



**FansUnite Entertainment Inc.**

**Condensed Consolidated Interim Financial Statements**  
**(Unaudited)**

For the three and six months ended June 30, 2024 and 2023



## NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

VANCOUVER, BC  
August 14, 2024

FansUnite Entertainment Inc.

Condensed Consolidated Interim Statement of Financial Position

(CAD - thousands)	Notes	June 30, 2024 \$	December 31, 2023 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		2,057	2,227
Restricted cash		29	39
Receivables	3	192	6,079
Due from related parties	7	316	316
Prepaid expenses		58	68
		<b>2,652</b>	<b>8,729</b>
Assets held for sale		42,508	-
<b>Total current assets</b>		<b>45,160</b>	<b>8,729</b>
<b>Non-current</b>			
Goodwill		-	19,687
Intangible assets		-	22,729
Digital currencies		39	25
Right of use assets		-	174
Deferred tax asset		-	3,711
Long-term investments	13	3,548	2,248
Long-term receivables		-	121
<b>Total assets</b>		<b>48,747</b>	<b>57,424</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	4	3,289	6,974
Due to related parties		-	33
Bank indebtedness	5	-	2,720
Deferred and contingent consideration	6	-	15,145
Lease liability		-	142
		<b>3,289</b>	<b>25,014</b>
Liabilities held for sale		18,784	-
<b>Total current liabilities</b>		<b>22,073</b>	<b>25,014</b>
<b>Non-current</b>			
Deferred and contingent consideration	6	-	2,202
Lease liability		-	29
<b>Total liabilities</b>		<b>22,073</b>	<b>27,245</b>
<b>Shareholders' equity</b>			
Share capital	9	122,228	122,228
Reserves		20,710	20,297
Accumulated other comprehensive income		4,111	2,892
Deficit		(120,375)	(115,238)
<b>Total shareholders' equity</b>		<b>26,674</b>	<b>30,179</b>
<b>Total liabilities and shareholders' equity</b>		<b>48,747</b>	<b>57,424</b>

Nature of operations and going concern – Note 1

Contingent asset – Note 15

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

Approved by the Board of Directors:

Director: "Scott Burton"

Director: "Christopher Grove"

FansUnite Entertainment Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Unaudited (CAD - thousands)	Notes	For the three months ended June 30		For the six months ended June 30	
		2024 \$	2023 \$	2024 \$	2023 \$
<b>Expenses</b>					
Selling, general and administrative	11	(1,769)	(1,177)	(2,710)	(2,249)
<b>Loss before other items</b>		<b>(1,769)</b>	<b>(1,177)</b>	<b>(2,710)</b>	<b>(2,249)</b>
<b>Other items</b>					
Interest and other expenses, net	11	23	28	116	28
Impairment loss		-	-	(241)	-
<b>Net loss from continuing operations</b>		<b>(1,746)</b>	<b>(1,149)</b>	<b>(2,835)</b>	<b>(2,221)</b>
Loss from discontinued operations, net of income taxes	16	(1,017)	(3,706)	(3,802)	(8,784)
Gain on disposal of discontinued operations, net of income taxes	16	1,500	4,382	1,500	4,382
<b>Net income (loss) from discontinued operations</b>		<b>483</b>	<b>676</b>	<b>(2,302)</b>	<b>(4,402)</b>
<b>Net income (loss)</b>		<b>(1,263)</b>	<b>(473)</b>	<b>(5,137)</b>	<b>(6,623)</b>
<b>Other comprehensive income</b>					
Revaluation gain (loss) on digital currencies		(1)	(16)	14	1
Currency translation adjustment		341	(806)	1,203	(924)
<b>Total comprehensive income (loss)</b>		<b>(923)</b>	<b>(1,295)</b>	<b>(3,920)</b>	<b>(7,546)</b>
<b>Income (loss) per share – basic and diluted</b>					
Continuing operations		(0.00)	(0.00)	(0.01)	(0.01)
Discontinued operations		0.00	0.00	(0.01)	(0.01)
Net loss		(0.00)	(0.00)	(0.02)	(0.02)
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>359,537,237</b>	<b>357,296,194</b>	<b>358,612,188</b>	<b>341,748,360</b>

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

FansUnite Entertainment Inc.  
Condensed Consolidated Interim Statements of Changes in Equity

