Playmaker Capital Inc.
Management's Discussion and Analysis
For the Years Ended December 31, 2022 and 2021

The following management discussion and analysis ("MD&A") dated March 20, 2023 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 years ended December 31, 2022 and 2021. This MD&A should be read in conjunction with our audited consolidated financial statements and notes thereto for the years ended December 31, 2022 and 2021 (the "Annual Financial Statements").

Basis of Presentation

The Annual Financial Statements and related financial information presented herein have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") as issued by the International Accounting Standards Board ("IASB"). All references in this MD&A to (i) "Q4 2022" are to the Company's three months ended December 31, 2022, and (ii) "Q4 2021" are to the Company's three months ended December 31, 2021. The Annual Financial Statements and the notes thereto for the years ended December 31, 2022 and 2021 and this MD&A were approved by the Company's board of directors. All figures contained in this MD&A are presented in United States dollars unless otherwise stated herein.

Cautionary Statement Regarding Forward Looking-Statements

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of 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".

General Description of the Business

Playmaker Capital Inc. is a digital sports media company that acquires and integrates premier fan-centric media brands, curated to deliver highly engaged audiences of sports fans to tier-one advertisers, online sports betting operators, and sports federations and leagues. Leveraging its in-house technology stack, Bench, and with a 360-degree view of sports fans, Playmaker delivers authentic digital content experiences for sports fans and best-in-class results for its partners across the Americas.

The team at Playmaker has global experience in the gambling, sports, technology and media industries. This wide range of experience provides 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, and in April of 2022, sports betting was officially live in the province of Ontario, with other provinces expected to launch in the coming months and years. Argentina passed iGaming legislation in December 2018, as did Brazil. Regulated online gambling presents a 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 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, acquisition 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, through agencies specializing in gambling clients, and for delivering customers to partners.
2. Traditional Advertisers: Advertising revenue is generated from traditional blue-chip direct clients and agencies including via programmatic advertising, direct campaigns, 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, product development services, and media management that seek to help clients find solutions to problems caused by legacy infrastructure or a lack of resources.
5. Direct to Consumer: Revenue is generated directly from consumers via eCommerce and streaming revenue sharing with holders of various media rights in Chile and Mexico.

Growth and Acquisitions

Since inception, the Company has executed its M&A strategy by making fifteen acquisitions, including platform businesses such as Futbol Sites, Wedge (as described below), Yardbarker, Two-Up, The Nation Network and SuperPoker, as well as various asset acquisitions throughout the Americas.

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 Wedge Traffic

On October 17, 2022, the Company acquired 100% of the shares of Wedge Traffic Limited dba Wedge ("Wedge") to enhance its iGaming and affiliate presence in the U.S. market. The transaction included total aggregate consideration of up to $30.3 million. Wedge's technical and affiliation expertise, combined with Playmaker's ecosystem of highly engaged sports fans, will create significant value for online sportsbooks and casino operators that are vying to acquire and retain customers, and will facilitate a safe and fulfilling iGaming user experience.

The purchase consideration consisted of (i) a closing cash payment of $8.5 million, (ii) the issuance of 3,694,933 Common Shares on closing, priced at C$0.75 per Common Share, and (iii) contingent consideration of approximately $18.5 million. The contingent consideration consists of two separate earn-out payments in an aggregate amount of approximately $14.9 million, payable to the sellers upon achieving certain revenue and EBITDA targets in each of the 12-month periods ending December 31, 2023 and December 31, 2024. The vendors have an ability to earn more than the $14.9 million in earn-out consideration if certain EBITDA targets are exceeded. Additionally, as part of the contingent consideration, the sellers are eligible to receive two separate deferred cash payments of $1.5 million and $1.0 million if certain EBITDA thresholds are achieved in each of 2023 and 2024, respectively, and two separate milestone payments of $750,000 each if certain revenue thresholds are achieved at any time following closing.

Wedge employs unique and proprietary user acquisition tactics and owns and operates eight web properties specifically curated to deliver its audiences directly to regulated online sportsbook and casino operators. With a core focus on the U.S. market, Wedge properties display real time state-by-state promotions, welcome bonuses, and one-time offers, among other opportunities related to betting lines. Through safe play content, such as actionable insights and strategies, Wedge is facilitating a fun and engaging experience while also fuelling the growth of online gaming by offering sportsbooks and casinos targeted user acquisition channels. Founders Dan Kersh and David Copeland joined Playmaker's senior leadership team and provide a net-new expertise in iGaming affiliation, a key vertical that Playmaker has planned to further activate.

