**Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.)**
**Form 51-102F4**
***Business Acquisition Report***

**Item 1 Identity of Company**

**1.1 Name and Address of Company**

Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.) ("Gamelancer" or the "Company")
120 Carlton Street – Suite 405
Toronto, ON, M5A 4K2

**1.2 Executive Officer**

The name and business telephone number of an executive officer of Gamelancer who is knowledgeable about the significant acquisition and this business acquisition report (this "Report") is:

Stephen R. Brooks
Chief Financial Officer
416-457-5201

**Item 2 Details of Acquisition**

**2.1 Nature of Business Acquired**

On April 14, 2022, the Company, through its wholly-owned subsidiary Wondr Gaming USA Corp., completed the acquisition (the "Acquisition") of 100% of the issued and outstanding common shares of Gamelancer, Inc. ("Target"). In conjunction with the transaction, the Company changed its name from Wondr Gaming Corp. to Gamelancer Gaming Corp. to ensure consistent branding with the acquired company.

Gamelancer, Inc. is a social gaming network to enhance the gaming experience for all its users and connects gamers from all around the world. The platform provides a space for gamers to come together as a community. The social media element of the platform allows users to stay connected outside of the game. Gamelancer, Inc.'s revenue source is advertisement which allows advertisers to use the platform for agree upon fees.

**2.2 Acquisition Date**

April 14, 2022 (the "Closing Date")

**2.3 Consideration**

As initial consideration for the Acquisition, the Company issued 212,338,900 common shares of the Company and paid cash consideration of US$7,000,000 to the shareholders of Target on a pro-rata basis. All common shares issued in connection with the Acquisition are subject to voluntary lock-ups of up to 36 months and a statutory four-month hold, with 10% of the common shares released on closing of the Acquisition and 15% released every six months thereafter over the next 36 months. Additional cash consideration of US$2,500,000 is due six months from the Closing Date and a final US$2,500,000 is due twelve months from the Closing Date. The Company also agreed to pay a further US$125,000 cash payment contingent on the satisfaction of certain revenue milestones being met in one of the Company's wholly-owned subsidiaries.

The cash consideration paid at the time of closing was funded through cash on hand with future consideration to be paid from earnings as well as from future financing(s).

**2.4 Effect on financial position**

Upon completion of the Acquisition, the Target became a wholly-owned indirect subsidiary of the Company.

The Company does not have any material plans or proposals for material changes in its business affairs, or the affairs of Target, which would have a significant effect on the financial performance or financial position of the Company other than to continue to build out the advertising options of the Target.

**2.5 Prior Valuations**

To the knowledge of the Company, there has not been any valuation opinion obtained within the last 12 months by either the Company or Target required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for the Acquisition.

**2.6 Parties to Transaction**

Gamelancer, Inc. was not an informed person (as such term is defined in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*), associate or affiliate of the Company prior to the Acquisition.

**2.7 Date of Report**

June 27, 2022

**Item 3 Financial Statements and Other Information**

*Exhibit A – Unaudited Pro Forma Condensed Consolidated Financial Statements of the Company*

Attached as Exhibit A hereto are the unaudited pro forma condensed consolidated statement of financial position, statement of loss and comprehensive loss as at and for the year ended December 31, 2021.

*Exhibit B – Unaudited Pro Forma Condensed Interim Consolidated Financial Statements of the Company*

Attached as Exhibit B hereto are the unaudited pro forma condensed interim consolidated statement of financial position, statement of loss and comprehensive income loss as at and for the three months ended March 31, 2022.

*Exhibit C – Financial Statements of Target*

Attached as Exhibit C hereto are the audited consolidated financial statements of Target for the year ended December 31, 2021, together with the independent auditor's report thereon. Comparative financial information has not been audited since the Company was a private company at that time and did not require an audit.

*Exhibit D – Interim Financial Statements of Target*

Attached as Exhibit D hereto are the unaudited condensed interim financial statements of Target as at March 31, 2022 and for the three months then ended. These financial statements have not been subject to review by an auditor.

**Forward-Looking Information**

This Report may contain "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may relate to the Company's future business, financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, and the Company's plans and objectives. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Particularly, information regarding the Company's expectations of future results, performance, cost savings, achievements, prospects, industry trends, or opportunities, or the markets in which the Company operates is forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances.

This forward-looking information and other forward-looking information are based on opinions, estimates and assumptions in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. These opinions, estimates and assumptions include, but are not limited to, the following: the Company's ability to build its market share and enter new geographies; the total available market for its products; the Company's ability to retain key personnel; the Company's ability to maintain and expand geographic scope; the Company's ability to execute on its expansion plans; the Company's ability to continue investing in infrastructure to support its growth and brand recognition; the Company's ability to continue maintaining and enhancing its technological infrastructure and functionality of its platform; the Company's ability to obtain financing on acceptable terms; the Company's ability to effectively integrate its recent acquisitions; the Company's ability to generate sufficient cash to deleverage, the impact of competition; the changes and trends in the Company's industry or the global economy; and changes in laws, rules, regulations, and global standards.

