Playmaker Capital Inc.
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three and six months ended June 30, 2023 and 2022
(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 six months ended June 30, 2023 and 2022 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	June 30, 2023 (Unaudited)	December 31, 2022 (*Audited*)
Assets			
Current			
Cash and cash equivalents		**$ 9,688,561**	$ 8,875,692
Accounts receivable	13	**6,461,938**	12,755,151
Income taxes receivable		**56,700**	241,540
Prepaid and other current assets		**1,077,703**	1,577,583
Total current assets		**17,284,902**	23,449,966
Property and equipment	6	**846,222**	939,996
Intangible assets	7	**54,995,718**	58,538,596
Goodwill	8	**45,350,872**	46,098,848
Deferred tax asset		**1,774,074**	1,734,875
Other long-term assets		**36,261**	33,418
Total assets		**$ 120,288,049**	$ 130,795,699
Liabilities			
Current			
Accounts payable	13	**$ 1,698,046**	$ 3,433,147
Income taxes payable		**108,234**	725,925
Deferred revenue		**280,322**	440,302
Accrued expenses and other current liabilities		**3,187,325**	4,281,061
Current portion of lease liability	9	**161,776**	157,150
Current portion of long-term debt		**1,666,667**	416,667
Current deferred consideration	11	**1,591,000**	2,000,000
Consideration payable	11	**17,566,483**	11,804,338
Total current liabilities		**26,259,853**	23,258,590
Long-term debt		**8,333,333**	9,583,333
Long-term lease liability	9	**348,308**	425,181
Deferred tax liability		**7,221,060**	7,297,935
Deferred consideration	11	**914,000**	2,438,000
Contingent consideration	11	**8,114,400**	17,957,182
Convertible debenture	10	**16,317,812**	15,425,130
Total liabilities		**67,508,766**	76,385,351
Shareholders' Equity			
Share capital	12	**66,356,487**	65,816,073
Contributed surplus		**2,396,235**	2,057,531
Accumulated other comprehensive (loss) income		**(3,142,682)**	(1,735,978)
Retained earnings (deficit)		**(12,830,757)**	(11,727,278)
Total shareholders' equity		**52,779,283**	54,410,348
Total liabilities and shareholders' equity		**$ 120,288,049**	$ 130,795,699

Commitments (Note 9) **Subsequent event** (Note 16)

Approved on behalf of the Board of Directors

/s/ Jordan Gnat — **Director**

/s/ John Albright — **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)

