

**Playmaker Capital Inc.**  
**Condensed Consolidated Interim Financial Statements (Unaudited)**  
For the three and nine months ended September 30, 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 and nine months ended September 30, 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	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 14,044,034	\$ 7,111,728
Accounts receivable	13	5,855,685	4,406,719
Income taxes receivable		567,117	45,711
Inventory		109,547	18,770
Prepaid and other current assets		906,840	377,061
<b>Total current assets</b>		<b>21,483,223</b>	<b>11,959,989</b>
Property and equipment	6	943,475	778,381
Intangible assets	7	49,409,690	45,808,097
Goodwill	8	27,630,006	28,393,097
Deferred tax asset		805,238	868,116
Other long-term assets		46,846	20,720
<b>Total assets</b>		<b>\$ 100,318,478</b>	<b>\$ 87,828,400</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable	13	\$ 943,564	\$ 567,572
Income taxes payable		129,466	81,264
Deferred revenue		609,513	188,993
Accrued expenses and other current liabilities		1,970,502	2,623,321
Current portion of lease liability	9	164,777	88,951
Current portion of long-term debt	10	941,672	14,365
Current deferred consideration	11	1,939,355	2,345,759
Current contingent consideration	11	12,082,574	10,475,031
<b>Total current liabilities</b>		<b>18,781,423</b>	<b>16,385,256</b>
Long-term debt	10	4,180,548	46,708
Long-term lease liability	9	448,780	415,057
Deferred tax liability		4,082,880	4,237,822
Deferred consideration	11	125,000	1,848,388
Contingent consideration	11	4,041,236	8,837,406
Convertible debenture	10	15,000,000	-
<b>Total liabilities</b>		<b>46,659,867</b>	<b>31,770,637</b>
<b>Shareholders' Equity</b>			
Share capital	12	64,755,627	60,494,370
Contributed surplus		1,476,258	606,863
Warrant reserve		277,393	303,278
Accumulated other comprehensive (loss) income		(1,908,192)	(1,368,266)
Deficit		(10,942,475)	(3,978,482)
<b>Total shareholders' equity</b>		<b>53,658,611</b>	<b>56,057,763</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 100,318,478</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)*

		Three months ended September 30,		Nine months ended September 30,	
Note		2022	2021	2022	2021
<b>Revenue</b>	4	\$ 8,812,001	\$ 4,776,080	\$ 21,606,292	\$ 7,815,221
Cost of sales		851,322	306,169	2,246,340	451,875
<b>Gross profit</b>		<b>7,960,679</b>	4,469,911	<b>19,359,952</b>	7,363,346
<b>Operating expenses</b>					
Salary and wages		3,728,730	1,698,991	10,047,602	2,903,016
Advertising, commissions and fees		1,923,320	913,589	3,600,731	1,685,673
Web services and publishing		361,869	181,272	853,687	295,275
General and administration		372,545	176,790	1,305,654	331,136
Professional fees		211,995	200,165	906,049	424,706
Share-based compensation	12	332,194	212,837	916,723	329,845
Depreciation and amortization	6, 7	1,394,242	68,811	3,458,945	85,202
<b>Total operating expenses</b>		<b>8,324,895</b>	3,452,455	<b>21,089,391</b>	6,054,853
<b>Operating income (loss)</b>		<b>(364,216)</b>	1,017,456	<b>(1,729,439)</b>	1,308,493
Transaction costs	3, 10	(1,141,138)	(353,053)	(1,890,470)	(581,080)
Interest expense	10	(455,532)	(11,552)	(559,589)	(118,686)
Listing and filing fees		7,299	(84,162)	(4,314)	(1,818,466)
Other income		13,301	9,671	25,578	13,918
Other expenses		(21,296)	(15,379)	(93,061)	(18,371)
Change in fair value of consideration	11	(27,138)	-	(1,923,910)	-
Foreign exchange gain (loss)		(407,431)	330,336	(683,540)	669,493
<b>(Loss) income before taxes</b>		<b>(2,396,151)</b>	893,317	<b>(6,858,745)</b>	(544,699)
Current income tax expense		(56,114)	(10)	(105,248)	(20,540)
<b>Net (loss) income</b>		<b>\$ (2,452,265)</b>	\$ 893,307	<b>\$ (6,963,993)</b>	\$ (565,239)
Other comprehensive loss:					
Loss on translation		(365,845)	(1,336,421)	(539,926)	(1,884,919)
<b>Net loss and comprehensive loss</b>		<b>\$ (2,818,110)</b>	\$ (443,114)	<b>\$ (7,503,919)</b>	\$ (2,450,158)
<b>Basic and diluted net loss per share</b>		<b>\$ (0.01)</b>	\$ 0.00	<b>\$ (0.03)</b>	\$ (0.01)
<b>Basic and diluted weighted average number of shares</b>	12	<b>220,153,542</b>	201,190,143	<b>216,661,425</b>	102,150,461