(CAD – Thousands)	Notes	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
<b>Balance as at December 31, 2022</b>		<b>319,379,446</b>	<b>121,208</b>	<b>16,567</b>	<b>3,750</b>	<b>(98,542)</b>	<b>42,983</b>
Shares issued through private placement	9(ii)	37,976,242	3,038	-	-	-	3,038
Exercise of restricted stock units	9(iv)	709,617	-	-	-	-	-
Warrants		-	-	1,932	-	-	1,932
Share-based payments	10	-	13	1,200	-	-	1,213
NCIB (repurchase of shares)	9(iii)	(493,000)	(24)	-	-	(1)	(25)
Share issuance costs	9(ii)	-	(2,007)	-	-	-	(2,007)
Revaluation surplus		-	-	-	1	-	1
<b>Balance as at June 30, 2023</b>		<b>357,260,688</b>	<b>122,195</b>	<b>19,176</b>	<b>3,650</b>	<b>(104,692)</b>	<b>40,329</b>
<b>Balance as at December 31, 2023</b>		<b>357,697,305</b>	<b>122,228</b>	<b>20,297</b>	<b>2,892</b>	<b>(115,238)</b>	<b>30,179</b>
Share-based payments	9(i), 10	1,860,605	-	413	-	-	413
Revaluation surplus		-	-	-	14	-	14
Comprehensive loss		-	-	-	1,205	(5,137)	(3,932)
<b>Balance as at June 30, 2024</b>		<b>359,557,910</b>	<b>122,228</b>	<b>20,710</b>	<b>4,111</b>	<b>(120,375)</b>	<b>26,674</b>

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

FansUnite Entertainment Inc.  
Condensed Consolidated Interim Statements of Cash Flows

For the six months ended Unaudited (CAD - thousands)	Notes	June 30, 2024 \$	June 30, 2023 \$
<b>Operating activities:</b>			
Net loss		(5,137)	(6,624)
Restricted cash		11	19
<b>Adjustments for non-cash items:</b>			
Depreciation of equipment		67	113
Amortization of intangible assets		9,923	10,050
Impairment loss		208	113
Accretion on liabilities	6	838	1,002
Revaluation gain on contingent consideration	6	(571)	(231)
Gain on sale of asset		(1,500)	(3,064)
Gain on sale of business		-	(4,382)
Share-based payments	10	413	1,213
Interest and other income, net		9	550
Deferred income tax recovery		(1,339)	(1,342)
Changes in non-cash working capital	14	(1,102)	218
<b>Net cash flows provided by (used in) operating activities</b>		<b>1,820</b>	<b>(2,365)</b>
<b>Investing activities</b>			
Payment of contingent consideration	6	(1,845)	(1,900)
Proceeds on sale of business	16	-	5,231
Proceeds on sale of intangibles	15	1,964	3,029
Purchase of equipment		-	(4)
<b>Net cash flows provided by investing activities</b>		<b>119</b>	<b>6,356</b>
<b>Financing activities</b>			
Repayment of lease liability		(72)	(97)
Repayment of bank indebtedness		(2,198)	(5,513)
Proceeds from brokered financing	9(ii)	-	2,965
Repurchase of shares	9(iii)	-	(25)
Interest income, net		(119)	(588)
Payments to related parties		-	(41)
<b>Net cash flows used in financing activities</b>		<b>(2,389)</b>	<b>(3,299)</b>
<b>Effect of foreign exchange</b>		<b>280</b>	<b>(143)</b>
<b>Change in cash</b>		<b>(170)</b>	<b>549</b>
Cash, beginning of the period		2,227	2,914
<b>Cash, end of period</b>		<b>2,057</b>	<b>3,463</b>

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

## 1. Nature of Operations and Going Concern

FansUnite Entertainment Inc. (“FansUnite”, “Company”), was incorporated on March 26, 2020 under the laws of British Columbia with its head office in Vancouver, British Columbia. The Company has operated as a sports and entertainment company, focusing on services related to regulated and lawful online sports betting, casino and other related products.

The Company’s registered office, head office and principal address is at Suite 303 – 780 Beatty Street, Vancouver, BC, V6B 2M1.

