

Playmaker Capital Inc.
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three and nine months ended September 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 nine months ended September 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	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Assets			
Current			
Cash and cash equivalents		\$ 6,428,867	\$ 8,875,692
Accounts receivable	14	7,768,435	12,755,151
Income taxes receivable		133,584	241,540
Prepaid and other current assets		1,089,521	1,577,583
Total current assets		15,420,407	23,449,966
Property and equipment	7	800,024	939,996
Intangible assets	8	56,312,331	58,538,596
Goodwill	9	46,430,439	46,098,848
Deferred tax asset		1,730,764	1,734,875
Other long-term assets		42,025	33,418
Total assets		\$ 120,735,990	\$ 130,795,699
Liabilities			
Current			
Accounts payable	14	\$ 1,326,088	\$ 3,433,147
Income taxes payable		259,647	725,925
Deferred revenue		701,103	440,302
Accrued expenses and other current liabilities		4,174,153	4,281,061
Current portion of lease liability	10	162,722	157,150
Current portion of long-term debt	11	416,667	416,667
Current deferred consideration	12	1,700,922	2,000,000
Current contingent consideration	12	17,006,975	11,804,338
Total current liabilities		25,748,277	23,258,590
Long-term debt	11	9,583,333	9,583,333
Long-term lease liability	10	299,664	425,181
Deferred tax liability		7,134,985	7,297,935
Deferred consideration	12	981,252	2,438,000
Contingent consideration	12	8,706,828	17,957,182
Convertible debenture	11	16,311,720	15,425,130
Total liabilities		68,766,059	76,385,351
Shareholders' Equity			
Share capital	13	66,933,753	65,816,073
Contributed surplus		2,694,461	2,057,531
Accumulated other comprehensive (loss) income		(2,413,302)	(1,735,978)
Retained earnings (deficit)		(15,244,981)	(11,727,278)
Total shareholders' equity		51,969,931	54,410,348
Total liabilities and shareholders' equity		\$ 120,735,990	\$ 130,795,699

Commitments (Note 10)

Subsequent event (Note 18)

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)

		Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
	Note				
Revenue	5	\$ 11,533,973	\$ 8,545,977	\$ 39,859,367	\$ 20,600,891
Cost of sales		1,976,879	485,365	6,249,272	1,221,279
Gross profit		9,557,094	8,060,612	33,610,095	19,379,612
Operating expenses					
Salary and wages		4,943,187	3,598,207	14,366,294	9,670,883
Advertising, commissions and fees		1,264,084	1,923,320	7,064,683	3,600,731
Web services and publishing		359,945	361,869	1,309,791	853,687
General and administration		483,564	349,239	1,418,511	1,217,840
Professional fees		307,510	205,364	1,109,869	878,586
Bad debt expense		30,288	-	30,288	-
Stock-based compensation	13	304,836	332,194	923,780	916,723
Depreciation and amortization	7,8	1,727,958	1,384,246	5,289,556	3,438,130
Total operating expenses		9,421,372	8,154,439	31,512,772	20,576,580
Operating income (loss)		135,722	(93,827)	2,097,323	(1,196,968)
Transaction costs		(216,928)	(1,141,138)	(283,143)	(1,890,470)
Interest expense		(641,776)	(454,776)	(1,796,401)	(557,979)
Filing fees		(6,161)	7,299	(18,455)	(4,314)
Other income		3,595	13,301	49,949	25,578
Other expenses		(7,968)	(21,296)	(29,598)	(93,061)
Change in fair value of consideration	12	(112,037)	(27,138)	(278,967)	(1,923,910)
Change in fair value of convertible debenture	11	6,112	-	(878,199)	-
Foreign exchange gain (loss)		(1,394,309)	(407,163)	156,834	(683,991)
Loss before taxes		(2,233,750)	(2,124,738)	(980,657)	(6,325,115)
Current tax		(180,474)	(56,114)	(1,280,903)	(105,248)
Net loss from continuing operations		(2,414,224)	(2,180,852)	(2,261,560)	(6,430,363)
Net loss from discontinued operations, after tax	4	-	(271,413)	(1,256,143)	(533,630)
Net loss		\$ (2,414,224)	\$ (2,452,265)	\$ (3,517,703)	\$ (6,963,993)
Other comprehensive income (loss)					
Gain (loss) on translation		184,263	(365,845)	(1,222,441)	(539,926)
Reclassification of CTA	4	-	-	545,117	-
Comprehensive loss		\$ (2,229,961)	\$ (2,818,110)	\$ (4,195,027)	\$ (7,503,919)
Basic net loss per share from continuing operations		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Diluted net loss per share from continuing operations		(0.01)	(0.01)	(0.01)	(0.03)
Basic weighted average number of shares	13	228,790,976	220,153,542	227,627,931	216,661,425
Diluted weighted average number of shares	13	241,214,316	232,186,579	239,722,792	227,894,949