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
Issue of common shares to World Soccer Talk	12a	148,645	-	-	-	-	148,645
Issue of common shares to JuanFutbol	12a	131,216	-	-	-	-	131,216
Settlement of contingent consideration	11, 12a	3,232,693	-	-	-	-	3,232,693
Warrant exercises	12a,b	209,873	-	(25,885)	-	-	183,988
Share-based compensation	12a,c	38,830	869,395	-	-	-	908,225
Net loss		-	-	-	(539,926)	(6,963,993)	(7,503,919)
<b>As at September 30, 2022</b>		<b>64,755,627</b>	<b>1,476,258</b>	<b>277,393</b>	<b>(1,908,192)</b>	<b>(10,942,475)</b>	<b>53,658,611</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 of common shares		19,881,600	-	-	-	-	19,881,600
Issue costs		(1,522,653)	-	286,262	-	-	(1,236,391)
Issue of common shares to settle FSN convertible debenture		13,495,469	-	-	-	-	13,495,469
Issue of common shares to settle RTO		783,666	-	-	-	-	783,666
Issue of common shares to Yardbarker		5,535,817	-	-	-	-	5,535,817
Issue of common shares to Two-Up		2,559,409	-	-	-	-	2,559,409
Warrant and option exercises		60,444	(89)	(9,966)	-	-	50,389
Share-based compensation		-	327,007	-	-	-	327,007
Net loss		-	-	-	(1,884,919)	(565,239)	(2,450,158)
<b>As at September 30, 2021</b>		<b>53,122,010</b>	<b>357,658</b>	<b>315,036</b>	<b>(1,794,123)</b>	<b>(1,001,465)</b>	<b>50,999,116</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 nine months ended September 30,