These Condensed Consolidated Interim financial statements (“Financial Statements”) have been prepared on the basis of accounting principles applicable to a going concern under IFRS Accounting Standards (“IFRS”). The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities, when due, is dependent upon the Company’s ability to execute its business plan which may require additional external financing. These conditions cast significant doubt on the Company’s ability to continue as a going concern. These Condensed Consolidated Interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Condensed Consolidated Interim financial statements. Those adjustments could be material.

## 2. Material Accounting Policies

### a) Basis of preparation

These Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The Financial Statements are presented in thousands of Canadian dollars and are prepared in accordance with the same accounting policies, critical estimates and methods described in the Company’s 2023 annual consolidated financial statements. Given that certain information and footnote disclosures, which are included in the annual audited consolidated Financial Statements, have been condensed or excluded in accordance with IAS 34, these financial statements should be read in conjunction with our annual audited consolidated financial statements as at and for the year ended December 31, 2023, including the accompanying notes thereto.

These Financial Statements of the Company were approved and authorized for issuance by the Board of Directors on August 8, 2024.

**Material Accounting Policies (Continued)****b) Consolidation**

The Financial Statements include the accounts of the Company and its controlled entities. Details of the controlled entities are as follows:

	Country of Incorporation	Functional Currency	Percentage Owned	
			March 31, 2024	December 31, 2023
EGG Ltd.	Malta	European Euro	100%	100%
Askott Services Ltd.	United Kingdom	British Pound	100%	100%
FansUnite US Inc.	United States	United States Dollar	100%	100%
American Affiliate Co. LLC	United States	United States Dollar	100%	100%
AmAff Canada Affiliates Inc.	Canada	Canadian Dollar	100%	100%

Intercompany transactions, balances, income and expenses, and gains or losses are eliminated on consolidation.

**c) New accounting policies adopted in the current period**

There were no new or amended accounting policies adopted by the Company for the period ended June 30, 2024.

**d) Recent Accounting Pronouncements**

As of the date of authorization of these Financial Statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Upon adoption, such new standards, interpretations, and amendments are not expected to have a material impact on the Company's Financial Statements.

**3. Receivables**

	June 30, 2024	December 31, 2023
Trade receivable	-	4,085
GST and sales tax receivable	169	301
Other receivables	23	1,706
Loss allowance	-	(13)
	<b>192</b>	<b>6,079</b>

**4. Accounts Payable and Accrued Liabilities**

	June 30, 2024	December 31, 2023
Accounts payable	1,740	1,180
Accrued liabilities	1,549	5,794
	<b>3,289</b>	<b>6,974</b>



**5. Bank Indebtedness**

The Company holds a three-year financing facility (“Financing Facility”) with Centurion Financial Trust (“Lender”). The Financing Facility includes a Canadian Dollar denominated debenture for up to \$12,350 that bears interest of 11.0% compounded and paid monthly. The Financing Facility is secured, including by a general security agreement creating a first priority security interest in all present and after acquired personal property of American Affiliate. The Financing Facility includes general covenants, certain financial performance obligations and a legal obligation to maintain the following financial covenants:

- i. American Affiliate debt service coverage ratio of 1.20:1
- ii. American Affiliate maximum funded indebtedness to EBITDA ratio of 6.00:1
- iii. Consolidated minimum cash balance of \$3,000

The Company is currently in compliance with its debt service coverage ratio, maximum funded indebtedness to EBITDA ratio covenants and legal obligations. As at June 30, 2024 the Company had a cash balance of \$2,057 and was therefore in violation of the consolidated minimum cash balance covenant. As of the date of filing, a waiver was obtained and is effective until August 31, 2024 or 90 days after the close of the sale of American Affiliate Co. LLC (note 16(a)), whichever is later.

The Financing Facility balance is \$522 as at June 30, 2024 (December 31, 2023: \$2,720). The full amount of the facility is classified as Liabilities held for sale.

**6. Deferred and Contingent Consideration**

The Company has deferred and contingent consideration payable to the vendors of American Affiliate. The vendors are comprised of part of the Company’s key management and former key management personnel.

Deferred and contingent consideration as at June 30, 2024 is related to a cash payment of \$2,067 due as at June 30, 2024 and earnout payments of \$14,315 to be paid in cash. Earnout payments are agreed based upon a multiple of EBITDA in the financial year ending December 31, 2024 (the “Earnout Period”).