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

Playmaker Capital Inc.

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

Unaudited
(Stated in U.S. dollars)

	Note	Share Capital (\$)	Contributed Surplus (\$)	Warrant Reserve (\$)	Accumulated OCI (\$)	Deficit (\$)	Shareholders' Equity (\$)
As at December 31, 2022		65,816,073	2,057,531	-	(1,735,978)	(11,727,278)	54,410,348
Issue of common shares to La Poche Bleue	13a	571,170					571,170
Settlement of contingent consideration	12	260,176	-	-	-	-	260,176
Restricted shares vested	13a	267,514	(267,514)	-	-	-	-
Shares issued to service providers	13a,b	18,820	-	-	-	-	18,820
Share-based compensation	13b	-	904,444	-	-	-	904,444
Net loss and comprehensive loss		-	-	-	(677,324)	(3,517,703)	(4,195,027)
As at September 30, 2023		66,933,753	2,694,461	-	(2,413,302)	(15,244,981)	51,969,931
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
Issue of common shares to World Soccer Talk		148,645	-	-	-	-	148,645
Issue of common shares to JuanFutbol		131,216	-	-	-	-	131,216
Settlement of contingent consideration		3,232,693	-	-	-	-	3,232,693
Warrant exercises		209,873	-	(25,885)	-	-	183,988
Shares issued to service providers		38,830	-	-	-	-	38,830
Share-based compensation		-	869,395	-	-	-	869,395
Net loss and comprehensive loss		-	-	-	(539,926)	(6,963,993)	(7,503,919)
As at September 30, 2022		64,755,627	1,476,258	277,393	(1,908,192)	(10,942,475)	53,658,611

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

Playmaker Capital Inc.
Condensed Consolidated Interim Statements of Cash Flows

Unaudited
(Stated in U.S. dollars)
For the nine months ended September 30,

Operating activities	Note	2023	2022
Net loss		\$ (3,517,703)	\$ (6,963,993)
Depreciation and amortization	7,8	5,289,556	3,458,945
Bad debt expense		30,288	-
Stock based compensation	13	923,780	916,723
Non-cash interest	10	25,860	24,155
Loss on sale of technology segment, net of cash	4	781,936	-
Change in fair value of contingent consideration	12	278,967	1,923,910
Change in fair value of convertible debenture	11	878,199	-
Unrealized foreign exchange (gain) loss		(215,382)	683,540
Net change in non-cash working capital	15	3,148,085	(2,474,524)
Cash flows from (used in) operating activities		7,623,586	(2,431,244)
Investing activities			
Acquisition of La Poche Bleue, net of cash	3	(1,442,419)	-
Acquisition of Futmarketing		-	(875,000)
Acquisition of SportsDrop		-	(1,200,000)
Acquisition of World Soccer Talk		-	(350,000)
Acquisition of JuanFutbol		-	(400,000)
Acquisition of Pasion Aguila		-	(125,000)
Acquisition of Planeta Boca Juniors		-	(50,000)
Settlement of consideration	12	(8,287,247)	(7,544,503)
Purchase of property and equipment, net of disposals	7	(133,136)	(165,201)
Purchase of intangible assets	8	(44,066)	(113,643)
Cash flows used in investing activities		(9,906,868)	(10,823,347)
Financing activities			
Warrants exercised		-	162,174
Long-term debt drawn		-	6,400,000
Long-term debt repayments		-	(1,277,780)
Convertible debenture		-	15,000,000
Cash payment for lease liability	10	(139,547)	(144,536)
Cash flows (used in) provided by financing activities		(139,547)	20,139,858
Increase (decrease) in cash		(2,422,829)	6,885,267
Foreign exchange impact		(23,996)	47,039
Cash and cash equivalents, beginning of period		8,875,692	7,111,728
Cash and cash equivalents, end of period		\$ 6,428,867	\$ 14,044,034

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

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

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 November 9, 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.

