cooke and Federico Grinberg).

During the three and six months ended June 30, 2022, the Company incurred expenses of $838 (2021: $1,996 and $4,013, respectively) which were paid for by Relay Ventures Canada Inc., an affiliate of a shareholder (Relay Ventures Fund III) and reimbursed by the Company.

During the three and six months ended June 30, 2022, the Company incurred professional fees of $10,800 and $28,606, respectively (2021: $3,575 and $3,575, respectively) which were paid to a member of the board (Sebastian Siseles) for services performed. During the three and six months ended June 30, 2021, the Company incurred professional fees of $23,109 and $93,734 which were paid to an executive (Jordan Gnat) of the Company for services prior to becoming a full-time employee.

An executive of the Company (Federico Grinberg) has the opportunity to receive 27% (his proportionate share) of the deferred consideration as well as the contingent consideration associated with the acquisition of Futbol Sites.

Financial Instruments

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

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

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

The carrying amount of cash and cash equivalents, accounts receivable, income tax receivable, accounts payable, accrued expenses and other current liabilities, and due to related parties approximates their fair value due to the short-term maturities of these items. The fair value of deferred consideration and contingent consideration are determined using valuation techniques that are not observable.

Outstanding Share Data

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this MD&A, the Company has 218,366,874 Common Shares outstanding. The Company also has 8,375,000 stock options, 2,132,771 restricted share units and 1,526,320 broker warrants issued and outstanding.

Risk Factors

For a detailed description of risk factors associated with the Company, refer to the section titled “Risk Factors” contained in the Company’s annual information form dated March 23, 2022 for the year ended December 31, 2021, which is available on SEDAR at www.sedar.com. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest or credit risk.

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash and/or stock. The Company is expected to be able to satisfy its obligations in the near term with its cash balances and/or the issuance of stock. As at June 30, 2022, the Company had a working capital deficit of $9.2 million (December 31, 2021: $4.4 million). However, the Company produces positive cash flow from operations, it has the option to settle certain earn-out liabilities in shares, and during 2022 it entered into a $15.0 million credit facility as well as a $20.0 million convertible facility to provide additional financial flexibility. Accordingly, the Company believes that it has limited liquidity risk.

Critical Accounting Estimates

The Company’s significant accounting estimates and assumptions are summarized in Note 4 to the consolidated annual financial statements for the year ended December 31, 2021.

Significant Accounting Policies

The Company’s significant accounting policies are summarized in Note 3 to the consolidated annual financial statements for the year ended December 31, 2021.

Changes in Accounting Policies

There are no new standards issued by the IASB that were not effective at June 30, 2022 that are expected to have a significant impact on the Company.