A reconciliation of the deferred and contingent consideration follows:

<b>Balance, December 31, 2022</b>	<b>20,826</b>
Remeasurement	(2,486)
Accretion expense	1,717
Consideration settled in cash	(2,288)
Effect of movements in exchange rates	(422)
<b>Balance, December 31, 2023</b>	<b>17,347</b>
Remeasurement	(571)
Accretion expense	838
Consideration settled in cash	(1,845)
Effect of movements in exchange rates	613
Transferred to held for sale	(16,382)
<b>Balance, June 30, 2024</b>	<b>-</b>

**7. Related Party Transactions and Balances**

As at June 30, 2024, the Company had advanced \$316 to directors and employees of the Company (December 31, 2023: \$316) to fund taxes owing on vested restricted stock units. The loans are unsecured, do not bear interest, and mature December 2024.

During the quarter ended March 31, 2023 the Company completed a non-brokered private placement. Two directors subscribed for a combined 554,742 Common Share Units for \$54.

*Key Management Compensation*

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's executive leadership team. Such compensation was comprised of:

	For the three months ended		For the six months ended	
	2024	June 30 2023	2024	June 30 2023
Executive compensation	300	268	582	415
Share-based payments	18	107	45	275
	<b>318</b>	<b>375</b>	<b>627</b>	<b>690</b>

**8. Commitments**

The Company has contractual payments related to the licensing of event marketing software classified as liabilities held for sale as at June 30, 2024:

	June 30, 2024	December 31, 2023
12 months	110	142
13 – 24 months	-	35

**9. Share Capital***Authorized share capital*

Unlimited common shares without par value.

*Issued share capital*

As at June 30, 2024, there were 359,557,910 issued and fully paid common shares outstanding (December 31, 2023: 357,697,305).

*Six months ended June 30, 2024*

- i. Throughout the period, 1,860,605 Restricted Share Units ("RSUs") vested and were issued to directors of the Company. The RSUs, granted in 2024, were issued when the vesting conditions were met.

*Six months ended June 30, 2023*

- ii. On March 15, 2023, the Company issued 37,976,242 Units, each comprised of one common share and one common share purchase warrant ("Unit") for gross proceeds of \$3,038 ("the Offering"). Each full share purchase warrant had an exercise price of \$0.12 with an expiry date of March 15, 2026. The warrants are accounted for as equity-settled share-based payments as the obligation will be settled

**Share Capital (Continued)**

through the issuance of common shares, the warrant value of \$1,891 is included as part of share issuance costs. In connection with the financing, the Company incurred other share issuance cash costs of \$75 that were recorded to share capital. The total consideration of the Units issued, being \$2,965 net of cash financing costs, was allocated to share capital.

In connection with the financing, the Company issued 753,725 broker warrants valued at \$41 to brokers and agents, which was allocated to share issuance costs and warrant reserve. The broker warrants entitle the holder to purchase one common share at a price of \$0.08 per share for a period and expire on March 15, 2026. The fair value of the warrants was determined using the Black Scholes model utilizing the following assumptions: risk free rate of 2.98%, volatility of 138%, expected life of three years and an exercise price of \$0.08.

- iii. The Company had repurchased 398,000 common shares pursuant to the 2022 normal-course issuer bid (“NCIB”) at a cost of \$0.06 which represented approximately 0.10% of the Company’s issued and outstanding common shares at the time. During the period, 493,000 repurchased shares were cancelled.
- iv. Throughout the period, 709,617 Restricted Share Units (“RSUs”) vested and were issued to management and directors of the Company. The RSUs, granted in 2021 and 2023, were issued when the vesting conditions were met.

**10. Share-Based Payments***Reserves*

- i. Stock options reserve – The reserve records items recognized as share-based payments expense.
- ii. Warrants reserve – The reserve records fair value of the warrants issued for services.
- iii. RSU reserve – The reserve records items recognized as share-based payments expense.
- iv. Accumulated other comprehensive income (loss) – The foreign exchange reserve recognizes the foreign exchange differences resulting from translation of group entities to the presentation currency that have a different functional currency than the presentation currency.