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

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.

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

3. Business Combination

La Poche Bleue

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.

Purchase consideration summary

The following table shows preliminary allocations for the business combination during the period:

	La Poche Bleue	
	CAD	USD
Fair value of identifiable net assets		
Cash	\$ 313,036	\$ 233,111
Accounts receivable	262,862	195,748
Prepaid and other current assets	17,008	12,666
Property and equipment	28,341	21,105
Intangible asset – customer relationship	2,293,000	1,707,551
Intangible asset – brand	2,163,000	1,610,743
Goodwill	1,694,000	1,261,488
Accounts payable	(136,572)	(101,702)
Accrued expenses and other current liabilities	(88,578)	(65,962)
Total	\$ 6,546,097	\$ 4,874,748
Consideration		
Cash	\$ 2,250,000	\$ 1,675,530
Common shares	767,000	571,170
Deferred consideration	237,000	176,489
Contingent consideration	3,064,000	2,281,699
Working capital	228,097	169,860
Total	\$ 6,546,097	\$ 4,874,748
Impact since acquisition:		
Revenue		\$ 294,677
Net income before taxes		\$ 156,255
Transaction costs		\$ 92,733

The goodwill recognized for the business combination is primarily attributed to the expected synergies, assembled workforce and other benefits from combining the assets and activities of La Poche Bleue with those of the Company. The goodwill is not deductible for income tax purposes.

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

4. 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. As of September 30, 2023, no sale has occurred.

		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

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

4. 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 loss and comprehensive loss:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Revenue	\$ -	\$ 266,024	\$ 330,915	\$ 1,005,401
Cost of sales	-	365,957	500,488	1,025,061
Gross loss	-	(99,933)	(169,573)	(19,660)
Operating expenses				
Salary and wages	-	130,523	124,993	376,719
Professional fees	-	6,631	16,575	27,463
General and administration	-	23,306	120,227	87,814
Bad debt expense	-	-	2,502	-
Depreciation and amortization	-	9,996	-	20,815
Total operating expenses	-	170,456	264,297	512,811
Operating loss	-	(270,389)	(433,870)	(532,471)
Interest expense	-	756	38	1,610
Foreign exchange loss (gain)	-	268	2,019	(451)
Loss from operating activities	\$ -	\$ (271,413)	\$ (435,927)	\$ (533,630)
Loss on sale of technology services segment	-	-	(820,216)	-
Net loss from discontinued operation	\$ -	\$ (271,413)	\$ (1,256,143)	\$ (533,630)

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 nine months ended September 30:

	2023	2022
Cash flows used in operating activities	\$ (275,926)	\$ (494,241)
Cash flows from investing activities	-	(73,892)
Cash flows from financing activities	-	-
Net cash outflow	\$ (275,926)	\$ (568,133)

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

5. Revenue

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
United States	\$ 7,669,076	\$ 4,993,202	\$ 28,569,225	\$ 12,297,624
Canada	1,274,466	863,722	4,015,772	2,297,311
Israel	218,607	135,472	1,057,119	360,957
Argentina	329,186	134,000	886,866	476,137
Chile	212,897	412,771	719,554	1,052,759
Mexico	285,480	566,490	674,042	971,454
Curacao	363,128	-	585,916	-
United Kingdom	234,508	287,365	575,388	488,212
Brazil	134,475	182,570	569,908	459,568
Denmark	150,000	155,000	450,000	380,000
Other	662,150	815,385	1,755,577	1,816,869
Total revenue	\$ 11,533,973	\$ 8,545,977	\$ 39,859,367	\$ 20,600,891

6. Segment information

The Company's Chief Operating Decision Maker ('CODM') evaluates performance and makes 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 4) and therefore it has been removed from segmented information.