	Note		Three months ended June 30, 2023		Three months ended June 30, 2022		Six months ended June 30, 2023		Six months ended June 30, 2022
Revenue	4	**$**	**12,636,648**	$	6,693,825	**$**	**28,325,394**	$	12,054,914
Cost of sales			**2,253,659**		355,100		**4,272,393**		735,914
Gross profit			**10,382,989**		6,338,725		**24,053,001**		11,319,000
Operating expenses									
Salary and wages			**5,242,921**		3,198,677		**9,423,107**		6,072,676
Advertising, commissions and fees			**2,511,379**		1,198,608		**5,800,599**		1,677,411
Web services and publishing			**470,066**		268,566		**949,846**		491,818
General and administration			**475,576**		462,190		**934,947**		868,601
Professional fees			**442,873**		211,180		**802,359**		673,222
Stock-based compensation	12		**313,537**		370,719		**618,944**		584,529
Depreciation and amortization	6, 7		**1,781,502**		1,113,230		**3,561,598**		2,053,884
Total operating expenses			**11,237,854**		6,823,170		**22,091,400**		12,422,141
Operating income (loss)			**(854,865)**		(484,445)		**1,961,601**		(1,103,141)
Transaction costs			**(1,178)**		(100,398)		**(66,215)**		(749,332)
Interest expense			**(627,155)**		(92,720)		**(1,154,625)**		(103,203)
Listing and filing fees			**(6,159)**		(5,786)		**(12,294)**		(11,613)
Other income			**24,217**		4,454		**46,354**		12,277
Other expenses			**(9,909)**		(59,539)		**(21,630)**		(71,765)
Change in fair value of consideration	11		**-**		-		**(166,930)**		(1,896,772)
Change in fair value of convertible debenture	10		**(279,562)**		-		**(884,311)**		-
Foreign exchange gain (loss)			**1,346,611**		(139,514)		**1,551,143**		(276,828)
Income (loss) before taxes			**(408,000)**		(877,948)		**1,253,093**		(4,200,377)
Current tax			**77,748**		(26,995)		**(1,100,429)**		(49,134)
Net income (loss) from continuing operations			**(330,252)**		(904,943)		**152,664**		(4,249,511)
Net loss from discontinued operations, after tax			**(934,105)**		(207,902)		**(1,256,143)**		(262,217)
Net loss		**$**	**(1,264,357)**	$	(1,112,845)	**$**	**(1,103,479)**	$	(4,511,728)
Other comprehensive income (loss)									
Gain (loss) on translation			**(1,450,771)**		(1,016,142)		**(1,406,704)**		(174,081)
Reclassification of CTA			**545,117**		-		**545,117**		-
Comprehensive loss		**$**	**(2,170,011)**	$	(2,128,987)	**$**	**(1,965,066)**	$	(4,685,809)
Basic net income (loss) per share from continuing operations		**$**	**-**	$	-	**$**	-	$	(0.02)
Diluted net income (loss) per share from continuing operations		**$**	**N/A**	$	N/A	**$**	-	$	N/A
Basic weighted average number of shares	12		**227,607,955**		215,158,590		**227,033,486**		213,863,106
Diluted weighted average number of shares	12		**N/A**		N/A		**238,960,457**		N/A

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

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 ($)	Shareholders' Equity ($)
As at December 31, 2022		**65,816,073**	**2,057,531**	**-**	**(1,735,978)**	**(11,727,278)**	**54,410,348**
Settlement of contingent consideration	11	260,176	-	-	-	-	260,176
Restricted shares vested	12a	261,418	(261,418)	-	-	-	-
Shares issued to service providers	12a,b	18,820	-	-	-	-	18,820
Share-based compensation	12b	-	600,122	-	-	-	600,122
Net income and comprehensive loss		-	-	-	(1,406,704)	(1,103,479)	(2,510,183)
As at June 30, 2023		**66,356,487**	**2,396,235**	**-**	**(3,142,682)**	**(12,830,757)**	**52,779,283**
As at December 31, 2021		**60,494,370**	**606,863**	**303,278**	**(1,368,266)**	**(3,978,482)**	**56,057,763**
Issue of common shares to Futmarketing		500,000	-	-	-	-	500,000
Settlement of contingent consideration		1,445,634	-	-	-	-	1,445,634
Warrant exercises		209,873	-	(25,885)	-	-	183,988
Shares issued to service providers		10,000	-	-	-	-	10,000
Share-based compensation		-	565,104	-	-	-	565,104
Net loss and comprehensive loss		-	-	-	(174,081)	(4,511,728)	(4,685,809)
As at June 30, 2022		**62,659,877**	**1,171,967**	**277,393**	**(1,542,347)**	**(8,490,210)**	**54,076,680**

Playmaker Capital Inc.
Condensed Consolidated Interim Statements of Cash Flows
Unaudited
(Stated in U.S. dollars)
For the six months ended June 30,