<b>Operating activities</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Net loss		\$ (6,963,993)	\$ (565,239)
Depreciation and amortization	6, 7	3,458,945	85,202
Share-based compensation		916,723	329,845
Listing fees, RTO costs		-	618,184
Interest expense on convertible debenture, settled with shares		-	102,740
Non-cash interest expense	9	24,155	-
Change in fair value of contingent consideration	11	1,923,910	-
Unrealized foreign exchange loss (gain)		683,540	(669,493)
Change in non-cash working capital		(2,474,524)	(434,241)
<b>Net cash flows used in operating activities</b>		<b>(2,431,244)</b>	<b>(533,002)</b>
<b>Investing activities</b>			
Acquisition of Futbol Sites, net of cash acquired		-	(6,228,466)
Acquisition of Fanaticos		-	(204,290)
Acquisition of Yardbarker, net of cash acquired		-	(9,024,553)
Acquisition of SoccerMemes		-	(100,000)
Acquisition of Two-Up, net of cash acquired and debt assumed		-	(676,764)
Acquisition of Futmarketing	3	(875,000)	-
Acquisition of SportsDrop	3	(1,200,000)	-
Acquisition of World Soccer Talk	3	(350,000)	-
Acquisition of JuanFutbol	3	(400,000)	-
Acquisition of Pasion Aguila	3	(125,000)	-
Acquisition of Planeta Boca Juniors	3	(50,000)	-
Settlement of deferred and contingent consideration	11	(7,544,503)	-
Cash acquired through RTO		-	162,375
Purchase of property and equipment	6	(165,201)	(219,402)
Purchase of intangible assets	7	(113,643)	(13,226)
<b>Net cash flows used in investing activities</b>		<b>(10,823,347)</b>	<b>(16,304,326)</b>
<b>Financing activities</b>			
Issuance of preferred shares		-	5,505,000
Issuance of common shares		-	19,881,600
Issuance costs on preferred and common shares		-	(1,236,391)
Options exercised		-	36,882
Warrants exercised	12b	162,174	13,596
Long-term debt drawn		6,400,000	-
Long-term debt repayments		(1,277,780)	(135,511)
Convertible debenture	10	15,000,000	-
Lease liability principal payments	9	(144,536)	(18,889)
<b>Net cash flows provided by financing activities</b>		<b>20,139,858</b>	<b>24,046,287</b>
<b>(Decrease) increase in cash and cash equivalents</b>		<b>6,885,267</b>	<b>7,208,959</b>
<b>Foreign exchange impact</b>		<b>47,039</b>	<b>(483,457)</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>\$ 14,044,034</b>	<b>\$ 13,356,860</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 and nine months ended September 30, 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 consolidated 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 consolidated financial statements should be read in conjunction with the Company's December 31, 2021, audited consolidated financial statements.

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

The results reported in these condensed consolidated interim 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 November 10, 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.

The preparation of the condensed consolidated 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 consolidated interim financial statements have been prepared using the same judgements, estimates and assumptions as reported in the Company's December 31, 2021 audited annual consolidated 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 and nine months ended September 30, 2022

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### 2. Basis of presentation (continued)

#### ***New accounting policies***

##### *Hybrid financial instruments (convertible debenture)*

The Company has classified its convertible debentures as hybrid financial instruments as they contain a host debenture contract that meets the definition of a financial liability, and an embedded derivative represented by the conversion feature. As the conversion feature does not provide for a conversion at a known number of equity units, it does not meet the definition of an equity instrument. As such, the Company has elected to account for the host debenture contract and the conversion feature as one financial liability at fair value through profit and loss.

### 3. Asset acquisitions

#### *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.

#### *The Sports Drop*

On April 8, 2022, the Company purchased the digital media assets of The Sports Drop for \$1,200,000, including \$200,000 in transaction costs.

In addition to the consideration noted above, the asset purchase agreement outlines a working capital adjustment payment due within 120 days of the closing date. This working capital adjustment is calculated as the sum of the acquired accounts receivable minus the acquired accounts payable.

#### *World Soccer Talk*

On July 5, 2022, the Company acquired the digital assets of World Soccer Talk for aggregate consideration of up to \$1,150,000. The purchase price consideration consisted of (i) a closing cash payment of \$350,000, (ii) the issuance of 510,000 common shares on closing, priced at CAD \$0.75 per share, and (iii) up to a total of \$500,000 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.

#### *JuanFutbol*

On August 2, 2022, the Company acquired the digital assets of JuanFutbol for aggregate consideration of up to \$2,765,943. The purchase price consideration consisted of (i) a closing cash payment of \$400,000, (ii) the issuance of 421,754 common shares on closing, priced at CAD \$0.75 per common share, and (iii) a target earn-out of \$1,410,629 payable to the sellers upon JuanFutbol achieving certain revenue and performance targets, with a maximum earn-out of \$2,115,943 if revenue and performance targets are exceeded, in the period from July 1, 2022 to December 31, 2023.