*Warrants*

The following table summarizes the continuity of the Company’s warrants:

	Number of warrants	Weighted average exercise price \$
<b>Outstanding, December 31, 2022</b>	43,868,558	0.74
Issued (note 9(ii))	38,729,967	0.12
Expired	(12,193,371)	0.76
<b>Outstanding, December 31, 2023</b>	<b>70,405,154</b>	<b>0.39</b>
<b>Outstanding, June 30, 2024</b>	<b>70,405,154</b>	<b>0.39</b>

Additional information regarding warrants outstanding as at June 30, 2024, is as follows:

Expiry date – fiscal year ended	Exercise price per warrant \$	June 30, 2024	December 31, 2023
December 31, 2024	0.90 – 1.30	16,973,402	16,973,402
December 31, 2025	0.12 – 0.14	14,701,785	14,701,785
December 31, 2026	0.08 – 0.12	38,729,967	38,729,967

**Share-Based Payments (Continued)***Stock options*

As of June 30, 2024, the Company has granted 27,754,371 options (December 31, 2023: 29,472,590) to employees and key advisors of a possible pool of 35,955,791. The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
<b>Outstanding, December 31, 2022</b>	29,746,647	0.23
Granted	1,549,057	0.10
Forfeited	(2,823,114)	0.26
<b>Outstanding, December 31, 2023</b>	<b>28,472,590</b>	<b>0.19</b>
Forfeited	(718,219)	0.15
<b>Outstanding, June 30, 2024</b>	<b>27,754,371</b>	<b>0.20</b>

Additional information regarding stock options outstanding as at June 30, 2024, is as follows:

Expiry date – fiscal year ended	Exercise price per option \$	June 30, 2024	December 31, 2023
December 31, 2025	0.10 – 0.26	18,559,501	18,830,220
December 31, 2028	0.15 – 0.50	830,000	915,000
December 31, 2030	0.15 – 0.42	912,500	1,100,000
December 31, 2031	0.15 – 0.79	7,027,370	7,077,370
December 31, 2032	0.12 – 0.15	425,000	550,000

The weighted average remaining contractual life of the options outstanding as at June 30, 2024 is 2.90 years (December 31, 2023: 3.43 years). During the three and six months ended June 30, 2024, a share-based payment charge of \$10 (June 30, 2023: \$23) and \$23 (June 30, 2023: \$59), respectively, has been recognized in the Selling, general and administrative expenses in relation to the stock options.

*Restricted stock Units*

The Company had awarded RSUs to certain employees and directors. The RSUs were subject to certain company milestones.

The following table summarizes the continuity of the Company's restricted stock units:

	Number of restricted stock units
<b>Outstanding, December 31, 2022</b>	500,000
Issued	384,617
Vested	(834,617)
Forfeited	(50,000)
<b>Outstanding, December 31, 2023</b>	-
Issued	2,110,605
Vested	1,860,605
Forfeited	-
<b>Outstanding, June 30, 2024</b>	<b>250,000</b>

**Share-Based Payments (Continued)**

During the period ended June 30, 2024, 2,110,605 (June 30, 2023: 384,617), RSUs were awarded, respectively, to directors of the Company with a fair value of \$0.04 determined by the share price on the date of grant. The RSUs are subject to non-market conditions.

The fair values for RSUs have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	June 30, 2024	December 31, 2023
Stock price	\$0.04 – 0.05	\$0.065
Risk-free interest rate	4.90%	3.29%
Expected life (in years)	Immediate – 2 years	Immediate Vesting
Expected volatility	123%	137%

As at June 30, 2024, the remaining 250,000 RSUs that have been awarded (December 31, 2023: nil) have non-market conditions attached. During the three and six months ended June 30, 2024, a share-based payment charge of \$82 (June 30, 2023: \$44) and \$82 (June 30, 2023: \$82), respectively, has been recognized in the Selling, general and administrative expenses in relation to the RSUs. The RSUs are accounted for as equity-settled share-based payments as the obligation will be settled through the issuance of common shares.