Operating activities	**Note**	**2023**	2022
Net loss		**$ (1,103,479)**	$ (4,511,728)
Depreciation and amortization	6, 7	**3,561,598**	2,064,703
Stock based compensation	12	**618,944**	584,529
Non-cash interest	9	**17,850**	8,648
Loss on sale of technology segment, net of cash	3	**781,936**	-
Change in fair value of contingent consideration	11	**166,930**	1,896,772
Change in fair value of convertible debenture	10	**884,311**	-
Foreign exchange (gain) loss		**(1,529,048)**	276,109
Net change in non-cash working capital		**3,521,381**	(1,095,588)
Cash flows from (used in) operating activities		**6,920,423**	(776,555)
Investing activities			
Acquisition of Futmarketing		**-**	(875,000)
Acquisition of SportsDrop		**-**	(1,200,000)
Settlement of consideration	11	**(5,927,503)**	(7,393,636)
Purchase of property and equipment	6	**(92,505)**	(109,076)
Purchase of intangible assets	7	**(28,572)**	(73,633)
Cash flows used in investing activities		**(6,048,580)**	(9,651,345)
Financing activities			
Warrants exercised		**-**	162,174
Long-term debt drawn		**-**	6,000,000
Long-term debt repayments		**-**	(111,112)
Cash payment for lease liability	9	**(92,850)**	(96,839)
Cash flows (used in) provided by financing activities		**(92,850)**	5,954,223
Increase (decrease) in cash		**778,993**	(4,473,677)
Foreign exchange impact		**33,876**	(159,811)
Cash and cash equivalents, beginning of period		**8,875,692**	7,111,728
Cash and cash equivalents, end of period		**$ 9,688,561**	$ 2,478,240

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

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 affiliate marketing 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 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 and significant accounting policies

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 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 and interpretations issued by the International Financial Reporting Interpretations Committee in effect on January 1, 2023, have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2022 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 consolidated interim financial statements were authorized for issuance in accordance with a resolution of the Board of Directors on August 10, 2023.

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, 2022 annual audited consolidated financial statements.

2. Basis of presentation and significant accounting policies (continued)

Significant accounting policies

Discontinued Operation

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which:

- Represents a separate major line of business or geographic area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative consolidated income statement is restated as if the operation had been discontinued from the start of the comparative year. As a result, the Company's discontinued operation is excluded from the net income (loss) from continuing operations and is presented as a single amount as income (loss) from discontinued operation, net of tax, in the consolidated income statements.

Asset Held for Sale

Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell and are not depreciated while classified as held for sale. Assets held for sale are classified within this category if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets.

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

3. Assets held for sale and discontinued operations

On January 26, 2023, the Company's board of directors agreed to begin the process of disposing of the Technology Services segment which was comprised of Two-Up Agency Ltd and its subsidiaries. The carrying value of the assets and liabilities related to this business were classified as held for sale on the condensed consolidated interim statement of financial position.

a) Details of the impact of the transaction

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 any 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. If a sale of Two-Up occurs following April 30, 2024 and prior to April 30, 2025, the Company is entitled to receive the greater of $500,000 or 20% of the purchase price consideration.

		April 30, 2023
Assets		
Cash and cash equivalents	$	38,280
Accounts receivable		148,343
Prepaid and other current assets		5,857
Property and equipment		13,266
Intangible assets		595,288
Goodwill		1,074,511
Total assets previously classified as assets held for sale	**$**	**1,875,545**
Liabilities		
Accounts payable	$	51,740
Income tax payable		47,350
Accrued expenses and other current liabilities		207,909
Deferred tax liability		203,213
Total liabilities previously classified as liabilities directly associated with assets held for sales	**$**	**510,212**
Loss on disposal, before CTA	**$**	**1,365,333**
Reclassification of CTA upon the sale of the technology segment	$	(545,117)
Loss on disposal	**$**	**820,216**

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

3. Assets held for sale and discontinued operations (continued)

b) Results of discontinued operations

The following table summarizes the net loss from discontinued operation, after tax reported in the condensed consolidated interim statements of net income (loss) and comprehensive income (loss):