# 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 and nine months ended September 30, 2022

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### 3. Asset acquisitions (continued)

#### *Pasion Aguila*

On September 15, 2022, the Company purchased the digital media assets of Pasion Aguila for aggregate consideration of up to \$385,214. The purchase price consideration consisted of (i) closing cash payment of \$125,000 (ii) earn-out consideration of up to \$50,000 (payable in two tranches of up to \$25,000 each), and (iii) a performance bonus of up to \$210,214 based on targets for user sessions.

#### *Planeta Boca Juniors*

On September 16, 2022, the Company purchased the digital media assets of Planeta Boca Juniors for aggregate consideration of up to \$174,412. The purchase price consideration consisted of (i) closing cash payment of \$50,000 (ii) earn-out consideration of up to \$40,000 payable in two tranches of up to \$20,000 each, (iii) a performance bonus of up to \$64,412, payable in two tranches of up to \$32,206 each, based on targets for user sessions, and (iv) a performance bonus of up to \$20,000, payable in two tranches of up to \$10,000 each, based on social media performance targets.



**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 and nine months ended September 30, 2022

**3. Asset acquisitions (continued)**

*Purchase consideration summary*

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

	Futmarketing	The Sports Drop	World Soccer Talk	JuanFutbol	Pasion Aguila	Planeta Boca Juniors	Total
<b>Fair value of identifiable net assets</b>							
Digital media assets	\$ 3,201,563	\$ 1,200,000	\$ 898,645	\$ 1,731,216	\$ 303,995	\$ 132,440	\$ 7,467,859
Accounts receivable	-	530,223	-	-	-	-	530,223
Accounts payable	-	(421,149)	-	-	-	-	(421,149)
<b>Total</b>	<b>\$ 3,201,563</b>	<b>\$ 1,309,074</b>	<b>\$ 898,645</b>	<b>\$ 1,731,216</b>	<b>\$ 303,995</b>	<b>\$ 132,440</b>	<b>\$ 7,576,933</b>
<b>Consideration</b>							
Cash	\$ 875,000	\$ 1,000,000	\$ 350,000	\$ 400,000	\$ 125,000	\$ 50,000	\$ 2,800,000
Common shares	500,000	-	148,645	131,216	-	-	779,861
Deferred consideration	155,000	-	-	-	-	-	155,000
Contingent consideration	1,671,563	-	400,000	1,200,000	178,995	82,440	3,532,998
Working capital	-	109,074	-	-	-	-	109,074
Transaction cost	-	200,000	-	-	-	-	200,000
<b>Total</b>	<b>\$ 3,201,563</b>	<b>\$ 1,309,074</b>	<b>\$ 898,645</b>	<b>\$ 1,731,216</b>	<b>\$ 303,995</b>	<b>\$ 132,440</b>	<b>\$ 7,576,933</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 and nine months ended September 30, 2022

#### 4. Revenue

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
United States	\$ 4,993,202	\$ 3,020,703	\$ 12,297,624	\$ 4,879,441
Canada	863,722	260,665	2,297,311	498,382
United Kingdom	553,389	229,775	1,493,613	229,775
Chile	412,771	268,716	1,052,759	544,474
Mexico	566,490	316,530	971,454	462,988
Spain	185,847	22,098	589,893	32,732
Argentina	134,000	235,697	476,137	448,709
Brazil	182,570	-	459,568	-
Denmark	155,000	17,399	380,000	17,399
Israel	135,472	241,553	360,957	400,757
Switzerland	89,320	82,200	299,870	146,750
Other	540,218	80,744	927,106	153,814
<b>Total revenue</b>	<b>\$ 8,812,001</b>	<b>\$ 4,776,080</b>	<b>\$ 21,606,292</b>	<b>\$ 7,815,221</b>

#### 5. Segment information

The Company's Chief Operating Decision Makers ("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 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 September 30, 2022

