Playmaker Capital Inc.
Management's Discussion and Analysis
For the Three Months Ended March 31, 2023

The following management discussion and analysis ("MD&A") dated May 15, 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 three months ended March 31, 2023. This MD&A should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto for the three months ended March 31, 2023 and 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, 2022 and 2021. All references in this MD&A to (i) "Q1 2023" are to the Company's three months ended March 31, 2023, and (ii) "Q1 2022" are to the Company's three months ended March 31, 2022. The Interim Financial Statements 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 International Financial Reporting Standards (“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 or exclude the results of any dispositions made through the date of this MD&A, assuming they occurred on the first day of the periods 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 in 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 by delivering customers to clients.
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, Yardbarker and The Nation Network, 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.

Subsequent Events

On April 30, 2023, the Company entered into a strategic purchase agreement (the "Purchase Agreement") to sell 100% of the shares of Two-Up Agency Ltd. and its subsidiary Two-Up Agency Sp. Z o. o. (collectively, "Two-Up") for contingent consideration associated with the future sale of Two-Up. Under the Purchase Agreement, upon a future sale of Two-Up, the Company could receive the greater of $1,000,000 or 50% of the purchase price consideration for such sale if the sale occurs on or prior to April 30, 2024. Under the Purchase Agreement, the Company is also entitled to receive the greater of $500,000 or 20% of the purchase price consideration if a sale of Two-Up occurs following April 30, 2024 and prior to April 30, 2025.

Quarterly Highlights

In 000s	Three Months Ended March 31	
	2023	**2022**
Revenue	$ 15,689	$ 5,361
Operating income (loss)	2,816	(618)
Net income (loss) from continuing operations	483	(3,345)
Net income (loss)	161	(3,399)
aEBITDA	5,905	1,726
Pro Forma revenue	15,689	9,271
Pro Forma aEBITDA	5,905	3,350

- Q1 2023 Pro Forma revenue and aEBITDA increased by 69% and 76%, respectively, over Q1 2022 driven by strong organic growth in our digital media and affiliate segments.
- On an IFRS basis, Q1 2023 revenue increased by 193% over Q1 2022 driven by the acquisition of our affiliate segment and organic growth in our digital media segment due to stronger traffic.
- The Company had operating income of $2.8 million in Q1 2023 compared to an operating loss of $0.6 million in Q1 2022, driven mainly by the newly acquired affiliate segment.

Discussion of Results of Operations

Summary of Pro Forma results

In 000s	Three Months Ended March 31	
	2023	**2022**
Pro Forma revenue	$ 15,689	$ 9,271
Pro Forma aEBITDA	5,905	3,350

The Company's Q1 2023 Pro Forma revenue increased by $6.4 million or 69% compared to Q1 2022 due to strong organic growth in our digital media and affiliate segments. Our digital media segment benefitted from growth in session traffic over Q1 2022 and strong direct sales relationships. Our affiliate segment saw strong performance from new customers and the launch of legalized sports betting in Ohio.

The Company's Q1 2023 Pro Forma aEBITDA increased by $2.6 million or 76% compared to Q1 2022 driven by the above-mentioned growth in revenue. The Digital Media segment produced $1.7 million of aEBITDA in Q1 2023, compared to $4.2 million in the Affiliate segment.

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

In 000s	Pro Forma Revenue	Pro Forma aEBITDA
Q1 2023	$ 15,689	$ 5,905
Q4 2022	18,797	7,331
Q3 2022	9,795	3,009
Q2 2022	8,282	2,642
Q1 2022	9,271	3,350
Q4 2021	9,065	3,617
Q3 2021	7,647	2,924
Q2 2021	7,022	2,551

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 FIFA 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 Company's 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.