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenue	$ 71,225	$ 283,893	330,915	739,377
Cost of sales	125,465	310,949	500,488	659,104
Gross profit (loss)	**(54,240)**	**(27,056)**	**(169,573)**	**80,273**
Operating expenses				
Salary and wages	31,038	123,734	124,993	246,196
Professional fees	3,371	7,838	16,575	20,832
General and administration	24,373	38,502	120,227	64,508
Bad debt expense	-	-	2,502	-
Depreciation and amortization	-	10,637	-	10,819
Total operating expenses	**58,782**	**180,711**	**264,297**	**342,355**
Operating loss	**(113,022)**	**(207,767)**	**(433,870)**	**(262,082)**
Interest expense	-	854	38	854
Foreign exchange loss (gain)	867	(719)	2,019	(719)
Loss from operating activities	**$ (113,889)**	**$ (207,902)**	**$ (435,927)**	**$ (262,217)**
Loss on sale of technology services segment	(820,216)	-	(820,216)	-
Net loss from discontinued operation	**$ (934,105)**	**$ (207,902)**	**$ (1,256,143)**	**$ (262,217)**

c) Cash flows provided by (used in) discontinued operations

The following table summarized the cash flows from discontinued operation reported in the condensed consolidated interim statements of cash flows for the six months ended June 30:

	2023	**2022**
Cash flows used in operating activities	$ (275,926)	$ (435,071)
Cash flows from investing activities	-	(68,922)
Cash flows from financing activities	-	-
Net cash outflow	$ (275,926)	$ (503,993)

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

4. Revenue

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

	Three months ended June 30, 2023	2022	Six months ended June 30, 2023	2022
United States	$ 8,944,947	$ 3,990,032	$ 20,900,149	$ 7,304,422
Canada	1,306,515	765,651	2,741,306	1,433,589
Israel	306,943	100,313	838,511	225,485
Argentina	289,486	221,258	557,680	342,137
Chile	256,075	310,822	506,656	639,988
Brazil	175,463	151,218	435,433	276,998
Mexico	191,110	204,630	388,562	404,964
United Kingdom	161,983	200,847	340,880	200,847
Denmark	150,000	155,000	300,000	225,000
Other	854,126	594,054	1,316,217	1,001,484
Total revenue	**$ 12,636,648**	**$ 6,693,825**	**$ 28,325,394**	**$ 12,054,914**

5. Segment information

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

The Company has disposed of the Technology services segment (see Note 3) and therefore it has been removed from segmented information.

The following tables summarize the operating results of each segment:

Three months ended June 30, 2023

	Digital media	Affiliate	Corporate	Total
Revenue	$ 9,542,651	$ 3,093,997	$ -	$ 12,636,648
Gross margin	9,101,373	1,281,616	-	10,382,989
Operating expenses	8,588,241	500,006	2,149,607	11,237,854
Operating income (loss)	513,132	781,610	(2,149,607)	(854,865)
Other (income) expenses	(1,110,049)	(401)	663,585	(446,865)
Net income (loss)	1,570,847	911,791	(2,812,890)	(330,252)

Three months ended June 30, 2022

	Digital media	Affiliate	Corporate	Total
Revenue	$ 6,693,825	$ -	$ -	$ 6,693,825
Gross margin	6,338,725	-	-	6,338,725
Operating expenses	4,551,165	-	2,272,005	6,823,170
Operating income (loss)	1,787,560	-	(2,272,005)	(484,445)
Other expenses	56,336	-	337,167	393,503
Net income (loss)	1,704,229	-	(2,609,172)	(904,943)

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

5. Segment information (continued)

Six months ended June 30, 2023

	Digital media	Affiliate	Corporate	Total
Revenue	$ 19,193,061	$ 9,132,333	$ -	$ 28,325,394
Gross margin	18,259,389	5,793,612	-	24,053,001
Operating expenses	17,557,186	1,052,069	3,482,145	22,091,400
Operating income (loss)	702,203	4,741,543	(3,482,145)	1,961,601
Other (income) expenses	(1,215,865)	(116)	1,924,489	708,508
Net income (loss)	1,831,296	3,728,002	(5,406,634)	152,664

Six months ended June 30, 2022

	Digital media	Affiliate	Corporate	Total
Revenue	$ 12,054,914	$ -	$ -	$ 12,054,914
Gross margin	11,319,000	-	-	11,319,000
Operating expenses	9,521,934	-	2,900,207	12,422,141
Operating income (loss)	1,797,066	-	(2,900,207)	(1,103,141)
Other expenses	79,933	-	3,017,303	3,097,236
Net income (loss)	1,667,999	-	(5,917,510)	(4,249,511)