	Digital media	Technology services	Corporate	Total
Revenue	\$ 8,545,977	\$ 266,024	\$ -	\$ 8,812,001
Gross margin	8,060,612	(99,933)	-	7,960,679
Operating expenses	6,900,410	170,456	1,254,029	8,324,895
Operating income (loss)	1,160,202	(270,389)	(1,254,029)	(364,216)
Other expenses	34,852	1,024	1,996,059	2,031,935
Net income (loss)	1,079,211	(271,413)	(3,260,063)	(2,452,265)

##### Three months ended September 30, 2021

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

**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 and nine months ended September 30, 2022

**5. Segment information (continued)**

**Nine months ended September 30, 2022**

	<b>Digital media</b>		<b>Technology services</b>		<b>Corporate</b>		<b>Total</b>
Revenue	\$	20,600,891	\$	1,005,401	\$	-	\$ 21,606,292
Gross margin		19,379,612		(19,660)		-	19,359,952
Operating expenses		16,422,344		512,811		4,154,236	21,089,391
Operating income (loss)		2,957,268		(532,471)		(4,154,236)	(1,729,439)
Other expenses		114,785		1,159		5,013,362	5,129,306
Net income (loss)		2,747,210		(533,630)		(9,177,573)	(6,963,993)

**Nine months ended September 30, 2021**

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

**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 and nine months ended September 30, 2022

**6. Property and equipment**

The following table presents a reconciliation of property and equipment as at September 30, 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	11,385	249,503	79,404	74,412	414,704
Depreciation	(10,023)	(118,616)	(32,848)	(30,589)	(192,076)
Foreign exchange	(5,012)	(33,602)	(11,761)	(7,159)	(57,534)
<b>September 30, 2022</b>	<b>\$ 56,821</b>	<b>\$ 574,028</b>	<b>\$ 179,341</b>	<b>\$ 133,285</b>	<b>\$ 943,475</b>

**7. Intangible assets**

The following table presents intangible assets by category as at September 30, 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)	-	7,467,859	-	-	-	7,467,859
Additions	72,243	41,400	-	-	-	113,643
Amortization	(18,996)	(2,859,502)	(15,281)	(358,791)	(14,299)	(3,266,869)
Foreign exchange	(5,924)	-	9,848	(129,457)	(587,507)	(713,040)
<b>September 30, 2022</b>	<b>\$ 96,979</b>	<b>\$ 7,213,704</b>	<b>\$ 109,852</b>	<b>\$ 4,206,054</b>	<b>\$ 37,783,101</b>	<b>\$ 49,409,690</b>

**8. Goodwill**

The following table presents a reconciliation of goodwill by CGU as at September 30, 2022:

	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	-	-	(689,003)	(147,610)	73,522	(763,091)
<b>September 30, 2022</b>	<b>\$ 9,174,155</b>	<b>\$ 11,282,260</b>	<b>\$ 2,903,513</b>	<b>\$ 1,865,730</b>	<b>\$ 2,404,348</b>	<b>\$ 27,630,006</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 nine months ended September 30, 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 and nine months ended September 30, 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 September 30, 2022:

		Office lease
December 31, 2021	\$	504,008
Additions during the period		250,081
Lease payments		(136,530)
Interest expense		24,155
Foreign exchange		(28,157)
September 30, 2022	\$	613,557
Less: current portion of lease liability		(164,777)
Long-term lease liability		448,780

The Company expenses payments for short-term leases and low-value leases as incurred. These payments for the three and nine months ended September 30, 2022, were \$41,944 and \$97,156 (2021: \$16,691 and \$33,651), respectively.

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

Less than 1 year	\$	187,688
1 to 2 years		163,748
2 to 3 years		162,800
3 to 4 years		132,451
4 to 5 years		4,658
5 and more years		-
Total		651,345

### 10. Long-term debt and convertible debenture

#### *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, growth initiatives and general corporate purposes. The first credit facility is a \$2,000,000 operating revolving credit facility ("operating credit") 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 ("revolving term") that bears an interest rate at bank's prime lending rate plus 3.25% per annum. And lastly, a delayed draw term facility ("delayed draw") 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 September 30, 2022, \$5,122,220 has been drawn on the credit facility. This includes \$nil from the operating credit, \$2,400,000 from the revolving term, and \$2,722,220 from the delayed draw.