The addition of Wedge enhances Playmaker's ability to meet increasing demand for sports betting and casino content. Playmaker has identified affiliation as a gap in its value proposition to serve as a valuable partner to iGaming operators. Wedge's high visibility calls to action drive outsized user conversion, resulting in highly targeted marketing campaigns for Playmaker's partners and relevant offers for Playmaker's users. By introducing a new centre of excellence in affiliation, Playmaker will also be able to supplement current revenue streams derived from its pure sports-centric media brands to generate higher revenue per user from online operators.

Subsequent Events

In January 2023, the Company's board of directors agreed to begin the process of disposing of the Technology Services segment within the next 6-12 months. Therefore, the entity will be designated as an asset held for disposal beginning in 2023.

Fourth Quarter Highlights

In 000s	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2022	**2021**	**2022**	**2021**
Revenue	$ 18,742	$ 7,005	$ 40,348	$ 14,820
Operating income (loss)	3,086	456	1,356	1,765
Net loss	(785)	(2,977)	(7,749)	(3,542)
aEBITDA	6,616	2,539	12,374	5,428
Pro Forma revenue	19,014	9,413	47,367	31,374
Pro Forma aEBITDA	6,830	3,480	15,320	11,290

- Q4 2022 Pro Forma revenue and aEBITDA increased by 102% and 96%, respectively, over Q4 2021 driven by strong performance of our Digital Media segment with World Cup advertising, strong performance of our new Affiliate segment and organic growth as we continue to grow our user traffic.
- On an IFRS basis, Q4 2022 revenue increased by 168% over Q4 2021 due to strong performance from our existing brands and the acquisition of Wedge. The Company had operating income of $3.1 million in Q4 2022 compared to operating income of $0.5 million in Q4 2021, an increase of $2.6 million resulting from the acquisition of Wedge.

Discussion of Results of Operations

Summary of Pro Forma results

In 000s	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2022	**2021**	**2022**	**2021**
Pro Forma revenue	$ 19,014	$ 9,413	$ 47,367	$ 31,374
Pro Forma aEBITDA	6,830	3,480	15,320	11,290

The Company's Q4 2022 Pro Forma revenue increased by $9.6 million or 102% compared to Q4 2021 driven by strong performance of our Digital Media segment with World Cup advertising, strong performance of our new Affiliate segment and organic growth as we continue to grow our user traffic.

For the twelve months ended December 31, 2022, the Company's Pro Forma revenue increased by $16.0 million or 51% over the prior year driven mainly by strong performance in our Affiliate segment and organic growth of our Digital Media segment.

The Company's Q4 2022 Pro Forma aEBITDA increased by $3.4 million or 96% compared to Q4 2021 driven by strong performance of our Affiliate segment and by our Digital Media segment at the World Cup.

For the twelve months ended December 31, 2022, the Company's Pro Forma aEBITDA increased by $4.0 million or 36% due to the organic growth and strong Q4 2022 performance partially offset by investment in the business during the year.

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

In 000s		Pro Forma Revenue		Pro Forma aEBITDA
Q4 2022	$	19,014	$	6,830
Q3 2022		10,061		2,749
Q2 2022		8,566		2,445
Q1 2022		9,726		3,296
Q4 2021		9,413		3,480
Q3 2021		8,379		3,313
Q2 2021		7,410		2,600
Q1 2021		6,173		1,898

The Company's Digital Media segment revenue is driven primarily by two factors: the number of user sessions on our websites (traffic) and the revenue earned per session. Both factors are impacted by seasonality during the year, which follows the seasonality in advertiser spend. Advertiser spend is impacted by many factors, including the timing of each advertiser's fiscal year-end and the timing of significant events such as the Olympics or the soccer World Cup, but it generally increases in Q4, which includes Black Friday and the Christmas shopping season. Therefore, the Digital Media segment's revenue typically highest in Q4 and lowest in Q1 each year.

The Company's Affiliate segment revenue has historically seen its highest levels of revenue in Q1 and Q4 each year due to the timing of major sporting events, particularly in the United States.