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

6. Property and equipment

The following table presents a reconciliation of property and equipment as at June 30, 2023:

	Office equipment	Right-of-use asset	Leasehold improvements	Computer hardware	Total
December 31, 2022	**$ 88,885**	**$ 541,271**	**$ 166,674**	**$ 143,166**	**$ 939,996**
Additions	40,125	-	17,116	35,264	92,505
Disposal of technology segment (Note 3)	-	-	-	(13,266)	(13,266)
Depreciation	(19,142)	(80,669)	(42,955)	(29,387)	(172,153)
Foreign exchange	1,880	2,143	(2,525)	(2,358)	(860)
June 30, 2023	**$ 111,748**	**$ 462,745**	**$ 138,310**	**$ 133,419**	**$ 846,222**

7. Intangible assets

The following table presents intangible assets by category as at June 30, 2023:

	Software and website	Digital media, Licensed rights and application	Streaming rights	Customer Relationship	Brand	Total
December 31, 2022	**$ 93,402**	**$ 5,962,033**	**$ 109,071**	**$ 14,455,726**	**$ 37,918,364**	**$ 58,538,596**
Additions	28,572	-	-	-	-	28,572
Disposal of technology segment (Note 3)	-	-	-	(532,893)	(62,395)	(595,288)
Amortization	(31,881)	(2,612,121)	(6,443)	(739,000)	-	(3,389,445)
Foreign exchange	(5,231)	-	9,349	-	409,165	413,283
June 30, 2023	**$ 84,862**	**$ 3,349,912**	**$ 111,977**	**$ 13,183,833**	**$ 38,265,134**	**$ 54,995,718**

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

8. Goodwill

The following table presents a reconciliation of goodwill by cash-generating unit as at June 30, 2023:

	Futbol Sites	Yardbarker	Two-Up	The Nation Network	SuperPoker	Wedge	Total
December 31, 2022	**$ 9,174,155**	**$ 11,282,260**	**$ 1,033,889**	**$ 2,388,862**	**$ 2,454,838**	**$ 19,764,844**	**$ 46,098,848**
Disposal of technology segment (Note 3)	-	-	(1,074,511)	-	-	-	(1,074,511)
Foreign exchange	-	-	40,622	53,976	231,937	-	326,535
June 30, 2023	**$ 9,174,155**	**$ 11,282,260**	**$ -**	**$ 2,442,838**	**$ 2,686,775**	**$ 19,764,844**	**$ 45,350,872**

The Company will perform its annual impairment testing at December 31st or at an interim date when events or changes in business environment (triggering events) occur. During the six months ended June 30, 2023, the Company concluded that there were no triggering events requiring an impairment assessment.

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

9. Lease liability and obligations

The Company's leased assets include office premises. When measuring leases, 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 June 30, 2023:

December 31, 2022	**$**	**582,331**
Lease payments		(92,850)
Interest expense		17,850
Foreign exchange		2,753
June 30, 2023	**$**	**510,084**
Less: current portion of lease liability		(161,776)
Long-term lease liability		348,308

The Company expenses payments for short-term leases and low-value leases as incurred. These payments for the three and six months ended June 30, 2023, were $39,867 and $82,350 (2022: $35,342 and $55,213), respectively.

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

Less than 1 year	$	190,138
1 to 2 years		182,026
2 to 3 years		160,344
3 to 4 years		30,573
4 to 5 years		-
5 and more years		-
Total		563,081

10. Convertible debenture

The following reconciles the convertible debenture as of June 30, 2023:

December 31, 2022	**$**	**15,425,130**
Fair value change		884,311
Foreign exchange		8,371
June 30, 2023	**$**	**16,317,812**

The loan facility will mature on July 11, 2026, and 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 facility compounded monthly and payable in arrears.