The following tables summarize the operating results of each segment:

Three months ended September 30, 2023

	Digital media	Affiliate	Corporate	Total
Revenue	\$ 8,771,918	\$ 2,762,055	\$ -	\$ 11,533,973
Gross margin	8,335,311	1,221,783	-	9,557,094
Operating expenses	7,146,459	528,501	1,746,412	9,421,372
Operating income (loss)	1,188,852	693,282	(1,746,412)	135,722
Other expenses	104,806	1,035	2,263,631	2,369,472
Net income (loss) from continuing operations	1,047,331	548,488	(4,010,043)	(2,414,224)

Three months ended September 30, 2022

	Digital media	Affiliate	Corporate	Total
Revenue	\$ 8,545,977	\$ -	\$ -	\$ 8,545,977
Gross margin	8,060,612	-	-	8,060,612
Operating expenses	6,900,410	-	1,254,029	8,154,439
Operating income (loss)	1,160,202	-	(1,254,029)	(93,827)
Other expenses	34,852	-	1,996,059	2,030,911
Net income (loss) from continuing operations	1,079,211	-	(3,260,063)	(2,180,852)

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

6. Segment information (continued)

Nine months ended September 30, 2023

	Digital media		Affiliate		Corporate		Total
Revenue	\$ 27,964,979	\$	11,894,388	\$	-	\$	39,859,367
Gross margin	26,594,700		7,015,395		-		33,610,095
Operating expenses	24,703,645		1,580,570		5,228,557		31,512,772
Operating income (loss)	1,891,055		5,434,825		(5,228,557)		2,097,323
Other (income) expenses	(1,111,059)		919		4,188,120		3,077,980
Net income (loss) from continuing operations	2,878,627		4,276,490		(9,416,677)		(2,261,560)

Nine months ended September 30, 2022

	Digital media		Affiliate		Corporate		Total
Revenue	\$ 20,600,891	\$	-	\$	-	\$	20,600,891
Gross margin	19,379,612		-		-		19,379,612
Operating expenses	16,422,344		-		4,154,236		20,576,580
Operating income (loss)	2,957,268		-		(4,154,236)		(1,196,968)
Other expenses	114,785		-		5,013,362		5,128,147
Net income (loss) from continuing operations	2,747,210		-		(9,177,573)		(6,430,363)

Playmaker Capital Inc.
Notes to the Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2023

7. Property and equipment

The following table presents a reconciliation of property and equipment as at September 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
Acquired (Note 3)	15,494	-	-	5,611	21,105
Additions	58,536	-	17,116	59,787	135,439
Disposals	-	-	-	(2,303)	(2,303)
Disposal of technology segment (Note 4)	-	-	-	(13,266)	(13,266)
Depreciation	(30,418)	(121,133)	(63,439)	(45,850)	(260,840)
Foreign exchange	(4,874)	(5,887)	(8,409)	(937)	(20,107)
September 30, 2023	\$ 127,623	\$ 414,251	\$ 111,942	\$ 146,208	\$ 800,024

8. Intangible assets

The following table presents intangible assets by category as at September 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
Acquired (Note 3)	-	-	-	1,707,551	1,610,743	3,318,294
Additions	44,066	-	-	-	-	44,066
Disposal of technology segment (Note 4)	-	-	-	(532,893)	(62,395)	(595,288)
Amortization	(41,000)	(3,840,937)	(9,786)	(1,136,993)	-	(5,028,716)
Foreign exchange	(9,529)	-	5,564	(19,238)	58,582	35,379
September 30, 2023	\$ 86,939	\$ 2,121,096	\$ 104,849	\$ 14,474,153	\$ 39,525,294	\$ 56,312,331

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For the three and nine months ended September 30, 2023

9. Goodwill

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

	Futbol Sites	Yardbarker	Two-Up	The Nation Network
December 31, 2022	\$ 9,174,155	\$ 11,282,260	\$ 1,033,889	\$ 2,388,862
Acquired	-	-	-	-
Disposal of technology segment (Note 4)	-	-	(1,074,511)	-
Foreign exchange	-	-	40,622	(5,661)
September 30, 2023	\$ 9,174,155	\$ 11,282,260	\$ -	\$ 2,383,201

	SuperPoker	Wedge	La Poche Bleue	Total
December 31, 2022	\$ 2,454,838	\$ 19,764,844	\$ -	\$ 46,098,848
Acquired	-	-	1,261,488	1,261,488
Disposal of technology segment (Note 4)	-	-	-	(1,074,511)
Foreign exchange	123,920	-	(14,267)	144,614
September 30, 2023	\$ 2,578,758	\$ 19,764,844	\$ 1,247,221	\$ 46,430,439

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 nine months ended September 30, 2023, the Company concluded that there were no triggering events requiring an impairment assessment.