**11. Expense Classified by Nature from Continuing Operations**

	For the three months ended		For the six months ended	
	2024	June 30 2023	2024	June 30 2023
<b>Selling, general and administrative</b>				
Foreign exchange loss	85	(101)	222	(97)
General and administrative	147	134	313	287
Professional fees	1,122	579	1,394	1,001
Salaries and wages	307	395	634	787
Sales and marketing	16	104	42	131
Share-based payments	92	66	105	140
	<b>1,769</b>	<b>1,177</b>	<b>2,710</b>	<b>2,249</b>
<b>Interest and other income, net</b>				
Interest income	23	28	116	28
	<b>23</b>	<b>28</b>	<b>116</b>	<b>28</b>

**12. Capital Risk Management**

The Company's objective when managing capital is to safeguard the ability to continue as a going concern. The Company considers the items included in shareholders' equity as capital with primary sources of capital coming from the issuance of capital stock and bank indebtedness.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to obtain additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. As part of the debt covenants outlined in note 5 the Company is required to maintain a minimum cash balance of \$3,000.

**13. Risk Management and Financial Instruments**

The Company's financial instruments consist of cash, restricted cash, investments, digital currencies, accounts receivable, amounts due from related parties, accounts payable, and deferred and contingent consideration. The carrying values of accounts receivable, due from related parties and accounts payable approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

June 30, 2024	Carrying amount			Total	Fair value			Total
	FVTPL	Amortized cost	FVOCI - others		Level 1	Level 2	Level 3	
<b>Financial assets</b>								
Cash	-	2,057	-	2,057	-	-	-	-
Restricted cash	-	29	-	29	-	-	-	-
Receivables	-	192	-	192	-	-	-	-
Due from related parties	-	316	-	316	-	-	-	-
Long-term investments	3,548	-	-	3,548	-	3,548 <sup>1,2</sup>	-	3,548
Digital currencies	-	-	39	39	39	-	-	39
<b>Financial liabilities</b>								
Accounts payable and accrued liabilities	-	3,289	-	3,289	-	-	-	-

December 31, 2023	Carrying amount			Total	Fair value			Total
	FVTPL	Amortized cost	FVOCI - others		Level 1	Level 2	Level 3	
<b>Financial assets</b>								
Cash	-	2,227	-	2,227	-	-	-	-
Restricted cash	-	39	-	39	-	-	-	-
Receivables	-	6,079	-	6,079	-	-	-	-
Due from related parties	-	316	-	316	-	-	-	-
Long-term investments	2,248	-	-	2,248	-	2,248 <sup>1,2</sup>	-	2,248
Digital currencies	-	-	25	25	25	-	-	25
Long-term receivables	-	121	-	121	-	-	-	-
<b>Financial liabilities</b>								
Accounts payable and accrued liabilities	-	6,974	-	6,974	-	-	-	-
Due to related parties	-	33	-	33	-	-	-	-
Lease liabilities	-	171	-	171	-	-	-	-
Bank indebtedness	-	2,720	-	2,720	-	-	-	-
Deferred and contingent consideration	17,347	-	-	17,347	3,968	-	13,379	17,347

<sup>1</sup> Money Line is a privately owned company (\$63).

<sup>2</sup>Warrants for the option to purchase one Preferred Share at 0.01USD in betr. All Warrants were valued using the Black-Scholes Model.

**Risk Management and Financial Instruments (Continued)***Fair value*

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii. Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- iii. Level 3 – inputs for the asset or liability that are not based upon observable market data.

The fair value of cash, restricted cash, digital currencies and deferred consideration was determined using level 1 inputs.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is in its cash accounts, receivables and amounts due from related parties. All the Company's cash is held through a Canadian or American chartered bank. The Company does not believe that there is any significant credit risk associated with the amounts due from related parties.

The Company mitigates the risk of credit loss relating to receivables by ensuring that transactions are entered into with creditworthy customers. The Company actively monitors its amounts receivable. As at June 30, 2024 there was \$27 (December 31, 2023: \$13) included in Assets held for sale.

*Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	Carrying amount	Contractual cash flows				
		Total	2 months	3-12 months	13-24 months	25-60 months
<b>June 30, 2024</b>						
Accounts payable and accruals	3,289	3,289	3,289	-	-	-
	<b>3,289</b>	<b>3,289</b>	<b>3,289</b>	-	-	-
<b>December 31, 2023</b>						
Accounts payable and accruals	6,974	6,974	6,974	-	-	-
Amounts due to related parties	33	33	33	-	-	-
Bank indebtedness	2,720	2,720	2,720	-	-	-
Lease liabilities	171	212	35	106	71	-
Deferred and contingent consideration	17,347	6,428	4,802	951	675	-
	<b>27,245</b>	<b>16,367</b>	<b>14,564</b>	<b>1,057</b>	<b>746</b>	-

The Company will continue to monitor its exposure to liquidity risk.