	Three Months Ended March 31	
In 000s, except per share information	**2023**	**2022**
Revenue	$ 15,689	$ 5,361
Gross profit	13,670	4,980
Operating expenses	10,854	5,599
Operating income (loss)	2,816	(618)
Net income (loss) from continuing operations	483	(3,345)
Net income (loss) per share from continuing operations	$ -	$ (0.02)

Revenue and gross profit

Revenue increased by $10.3 million or 193% and gross profit increased by $8.7 million or 174% in Q1 2023 as compared to Q1 2022 driven by the acquisition of the Company's affiliate segment and strong organic growth in our digital media segment.

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

Operating Expenses

In 000s	Three Months Ended March 31	
	2023	**2022**
Salary and wages	$ 4,180	$ 2,874
Advertising, commissions and fees	3,289	479
Web services and publishing	480	223
General and administration	460	406
Professional fees	360	462
Stock-based compensation	305	214
Depreciation and amortization	1,780	941
Total operating expenses	**10,854**	**5,599**

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 2023 compared to 2022 due mainly to organic growth in the Company's business and acquisitions completed in 2022.

Net loss

In 000s	Three Months Ended March 31	
	2023	**2022**
Operating income (loss)	$ **2,816**	$ **(618)**
Transaction costs	(65)	(649)
Interest expense	(527)	(11)
Listing and filing fees	(6)	(6)
Other income	22	8
Other expenses	(12)	(12)
Change in fair value on contingent consideration	(167)	(1,897)
Change in fair value on convertible debt	(605)	-
Foreign exchange gain (loss)	205	(137)
Income (loss) before taxes	**1,661**	**(3,322)**
Net income (loss) from continuing operations	**483**	**(3,345)**

The Company produced operating income of $2.8 million for Q1 2023 compared to an operating loss of $0.6 million for Q1 2022, an increase of $3.4 million primarily driven by the acquisition of our affiliate segment in Q4 2022.

During the three months ended March 31, 2023, our operating segments produced operating income of $4.1 million, partially offset by an operating loss of $1.3 million in our corporate segment.

During the three months ended March 31, 2023, the differences between the Company's operating income and its net income were primarily the result of the following factors:

- Interest expense of $0.5 million as the Company had interest payments on both its long-term debt and convertible debt facilities.

- Change in fair value on convertible debt of $0.6 million driven by changes in market conditions and assumptions used in the valuation of the instrument.

Quarterly Results of Operations

In $000s, except per share information		Revenue		Net income (loss)		Net income (loss) per share
Q1 2023	$	15,689	$	161	$	-
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)

Since the second quarter of 2021, the Company's revenue has grown steadily due to organic growth in existing assets and acquisitions of new companies over the course of 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 FIFA 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 March 31**		
		2023		**2022**
Adjusted EBITDA	$	**5,905**	$	**1,726**
Operating loss of the Corporate segment		(1,333)		(2,285)
Depreciation and amortization of operating segments		(1,756)		(60)
Listing and filing fees		(6)		(6)
Transaction costs		(65)		(649)
Interest expense		(527)		(11)
Other income		22		8
Other expenses		(12)		(12)
Change in fair value on contingent consideration		(167)		(1,897)
Change in fair value on convertible debt		(605)		-
Foreign exchange gain (loss)		205		(137)
Taxes		(1,178)		(22)
Net income (loss) from continuing operations		**483**		**(3,345)**

Liquidity

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

In 000s		March 31, 2023		December 31, 2022
Cash	$	11,388	$	8,876
Current assets		23,679		23,450
Intangible assets		56,348		58,539
Goodwill		45,167		46,099
Total assets		127,874		130,796
Current liabilities		21,429		23,259
Total deferred consideration		4,469		4,438
Total contingent consideration		28,376		29,762
Total long-term debt		10,000		10,000
Convertible debenture		16,037		15,425
Total liabilities		72,953		76,385
Net working capital surplus	$	2,251	$	191

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 and strategic debt financing.

As at March 31, 2023, the Company had cash of $11.4 million (December 31, 2022: $8.9 million), working capital of $2.3 million (December 31, 2022: $0.2 million), and $10.0 million available to be drawn from its debt facilities.