Playmaker Capital Inc.

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10. 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 September 30, 2023:

December 31, 2022	\$ 582,331
Lease payments	(139,547)
Interest expense	25,860
Foreign exchange	(6,258)
September 30, 2023	\$ 462,386
Less: current portion of lease liability	(162,722)
Long-term lease liability	299,664

The Company expenses payments for short-term leases and low-value leases as incurred. These payments for the three and nine months ended September 30, 2023, were \$44,649 and \$127,000 (2022: \$41,944 and \$97,156), respectively.

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

Less than 1 year	\$ 187,881
1 to 2 years	174,860
2 to 3 years	138,970
3 to 4 years	4,696
4 to 5 years	-
5 and more years	-
Total	506,407

11. Long-term debt and convertible debenture

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.

Playmaker Capital Inc.

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11. Long-term debt and convertible debenture (continued)

Convertible debenture

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

December 31, 2022	\$ 15,425,130
Fair value change	878,199
Foreign exchange	8,391
September 30, 2023	\$ 16,311,720

The convertible debenture 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	15.3 – 16.9%
Share price	\$0.5188
Annualized volatility	50.5%
Risk-free interest rate	5.041%
Term	2.8 years
Dividend rate	Nil

12. Deferred and contingent consideration

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

	Deferred Consideration	Contingent Consideration
December 31, 2022	\$ 4,438,000	\$ 29,761,520
Acquired	176,489	2,281,699
Changes in fair value	68,669	210,298
Settled in shares	-	(260,176)
Settled in cash	(2,000,000)	(6,287,247)
Foreign exchange	(984)	7,709
September 30, 2023	\$ 2,682,174	\$ 25,713,803
Current portion	\$ 1,700,922	\$ 17,006,975
Long-term portion	\$ 981,252	\$ 8,706,828

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	4.83% - 5.55%
Weighted average cost of capital	22.2% - 22.5%
Volatility on inputs	49% - 57%

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13. 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 La Poche Bleue	1,666,667	571,170
Shares issued to settle consideration	690,044	260,176
Restricted shares vested	661,731	267,514
Common shares issued to service provider	47,969	18,820
Balance, September 30, 2023	229,504,472	68,227,573
Less: Share issuance costs		1,293,820
Share capital		66,933,753

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 issue various types of equity instruments outlined in the Plan. The Board of Directors determines the instrument and type of award which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the award.

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)	0.5150	N/A
Outstanding, September 30, 2023	8,360,000	0.3282	7.65
Exercisable, September 30, 2023	4,731,967	0.3171	7.57

During the three and nine months ended September 30, 2023, the Company recognized \$84,628 and \$326,044, respectively (2022: \$175,253 and \$609,691, 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	0.38
Exercised	(661,731)	0.40
Forfeited	(144,188)	0.34
Outstanding, September 30, 2023	4,056,366	0.38
Exercisable, September 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 nine months ended September 30, 2023, the Company recognized \$220,182 and \$578,890 respectively (2022: \$137,994 and \$268,108 respectively) in share-based compensation expense relating RSUs for directors and employees and consultants for services provided.