**Risk Management and Financial Instruments (Continued)***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 is not subject to any interest rate volatility as the debt (note 5) and amount due from related parties (note 7) are carried at a fixed interest rate throughout their term. The Company's deposits of cash held at financial institutions earn a fixed rate of return.

*Foreign currency risk*

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company has financial assets and liabilities denominated in Canadian dollars. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is a summary, presented in Canadian dollars, of financial assets and liabilities that are denominated in currencies other than the Canadian dollar at June 30, 2024:

	GBP	EUR	USD
Cash	-	6	30
Accounts receivable	-	91	-
<b>Total assets</b>	<b>-</b>	<b>97</b>	<b>30</b>
Accounts payable	937	95	-
<b>Total liabilities</b>	<b>937</b>	<b>95</b>	<b>-</b>

The Company has determined that as at June 30, 2024, the effect of a 10% increase or decrease in Euros, and U.S. dollars against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of \$1,354 (December 31, 2023: \$1,424) to the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss for the period ended June 30, 2024.

*Price Risk*

Price risk is the risk of variability in fair value due to the movements in equity or market prices. The Company's investments in warrants are susceptible to price risk arising from uncertainties about their future outlook, future values and the impact of market conditions. Its fair value is based on the valuation technique as detailed in note 15 and is dependent on the terms of the instrument.

**14. Supplementary Cash Flow Information**

	June 30, 2024	June 30, 2023
<i>Changes in non-cash working capital</i>		
Receivables	927	831
Prepaid expenses and deposits	(2)	52
Accounts payable	(2,027)	(670)
Income taxes payable	-	5
	<b>(1,102)</b>	<b>218</b>



**15. Contingent Asset**

During the year ended December 31, 2023 the Company entered into an agreement to sell source code related to the Chameleon Gaming Platform to betr while retaining the ability to sell a copy of the code to prospective buyers in the future. The total consideration was \$10,000, comprised of \$5,000 cash and share purchase warrants at closing and payments of up to \$5,000 cash and purchase warrants over 12 months following the closing of the transaction upon achievement of certain milestones. As at June 30, 2024 the Company has collected milestone payments of \$2,250 in cash and \$1,500 in purchase warrants. There is some uncertainty over valuation and timing of the remaining consideration to be received and as a result there has been no further receivable recorded as at June 30, 2024. Management will continue to monitor the conditions underlying the remaining milestone payments and recognize a receivable once completion is virtually certain.

**16. Discontinued Operations****a) American Affiliate Co. LLC**

On June 27, 2024, the Company executed a definitive agreement with a private counterparty to sell 100% of the shares of FansUnite US Inc. which is the sole owner of American Affiliate Co. LLC and represents the entirety of the Affiliate segment. Under the terms of the agreement, the total purchase price is US\$37,500.

As at June 30, 2024, the Company had assets and liabilities related to FansUnite US Inc. as detailed below:

	June 30, 2024 \$
Cash and cash equivalents	1,924
Receivables	3,484
Prepaid expenses	12
Deferred tax asset	5,186
Right of use asset	113
Goodwill	20,374
Intangible assets	13,340
Accounts payable and accrued liabilities	(1,771)
Bank indebtedness	(522)
Contingent consideration	(16,382)
Lease liability	(110)
<b>Total</b>	<b>25,648</b>

**Discontinued Operations (Continued)**

The results of the discontinued operations are presented below:

	For the three months ended June 30		For the six months ended June 30	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue	5,449	5,062	13,780	12,354
Cost of revenue	(2,195)	(1,674)	(5,306)	(4,265)
<b>Gross Margin</b>	<b>3,254</b>	<b>3,388</b>	<b>8,474</b>	<b>8,089</b>
<b>Expenses</b>				
Selling, general and administrative	(5,128)	(7,727)	(13,005)	(15,817)
<b>Loss before other items</b>	<b>(1,874)</b>	<b>(4,339)</b>	<b>(4,531)</b>	<b>(7,728)</b>
<b>Other items</b>				
Interest and other expenses, net	(624)	(766)	(957)	(1,538)
Revaluation of contingent consideration	1,004	94	571	231
Income tax recovery (expense):				
Current	127	-	(224)	-
Deferred, net	350	605	1,339	1,342
<b>Net loss from discontinued operations</b>	<b>(1,017)</b>	<b>(4,406)</b>	<b>(3,802)</b>	<b>(7,693)</b>