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 Dec 31				Twelve Months Ended Dec 31			
		2022		2021		2022		2021
Revenue	$	18,742	$	7,005	$	40,348	$	14,820
Gross profit		15,700		6,267		35,060		13,630
Operating expenses		12,614		5,810		33,704		11,865
Operating income		3,086		456		1,356		1,765
Net loss		(785)		(2,977)		(7,749)		(3,542)
Net loss per Share		-		(0.01)		(0.04)		(0.03)

Revenue and gross profit

Revenue increased by $11.7 million or 168% in Q4 2022 compared to Q4 2021. The increase is the result of organic growth across our digital media businesses and the impact of the Company's acquisition of Wedge.

During the twelve months ended December 31, 2022, revenue increased by $25.5 million or 172% due mainly to the acquisitions made. Prior to the acquisition of Futbol Sites on April 1, 2021, the Company had no operating entities and no revenue.

Gross profit increased by $9.4 million or 151% in Q4 2022 compared to Q4 2021, and by $21.4 million or 157% in the twelve months ended December 31, 2022 compared to the prior year – as a result of the Company's acquisitions and organic revenue growth noted above.

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

Operating Expenses

In 000s	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2022	**2021**	**2022**	**2021**
Salary and wages	$ 4,567	$ 2,895	$ 14,615	$ 5,798
Advertising, commissions and fees	4,146	980	7,747	2,666
Web services and publishing	477	318	1,331	614
General and administration	605	403	1,911	734
Professional fees	492	404	1,397	828
Bad debt expense	251	-	251	-
Stock-based compensation	310	247	1,227	577
Depreciation and amortization	1,766	563	5,225	648
Total operating expenses	**$ 12,614**	**$ 5,810**	**$ 33,704**	**$ 11,865**

Salary and wages consist of salaries, benefits and bonuses, along with the wages paid to independent contractors. 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. Professional fees are primarily corporate activities and are comprised of legal, audit, tax, accounting and other consulting fees. 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 mainly to the acquisitions made during 2021.

Share-based compensation expense recorded during 2022 relates primarily to options and RSUs awarded to employees pursuant to the Company's equity incentive plan.

Net loss

In 000s		Three Months Ended Dec 31				Twelve Months Ended Dec 31		
		2022		**2021**		**2022**		**2021**
Operating income	$	**3,086**	$	**456**	$	**1,356**	$	**1,765**
Transaction costs		(954)		(262)		(2,845)		(843)
Interest expense		(592)		(11)		(1,151)		(130)
Listing and filing fees		(5)		(8)		(10)		(1,826)
Other income		81		8		107		22
Other expenses		(89)		(1)		(182)		(21)
Impairment		(2,133)		-		(2,133)		-
Change in fair value on contingent consideration		649		(2,901)		(1,275)		(2,901)
Change in fair value on convertible debt		(425)		(678)		(425)		(678)
Foreign exchange (loss) gain		(171)		180		(854)		850
Net loss before taxes		**(553)**		**(3,217)**		**(7,412)**		**(3,762)**
Net loss		**(785)**		**(2,977)**		**(7,749)**		**(3,542)**

The Company produced operating income of $3.1 million for Q4 2022 compared to operating income of $0.5 million for Q4 2021, an increase of $2.6 million driven by the acquisition of Wedge. During the twelve months ended December 31, 2022, the Company produced operating income of $1.4 million compared to operating income of $1.8 million in 2021, a decrease of $0.4 million due to increased costs as our business grew compared to 2021 and the amortization of our acquired intangible assets.

During the three and twelve months ended December 31, 2022, our operating segments produced operating income of $5.3 million and $7.7 million, respectively, partially offset by an operating loss of $2.2 million and $6.3 million, respectively in our corporate segment.

During the three and twelve months ended December 31, 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 $1.0 million and $2.8 million, respectively, related to the closing of the Company's credit facilities and its acquisitions, most notably of Wedge.
- The Company recognized $0.6 million of non-cash gain and $1.3 million in non-cash expense, respectively, relating to the changes in fair value of contingent consideration associated with our acquisitions. This year-to-date 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.
- The Company recognized $0.4 million in non-cash expense relating to the increase in fair value of convertible debt.
- The Company recognized $2.1 million of impairment on Two-Up.
- The Company incurred interest expense of $0.6 million and $1.2 million, respectively.
- The Company recognized foreign exchange losses of $0.2 million and $0.9 million, respectively.