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14. 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:

	September 30, 2023	December 31, 2022
Current	\$ 6,115,362	\$ 10,636,403
1-29 days past due	675,437	1,311,321
30-59 days past due	715,679	315,352
60-89 days past due	102,281	208,970
Over 90 days past due	194,612	527,339
Total	7,803,371	\$ 12,999,385
Less: expected credit loss	(34,936)	(244,234)
Total	\$ 7,768,435	\$ 12,755,151

Playmaker Capital Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Stated in U.S. dollars, except share information and unless otherwise noted)
For the three and nine months ended September 30, 2023

14. 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 Nine months ended September 30, 2023	% of Revenue		Accounts Receivable	% of Accounts Receivable
Customer A	\$	6,288,198	15.78%	\$	1,104,216	14.21%
Customer B		5,392,960	13.53%		857,375	11.04%
Total	\$	11,681,158	29.31%	\$	1,961,591	25.25%

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had a cash balance of \$6,428,867 (December 31, 2022: \$8,875,692), and total current assets of \$15,420,407 (December 31, 2022: \$23,449,966) to pay current liabilities of \$25,748,277 (December 31, 2022: \$23,258,590).

The following table shows the accounts payable aging:

		September 30, 2023		December 31, 2022
Current	\$	821,261	\$	2,445,842
1-29 days overdue		408,292		719,089
30-59 days overdue		85,572		237,116
60-89 days overdue		5,759		14,226
Over 90 days overdue		5,204		16,874
Total	\$	1,326,088	\$	3,433,147

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 nine months ended September 30, 2023. Also, it can settle approximately 30% of the remaining total contingent consideration, and approximately 27% of the current contingent consideration, in shares. Additionally, the Company has an additional \$15,000,000 in available credit from the long-term debt facility.

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14. 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.

15. Supplementary cashflow information

The following table summarizes the net changes in working capital for the nine months ended September 30:

	2023	2022
(Increase) decrease in:		
Accounts receivables	\$ 5,003,833	\$ (918,743)
Income taxes receivable	114,439	(521,406)
Inventory	-	(90,777)
Prepaid and other assets	479,781	(544,197)
Increase (decrease) in:		
Accounts payable	(2,157,021)	(45,157)
Income taxes payable	(438,128)	48,202
Deferred revenue	214,039	420,520
Accrued and other current liabilities	(68,858)	(822,966)
Total net change in working capital	3,148,085	(2,474,524)

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16. 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.

17. Related party transactions

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

During the three and nine months ended September 30, 2023, the Company incurred \$222,893 and \$694,974, respectively (2022: \$266,111 and \$785,353, respectively) in share-based compensation expense associated to executives and board members of the Company.

During the three and nine months ended September 30, 2023, the Company incurred \$235,379 and \$836,755, respectively (2022: \$246,674 and \$902,287, respectively) in salary and wages expense associated to executives of the Company.

During the three and nine months ended September 30, 2023, the Company incurred professional fees of \$12,060 and \$36,650, respectively (2022: \$28,488 and \$57,094, respectively) which were paid to a member of the board for services performed.

During the three and nine months ended September 30, 2023, the Company incurred transaction costs of \$9,788 (2022: \$nil) which were paid to a member of the board for services performed.

During the three and nine months ended September 30, 2022, the Company incurred professional fees of \$6,100, which were paid to a company controlled by a member of the board 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.

18. Subsequent events

On November 6, 2023, the Company announced that it has entered into a definitive agreement (the "Arrangement Agreement") to be acquired by Better Collective A/S (STO: BETCO) ("Better Collective"), a leading digital sports media group that owns and operates a number of global and national sports brands, including HLTV and Action Network, for total consideration of approximately EUR 176 million (the "Transaction").

Under the terms of the Arrangement Agreement, shareholders will receive CAD \$0.70 for each common share held. The Consideration is comprised of cash and ordinary shares of Better Collective. Pursuant to the terms of the Arrangement Agreement, shareholders will be able to elect to receive, for each common share held, either (i) CAD \$0.70 in cash, (ii) 0.0206 ordinary shares of Better Collective or (iii) a mix of CAD \$0.245 in cash and 0.0134 ordinary shares of Better Collective, representing 35% of the Consideration in cash and 65% of the Consideration in Better Collective ordinary shares. The Consideration payable to shareholders is subject to proration based on an aggregate cap of 65% payable in ordinary shares of Better Collective and 35% payable in cash.

The Transaction is to be effected by way of a court-approved plan of arrangement and is expected to close in the first quarter of 2024, subject to receipt of shareholder and court approvals, a required regulatory approval and customary closing conditions. Completion of the Transaction is not subject to any financing condition.