The net cash flows for the disposal group are, as follows:

	June 30, 2024 \$	June 30, 2023 \$
For the six months ended		
<b>Net cash flows provided by operating activities</b>	<b>3,284</b>	<b>3,529</b>
<b>Net cash flows used in investing activities</b>	<b>(1,845)</b>	<b>(1,900)</b>
<b>Net cash flows provided by (used in) financing activities</b>	<b>(4,192)</b>	<b>168</b>
<b>Net cash inflows (outflows)</b>	<b>(2,753)</b>	<b>1,797</b>

**Discontinued Operations (Continued)****b) McBookie**

On May 1, 2023, the Company executed an agreement with a private counterparty to sell 100% of the shares in McBookie which was part of the iGaming segment. Under the terms of the agreement, the total purchase price is \$5,473 which resulted in a gain on sale of \$4,382. From the closing proceeds, \$4,212 was used to reduce outstanding long-term debt.

The results of the discontinued operations are presented below:

	For the three months ended June 30		For the six months ended June 30	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue	-	10	-	1,056
Cost of revenue	-	(94)	-	(681)
<b>Gross Margin</b>	-	<b>(84)</b>	-	<b>375</b>
<b>Expenses</b>				
Selling, general and administrative	-	(150)	-	(347)
<b>Income (loss) before other items</b>	-	<b>(234)</b>	-	<b>28</b>
<b>Other items</b>				
Interest and other expenses, net	-	-	-	(1)
Income tax recovery (expense):				
Current	-	62	-	(5)
Deferred, net	-	1	-	1
<b>Net income (loss) from discontinued operations</b>	-	<b>(171)</b>	-	<b>23</b>

The net cash flows for the disposal group are, as follows:

	June 30, 2024 \$	June 30, 2023 \$
For the six months ended		
<b>Net cash flows provided by operating activities</b>	-	350
<b>Net cash flows used in investing activities</b>	-	-
<b>Net cash flows used in financing activities</b>	-	(287)
<b>Net cash inflows</b>	-	<b>63</b>

**Discontinued Operations (Continued)****c) Chameleon**

On May 8, 2023 the Company executed an asset purchase agreement to sell the source code related to the Chameleon Gaming Platform to Betr Holdings Inc. All licensing revenue for the Chameleon Gaming Platform was part of the iGaming segment. On September 3, 2023, the Company migrated its final white label customer off the platform, marking the discontinuation of the aforementioned segment.

As at June 30, 2024, the Company had assets and liabilities as detailed below:

	June 30, 2024 \$
Cash and cash equivalents	7
Receivables	91
Accounts payable and accrued liabilities	(1,030)
<b>Total</b>	<b>(932)</b>

The results of the discontinued operations are presented below:

	For the three months ended June 30		For the six months ended June 30	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue	-	288	-	683
Cost of revenue	-	(367)	-	(515)
<b>Gross Margin</b>	-	<b>(79)</b>	-	<b>168</b>
<b>Expenses</b>				
Selling, general and administrative	-	(1,935)	-	(4,125)
<b>Loss before other items</b>	-	<b>(2,014)</b>	-	<b>(3,957)</b>
<b>Other items</b>				
Gain on sale of asset	-	3,064	-	3,064
Impairment loss	-	(113)	-	(113)
<b>Net income (loss) from discontinued operations</b>	-	<b>936</b>	-	<b>(1,006)</b>

The net cash flows for the disposal group are, as follows:

	June 30, 2024 \$	June 30, 2023 \$
For the six months ended		
<b>Net cash flows used in operating activities</b>	-	(3,073)
<b>Net cash flows provided by investing activities</b>	-	3,025
<b>Net cash flows used in financing activities</b>	-	(440)
<b>Net cash outflows</b>	-	<b>(488)</b>