Quarterly Results of Operations

In $000s, except per share information		Revenue		Net (loss) income		Net (loss) income per share – basic and diluted
Q4 2022	$	18,742	$	(785)	$	-
Q3 2022		8,812		(2,452)		(0.01)
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)

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 and only small amounts of expenses recorded prior to the second quarter of 2021.

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 2021 and 2022. Revenue increased significantly in Q4 2022 primarily due to the acquisition of Wedge in October 2022 and the impact of the 2022 World Cup on our Digital Media segment.

Reconciliation of Adjusted EBITDA

The following table reconciles Adjusted EBITDA to net loss:

In 000s		**Three Months Ended Dec 31**				**Twelve Months Ended Dec 31**		
		2022		**2021**		**2022**		**2021**
Adjusted EBITDA	**$**	**6,616**	**$**	**2,539**	**$**	**12,374**	**$**	**5,428**
Operating loss of the Corporate segment		(2,178)		(1,798)		(6,332)		(3,370)
Depreciation and amortization of operating segments		(1,352)		(284)		(4,685)		(293)
Listing and filing fees		(5)		(8)		(10)		(1,826)
Transaction costs		(954)		(262)		(2,845)		(843)
Interest expense		(592)		(11)		(1,151)		(130)
Other income		81		8		107		22
Other expenses		(89)		(1)		(182)		(21)
Impairment		(2,133)		-		(2,133)		-
Change in fair value on contingent consideration		649		(2,901)		(1,275)		(2,901)
Change in fair value on convertible debt		(425)		(678)		(425)		(678)
Foreign exchange loss (gain)		(171)		180		(854)		850
Taxes		(232)		239		(338)		220
Net loss	**$**	**(785)**	**$**	**(2,977)**	**$**	**(7,749)**	**$**	**(3,542)**

Liquidity

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

In 000s		**December 31, 2022**		**December 31, 2021**
Cash	$	8,876	$	7,112
Current assets		23,450		11,960
Intangible assets		58,539		45,808
Goodwill		46,099		28,393
Total assets		130,796		87,828
Current liabilities		23,259		16,385
Total deferred consideration		4,438		4,194
Total contingent consideration		29,762		19,312
Total long-term debt		10,000		47
Convertible debenture		15,425		-
Total liabilities		76,385		31,771
Net working capital surplus (deficiency)	$	191	$	(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. During 2022, the Company closed a $15.0 million credit facility with a Canadian Tier 1 Bank and 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 December 31, 2022, the Company had cash of $8.9 million (December 31, 2021: $7.1 million) and working capital of $0.2 million (December 31, 2021: working capital deficit of $4.4 million). The Company's working capital of $0.2 million is impacted by 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 $29.8 million at December 31, 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 liabilities to become payable. The Company has the option to settle approximately 40% of the remaining contingent consideration, and approximately 43% 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 twelve months ended December 31, 2022, the Company's operating segments produced operating income of $5.3 million and $7.7 million, respectively and aEBITDA of $6.6 million and $12.4 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 strengthen the balance sheet and provide additional flexibility for the Company to continue the pursuit of its strategic goals.

Cashflow

In 000s	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2022	**2021**	**2022**	**2021**
Cashflows (used in)/from operations	$ (86)	$ 1,048	$ (2,517)	$ 515
Cashflows used in investing	(9,853)	(7,422)	(20,677)	(23,726)
Cashflows from /(used in) financing	4,827	(9)	24,966	24,037
Foreign exchange impact	(56)	138	(9)	(346)

During the twelve months ended December 31, 2022, the Company's cash and cash equivalents increased by $1.8 million, which can be attributed to the following:

- Cash flows used in operations of $2.5 million (2021: cash flows from operations of $0.5 million). Those cash outflows were primarily driven $6.6M of aEBITDA, offset by our Corporate segment operating expenses, $2.8M of transaction costs, and $1.2M of interest expenses. The Company also had a $5.1M net change in non-cash working capital driven primarily by the fact that the year-end accounts receivable balance has grown as the Company generated strong performance from its affiliate segment and its digital media off the back of the World Cup. In 2021 the cash inflows were related to strong Q4 performance from operating segments.
- Cash flows used in investing activities of $20.7 million (2021: $23.7 million) included $9.6 million for the settlement of consideration amounts arising from acquisitions, $7.7 million for the acquisition of Wedge, and $3.0 million for the acquisitions of The Sports Drop ($1.2 million), Futmarketing ($0.9 million), and various smaller asset acquisitions ($0.9 million). In 2021, the cash was used primarily for the acquisitions of Futbol Sites ($6.2 million), YB Media ($9.3 million), Two-Up ($0.7 million), TNN ($4.2 million), SuperPoker ($1.7 million) and various smaller asset acquisitions ($1.0 million), partially offset by $0.2 million of cash acquired from our reverse takeover.
- Cash flows provided by financing activities of $25.0 million (2021: $24.0 million). In 2022, the Company received $26.3 million from its credit facilities and $0.2 million related to the exercise of warrants, offset by $1.3 million in credit facility repayments and $0.2 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 less than $0.1 million (2021: a decrease of $0.3 million) arising from the impact of foreign exchange on cash.