The Company's working capital of $2.3 million is partially offset by the current portion of purchase consideration payable in connection with acquisitions made by the Company, including deferred and contingent consideration, which had a total fair value of $32.8 million as at March 31, 2023. 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 43% of the remaining contingent consideration, and approximately 49% 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 months ended March 31, 2023, the Company's operating segments produced operating income of $4.1 million and aEBITDA of $5.9 million.

Cashflow

In 000s		Three Months Ended March 31		
		2023		2022
Cashflows from (used in) operations	$	4,317	$	(605)
Cashflows used in investing		(1,612)		(1,374)
Cashflows used in financing		(46)		(13)
Foreign exchange impact		(146)		(52)

During Q1 2023, the Company's cash and cash equivalents increased by $2.5 million, which can be attributed to the following:

- Cash flows from operations of $4.3 million (2022: cash flows used in operations of $0.6 million) were primarily driven by $5.9M of aEBITDA partially offset by our corporate segment operating expenses of $1.0 million, income taxes of $1.2 million and $0.5 million of interest expenses. The

Company also had a $1.2M positive net change in non-cash working capital driven primarily by collections of year-end receivables.

- Cash flows used in investing activities of $1.6 million (2022: $1.4 million) included $1.5 million for the settlement of consideration amounts arising from acquisitions.
- Cash flows used in financing activities of less than $0.1 million (2022: $nil) related to cash payments made for lease arrangements for office space.
- A decrease of $0.1 million (2022: a decrease of less than $0.1 million) arising from the impact of foreign exchange on cash.

Capital Resources

As at March 31, 2023, 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	$	186,440
1 to 2 years		182,951
2 to 3 years		170,537
3 to 4 years		60,704
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 months ended March 31, 2023, the Company incurred $224,434 (2022: $202,717) 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 months ended March 31, 2023, the Company incurred $365,950 (2022: $334,207) in salary and wages expense associated to executives of the Company (Jordan Gnat, Jake Cassaday, Michael Cooke and Federico Grinberg).

During the three months ended March 31, 2023, the Company incurred professional fees of $12,250 (2022: $17,806), which were paid to a member of the board (Sebastian Siseles) for services rendered.

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, accounts payable, accrued expenses and other current liabilities, long-term debt, convertible debenture and 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, accounts payable, accrued expenses and other current liabilities, and long-term debt approximates their fair value due to the maturities of these items. The fair value of deferred consideration, contingent consideration and the convertible debenture are determined using Level 3 valuation techniques.

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 227,682,115 Common Shares outstanding. The Company also has 8,360,000 stock options, and 4,272,746 restricted share units issued and outstanding.

Risk Factors

The following information is a summary of certain risk factors only 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 March 31, 2023, the Company had working capital of $2.3 million (December 31, 2022: $0.2 million). Overall, the Company sees itself having limited liquidity risk due to the fact that it generated positive operating income and cash flow from operations during Q1 2023. Additionally, the Company is entitled to settle approximately 43% of the remaining total contingent consideration owing by it pursuant to historical acquisitions, and approximately 49% of the current portion of contingent consideration owing in respect of such transactions, in shares. Finally, 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 Interim 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 and convertible debenture obligations. The Company manages its interest rate risk by having a portfolio of primarily fixed interest rates and limiting its exposure to variable interest rates where possible. Management believes the Company’s sensitivity on interest payments is economically limited due to the mixture of fixed versus variable rate debt. The Company does not hedge its floating interest rate on its long-term debt as it feels the current rate to be reasonable, however the Company monitors market conditions constantly.

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 due to the fact that majority of its contracts are denominated in U.S. Dollars.

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 Company’s consolidated annual financial statements for the year ended December 31, 2022.

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, 2022.

Changes in Accounting Policies

There are no new standards issued by the IASB that were not effective at March 31, 2023 that are expected to have a significant impact on the Company.