# 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 and nine months ended September 30, 2022

### 10. Long-term debt (continued)

#### *Convertible Debenture*

On July 11, 2022, the Company closed a \$20,000,000 convertible loan facility (the “Convertible Facility”) with Beedie Investments Ltd. (“Beedie Capital”), maturing on July 11, 2026. The Company received an initial advance of \$15,000,000 upon closing of the Convertible Facility, with the remaining \$5,000,000 available for subsequent advances in minimum tranches of \$2,500,000 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 share, subject to adjustment in accordance with the terms of the credit agreement entered into in respect of the Convertible Facility. The Company is entitled to require Beedie Capital to convert up to 50% of the principal amount of the initial advance or any subsequent advance in the event that the 20 trading day volume-weighted average price of the common shares equals or exceeds a 50% premium to the initial conversion price.

The Convertible Facility bears interest at a fixed rate of 9.00% 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. The Company has elected to recognize this financial liability as fair value through profit and loss. This means that all costs of issuance are recognized in the statement of comprehensive loss. As of September 30, 2022, the Company has drawn \$15,000,000 of the loan facility, all from the initial advance.

### 11. Deferred and contingent consideration

The following reconciles the deferred and contingent consideration as at September 30, 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 ( <i>Note 3</i> )		155,000		3,532,998
Changes in fair value		99,899		1,824,011
Settled in shares		-		(3,690,188)
Settled in cash		(2,384,691)		(5,159,812)
Foreign exchange		-		304,364
<b>September 30, 2022</b>	<b>\$</b>	<b>2,064,355</b>	<b>\$</b>	<b>16,123,810</b>
Current portion	\$	1,939,355	\$	12,082,574
Long-term portion	\$	125,000	\$	4,041,236

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

# 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 and nine months ended September 30, 2022

### 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	(\$)
<b>Balance, December 31, 2021</b>	<b>212,061,061</b>	<b>61,788,190</b>
Common shares issued to Futmarketing ( <i>Note 3</i> )	914,928	500,000
Common shares issued to World Soccer Talk ( <i>Note 3</i> )	510,000	148,645
Common shares issued to JuanFutbol ( <i>Note 3</i> )	421,754	131,216
Common shares issued to service provider	96,985	38,830
Common shares issued for contingent consideration	8,064,950	3,232,693
Warrants exercised ( <i>Note 12b</i> )	648,696	209,873
<b>Balance, September 30, 2022</b>	<b>222,718,374</b>	<b>66,049,447</b>
Less: Share issuance costs		1,293,820
<b>Share capital</b>		<b>64,755,627</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	(648,696)	0.25	N/A
<b>Outstanding, September 30, 2022</b>	<b>1,526,320</b>	<b>0.41</b>	<b>0.17</b>

#### 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 issue 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 and nine months ended September 30, 2022, the Company recognized \$332,194 and \$916,723, respectively (2021: \$212,837 and \$329,845, respectively) in share-based compensation expense relating to issued and outstanding Options and RSUs for directors, officers, employees and consultants and services provided.

# 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 and nine months ended September 30, 2022

### 12. Share capital (continued)

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
Issued	1,200,000	0.4576	9.58
Forfeitures	(488,000)	0.5088	N/A
<b>Outstanding, September 30, 2022</b>	<b>8,375,000</b>	<b>0.3593</b>	<b>8.65</b>
<b>Exercisable, September 30, 2022</b>	<b>2,041,921</b>	<b>0.3540</b>	<b>8.49</b>