Capital Resources

At December 31, 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	$	171,781
1 to 2 years		173,857
2 to 3 years		167,306
3 to 4 years		98,699
4 to 5 years		-
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 twelve months ended December 31, 2022, the Company incurred $247,508 and $1,032,861, respectively (2021: $219,309 and $538,467, respectively) in share-based compensation expense associated to executives and board members of the Company (Jordan Gnat, Jake Cassaday, Michael Cooke, Maryann Turcke, Sebastian Siseles, Mark Trachuk, Mark Harrison, Sara Slane and John Albright).

During the three and twelve months ended December 31, 2022, the Company incurred $675,895 and $1,578,182, respectively (2021: $666,334 and $1,144,918, 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 twelve months ended December 31, 2022, the Company incurred expenses of $nil and $838, respectively (2021: $nil 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 twelve months ended December 31, 2022, the Company incurred professional fees of $10,800 and $67,894, respectively (2021: $51,744 and $66,865, respectively), which were paid to a member of the board (Sebastian Siseles) for services performed.

During the three and twelve months ended December 31, 2021, the Company incurred professional fees of $nil and $93,734, which were paid to an executive (Jordan Gnat) of the Company for services provided prior to becoming a full-time employee.

During the three and twelve months ended December 31, 2022, the Company incurred professional fees of $nil and $6,100, respectively (2021: $nil), which were paid to a company controlled by a member of the board (Mark Harrison) for services performed.

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, contingent consideration and convertible debenture 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 226,461,932 Common Shares outstanding. The Company also has 8,375,000 stock options, and 2,571,771 restricted share units issued and outstanding.

Risk Factors

The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this MD&A. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the operations of the Company. If any such risks actually occur, the business, financial condition, or liquidity and results of operations of the Company could be materially adversely affected.

For a detailed description of risk factors associated with the Company, refer to the section titled “Risk Factors” contained in the Company’s most recent annual information form, which is available on SEDAR at www.sedar.com.

<u>Financial Instruments and Financial Risk Exposures</u>

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, income tax receivable, accounts payable, accrued expenses and other current liabilities, long-term debt, convertible debt, deferred consideration and contingent consideration. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash 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 December 31, 2022, the Company had working capital of $0.2 million (December 31, 2021: working capital deficit of $4.4 million). Overall, the Company sees itself having limited liquidity risk due to the fact it can settle approximately 40% of the remaining total contingent consideration, and approximately 43% of the current contingent consideration, in shares. Also, the Company has access to an operating facility as part of its long-term debt facility which could be drawn on for up to $5,000,000.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Refer to the Company's Consolidated Financial Statements for further discussion on credit risk.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations which are in the local currencies. The Company manages its interest rate risk by having a portfolio of generally all fixed rate loans and borrowings. Management believes the Company's sensitivity on interest payments is economically limited due to the mixture of fixed versus variable rate debt.

Foreign exchange and currency risk

Foreign exchange risk is the potential loss from exposure to foreign exchange rate fluctuation. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. Exposure to foreign currency risk is evaluated continuously by management. Management believes the Company's sensitivity to variations in foreign exchange rates is economically limited.

The Company does not utilize any financial instruments to hedge this risk, but it will re-evaluate this position should circumstances change over time.

Critical Accounting Estimates

The Company's significant accounting estimates and assumptions are summarized in Note 4 to the Audited Financial Statements.

Significant Accounting Policies

The Company's significant accounting policies are summarized in Note 3 to the Audited Financial Statements.

Changes in Accounting Policies

There are no new standards issued by the IASB that were not effective at December 31, 2022 that are expected to have a significant impact on the Company.