The Company accounts for its convertible debt at fair value. At each measurement date, the fair value of its convertible debt conversion feature is based on the FINCAD model which implements the Tsiveriotis and Fernandes models using the following assumptions:

Discount rate	15.5 – 17.0%
Share price	$0.5279
Annualized volatility	54.9%
Risk-free interest rate	4.703%
Term	3.08 years
Dividend rate	Nil

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

11. Deferred and contingent consideration

The following reconciles the deferred and contingent consideration as at June 30, 2023:

		Deferred Consideration		Contingent Consideration
December 31, 2022	**$**	**4,438,000**	**$**	**29,761,520**
Changes in fair value		67,658		99,272
Settled in shares		-		(260,176)
Settled in cash		(2,000,000)		(3,927,503)
Foreign exchange		(658)		7,770
June 30, 2023	**$**	**2,505,000**	**$**	**25,680,883**
Current portion	**$**	**1,591,000**	**$**	**17,566,483**
Long-term portion	**$**	**914,000**	**$**	**8,114,400**

Fair value of the deferred and contingent consideration was determined using a combined Scenario-based approach for linear structured contingent payments and an Option-pricing method or Black-Scholes Model for binary structured contingent payments to estimate the corresponding payments. The assumptions used the following inputs:

Risk free rate	4.90% - 5.50%
Weighted average cost of capital	13.4% - 23.9%
Volatility on inputs	48%

12. Share capital

a) Common shares

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

	Number of Shares	US ($)
Balance, December 31, 2022	**226,438,061**	**67,109,893**
Shares issued to settle consideration	690,044	260,176
Restricted shares vested	643,399	261,418
Common shares issued to service provider	47,969	18,820
Balance, June 30, 2023	**227,819,473**	**67,650,307**
Less: Share issuance costs		1,293,820
Share capital		**66,356,487**

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

12. Share capital (continued)

b) Stock options ("Options") and restricted share units ("RSUs")

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

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, 2022	**8,375,000**	**0.3303**	**8.40**
Forfeited	(15,000)	0.5284	N/A
Outstanding, June 30, 2023	**8,360,000**	**0.3368**	**7.90**
Exercisable, June 30, 2023	**4,215,093**	**0.3236**	**7.82**

During the three and six months ended June 30, 2023, the Company recognized $103,908 and $241,416, respectively (2022: $238,101 and $434,438, respectively) in share-based compensation expense relating to issued and outstanding Options and RSUs for directors, officers, employees and consultants and services provided.

The following table shows a summary of the RSU activity:

	Number of RSUs	Weighted average grant price
Outstanding, December 31, 2022	**2,566,771**	**0.41**
Granted	2,295,514	0.39
Exercised	(643,399)	0.41
Forfeited	(144,188)	0.35
Outstanding, June 30, 2023	**4,074,698**	**0.39**
Exercisable, June 30, 2023	**-**	**-**

The Company uses the intrinsic value method to determine the fair value of the RSUs upon grant and recognizes expense over the vesting period. All RSUs allow the individuals to receive one common share of the Company per RSUs issued. The RSUs have no expiry terms.

During the three months and six months ended June 30, 2023, the Company recognized $200,629 and $358,708 respectively (2022: $122,618 and $130,114 respectively) in share-based compensation expense relating RSUs for directors and employees and consultants for services provided.

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

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 maturities of these items. The fair value of deferred consideration, contingent consideration and the convertible debenture, are determined using Level 3 valuation techniques.

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:

		June 30, 2023		**December 31, 2022**
Current	$	5,518,014	$	10,636,403
1-29 days past due		632,527		1,311,321
30-59 days past due		154,814		315,352
60-89 days past due		93,027		208,970
Over 90 days past due		102,136		527,339
Total		6,500,518	$	12,999,385
Less: expected credit loss		(38,580)		(244,234)
Total	**$**	6,461,938	**$**	**12,755,151**

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

13. Financial instruments (continued)

iii. Major customers

The Company does business with large reputable customers under contracts. The Company monitors its concentration risk with these major customers to ensure that its exposure is limited.