During the three and nine months ended September 30, 2022, the Company also issued 55,000 and 2,132,771 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 September 30, 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, contingent consideration and convertible debt 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 and nine months ended September 30, 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>September 30, 2022</b>		<b>December 31, 2021</b>	
Current	\$	3,917,846	\$	3,028,706
1-29 days past due		1,111,464		464,416
30-59 days past due		325,619		619,584
60-89 days past due		121,374		137,621
Over 90 days past due		379,382		156,392
<b>Total</b>	<b>\$</b>	<b>5,855,685</b>	<b>\$</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>Nine months ended</b>		<b>Revenue</b>		<b>Receivable</b>	
	<b>September 30, 2022</b>				<b>Receivable</b>	
Customer A	\$	5,017,704	23.22%	\$	542,690	9.27%
Customer B		1,997,628	9.25%		435,082	7.43%
<b>Total</b>	<b>\$</b>	<b>7,015,332</b>	<b>32.47%</b>	<b>\$</b>	<b>977,772</b>	<b>16.70%</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 and nine months ended September 30, 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 September 30, 2022, the Company had a cash balance of \$14,044,034 (December 31, 2021: \$7,111,728) to pay current liabilities of \$18,781,423 (December 31, 2021: \$16,385,256).

The following table shows the accounts payable aging:

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
Current	\$	713,749	\$	382,821
1-29 days overdue		156,064		64,157
30-59 days overdue		10,668		59,636
60-89 days overdue		23,316		30,149
Over 90 days overdue		39,767		30,809
<b>Total</b>	<b>\$</b>	<b>943,564</b>	<b>\$</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 can be settled in shares. The Company also has access to additional cash through its existing credit facilities and it 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 to the Company's long-term debt obligations. The Company manages its interest rate risk by having a portfolio of primarily fixed rate loans and borrowings. Management believes the Company's sensitivity on interest payments is economically limited due to the mostly fixed nature of the interest rates held.

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

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 and nine months ended September 30, 2022

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### 14. Capital management

The Company's capital consists of share capital, long-term debt and convertible debenture. 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 subject to debt covenants associated to each facility it holds at period end. The Company is in compliance with all covenants at September 30, 2022.

### 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 and nine months ended September 30, 2022, the Company incurred \$266,111 and \$785,353, respectively (2021: \$203,792 and \$319,158, respectively) in share-based compensation expense associated to executives and board members of the Company.

During the three and nine months ended September 30, 2022, the Company incurred \$353,059 and \$1,008,672, respectively (2021: \$255,156 and \$478,584, respectively) in salary and wages expense associated to executives of the Company.

During the three and nine months ended September 30, 2022, the Company incurred expenses of \$nil and \$838, respectively (2021: \$nil and \$4,013, respectively) which were paid for by an affiliate of a board member and reimbursed by the Company.

During the three and nine months ended September 30, 2022, the Company incurred professional fees of \$28,488 and \$57,094, respectively (2021: \$11,546 and \$15,121, respectively), which were paid to a member of the board of directors for services performed. During the three and nine months ended September 30, 2021, the Company incurred professional fees of \$nil and \$93,734, which were paid to an executive of the Company for services provided prior to becoming a full-time employee. During the three and nine months ended September 30, 2022, the Company incurred professional fees of \$6,100, which were paid to a company controlled by a member of the board of directors for services performed.

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 October 17, 2022, the Company acquired 100% of the shares of Wedge Traffic Limited ("Wedge") for aggregate consideration of approximately \$31,200,000. The purchase price consideration consisted of (i) a closing cash payment of \$8,500,000, (ii) the issuance of 3,694,933 common shares on closing, priced at C\$0.75 per share, and (iii) contingent consideration of approximately \$20,700,000, payable to the sellers upon Wedge achieving certain revenue and EBITDA targets in each of the 12 month periods ending December 31, 2023 and December 31, 2024, including the eligibility for two separate deferred cash payments of \$1,500,000 and \$1,000,000 if certain EBITDA thresholds are achieved and two payments of \$750,000 if certain revenue thresholds are achieved.