The following table summarizes sales to major customers:

		Revenue Six months ended June 30, 2023	% of Revenue		Accounts Receivable	% of Accounts Receivable
Customer A	$	4,800,503	16.95%	$	434,415	6.72%
Customer B		4,236,710	14.95%		378,300	5.85%
Total	$	9,037,213	31.90%	$	812,715	12.57%

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 June 30, 2023, the Company had a cash balance of $9,688,561 (December 31, 2022: $8,875,692), and total current assets of $17,284,902 (December 31, 2022: $23,449,966) to pay current liabilities of $26,259,853 (December 31, 2022: $23,258,590).

The following table shows the accounts payable aging:

		June 30, 2023		December 31, 2022
Current	$	1,352,930	$	2,445,842
1-29 days overdue		191,347		719,089
30-59 days overdue		135,071		237,116
60-89 days overdue		10,415		14,226
Over 90 days overdue		8,283		16,875
Total	**$**	**1,698,046**	**$**	**3,433,148**

Overall, the Company sees itself having limited liquidity risk due to the fact it has positive operating income and cash flows from operating activities for the six months ended June 30, 2023. Also, it can settle approximately 26% of the remaining total contingent consideration, and approximately 25% of the current contingent consideration, in shares. Additionally, the Company has an additional $5,000,000 in available credit from the long-term debt facility.

13. Financial instruments (continued)

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 will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt 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.

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 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.

iii. Commodity risk

The Company is not exposed to commodity price risk.

14. Capital management

The Company's capital consists of share capital and debt. 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 externally imposed capital requirements due to covenants related to the long-term debt, and is in compliance at period-end.

15. Related party transactions

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

During the three and six months ended June 30, 2023, the Company incurred $247,647 and $472,081, respectively (2022: $316,525 and $519,242, respectively) in share-based compensation expense associated to executives and board members of the Company.

During the three and six months ended June 30, 2023, the Company incurred $173,527 and $539,477, respectively (2022: $625,897 and $960,104, respectively) in salary and wages expense associated to executives of the Company.

During the three and six months ended June 30, 2023, the Company incurred professional fees of $12,340 and $24,590, respectively (2022: $10,800 and $28,606, respectively) which were paid to a member of the board for services performed.

An executive of the Company has the opportunity to receive 27% (their proportionate share) of the contingent consideration associated with the acquisition of Futbol Sites.

16. Subsequent events

Long-term Debt

On July 25, 2023, the Company completed an amendment to the existing credit facility agreement with a Tier 1 bank, extending the maturity date of the operating line and revolving term facilities by an additional 12 months to November 2, 2025. The revolving term interest-only period has been adjusted to 12 months from the amendment date and then is repayable based on 48-month amortization with a balloon payment at the end of the term.

The amendment also added a third credit facility, a $10,000,000 delayed draw term facility (“Delayed Draw”) that bears an interest rate at bank’s prime lending rate plus 1.75% per annum, with a maturity date of July 25, 2025. The Delayed Draw facility has an interest-only period of 12 months from the amendment date and then is repayable based on 36-month amortization with a balloon payment at the end of the term.

All the facilities have an option to extend for an additional 12 months, subject to the bank’s approval.

Acquisition

On August 8, 2023, the Company acquired 100% of La Poche Bleue for aggregate consideration of up to CAD $8,800,000. The purchase price consideration consisted of (i) a closing cash payment of CAD $2,250,000, (ii) the issuance of 1,666,667 Playmaker common shares on closing, priced at CAD $0.75 per common share, (iii) two separate earn-out payments of up to a maximum of CAD $5,000,000 in the aggregate, payable to the sellers upon La Poche Bleue achieving EBITDA targets of CAD $1,000,000 in the first 12-month period post-closing and CAD $1,200,000 in the subsequent 12-month period, and (iv) deferred cash payments of CAD $300,000, payable to the sellers over the first two years following closing.