Accordingly, prospective investors should not place undue reliance on forward-looking information. The forward-looking information contained in this Report represents the Company's expectations as of the date of this Report (or as the date it is otherwise stated to be made) and is subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities laws.

All of the forward-looking information contained in this Report is expressly qualified by the foregoing cautionary statements. Prospective investors should read this entire Report and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of an investment in the Company.

**Exhibit "A"**
**Unaudited Pro Forma Condensed Consolidated Financial Statements of the Company – December 31, 2021**

(See attached)

**Gamelancer Gaming Corp. (formerly Wondr Gaming Corp.)**

# UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF LOSS AND COMPREHENSIVE LOSS

As at and for the year ended December 31, 2021

**Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.)**
Pro Forma Condensed Consolidated Statement of Financial Position
As at December 31, 2021
(Unaudited - In Canadian dollars, unless otherwise noted)

| | Wondr Gaming Corp. CAD$ | Gamelancer, Inc. USD$ | Gamelancer, Inc. CAD$ | Pro forma Adjustments CAD$ | Pro forma Adjustments CAD$ | Note 4 | Pro forma Consolidated CAD$ |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Current assets | | | | | | | |
| Cash | 3,752,581 | 246,442 | 312,439 | (12,024,200) | 9,617,522 | [a] [c] | 1,658,342 |
| Receivables | 367,327 | 531,358 | 673,656 | 0 | 0 | | 1,040,983 |
| Inventories | 0 | 64,961 | 81,429 | 0 | 0 | | 81,429 |
| Prepaid expenses and deposits | 303,428 | 308 | 386 | 0 | 0 | | 303,814 |
| | 4,423,336 | 843,069 | 1,067,910 | (12,024,200) | 9,617,522 | | 3,084,568 |
| Restricted cash | 50,000 | 0 | 0 | 0 | 0 | | 50,000 |
| Deposits | 4,425 | 0 | 0 | 0 | 0 | | 4,425 |
| Property and equipment | 4,645 | 0 | 0 | 0 | 0 | | 4,645 |
| Right-of-use asset | 22,291 | 0 | 0 | 0 | 0 | | 22,291 |
| Website development costs, net | 0 | 67,275 | 84,329 | 0 | 0 | | 84,329 |
| Exclusivity rights, net | 0 | 170,000 | 213,095 | 0 | 0 | | 213,095 |
| Intangible assets | 1,114,760 | 598,291 | 749,958 | (749,958) | 0 | [a] | 1,114,760 |
| Goodwill | 2,228,451 | 0 | 0 | 39,743,319 | 0 | [a] | 41,971,770 |
| Investment in a private company | 0 | 0 | 0 | 0 | 0 | | 0 |
| | 7,847,908 | 1,678,635 | 2,115,292 | 26,969,161 | 9,617,522 | | 46,549,883 |
| **Liabilities** | | | | | | | |
| Current liabilities | | | | | | | |
| Simple agreement for future equity (SAFE) at FV | 0 | 1,349,883 | 1,711,382 | (1,711,382) | 0 | [a] | 0 |
| Accounts payable and accrued liabilities | 1,619,923 | 85,371 | 108,233 | 0 | 0 | | 1,728,156 |
| Accrued liability | 0 | 135,031 | 171,192 | 0 | 0 | | 171,192 |
| Deferred revenue | 46,305 | 0 | 0 | 0 | 0 | | 46,305 |
| Due to related parties | 10,500 | 0 | 0 | 0 | 0 | | 10,500 |
| Future consideration liability | 0 | 0 | 0 | 3,324,358 | 0 | [a] | 3,324,358 |
| Current portion of lease liability | 20,999 | 0 | 0 | 0 | 0 | | 20,999 |
| | 1,697,727 | 1,570,285 | 1,990,807 | 1,612,976 | 0 | | 5,301,511 |
| Lease liability | 0 | 0 | 0 | 0 | 0 | | 0 |
| | 1,697,727 | 1,570,285 | 1,990,807 | 1,612,976 | 0 | | 5,301,511 |
| **Shareholders' equity** | | | | | | | |
| Common shares | 16,915,434 | 65 | 82 | 25,480,586 | 8,314,518 | [a] [c] | 50,710,620 |
| Preferred shares | 0 | 20 | 25 | (25) | 0 | [a] | 0 |
| Warrant reserve | 804,722 | 0 | 0 | 0 | 1,303,004 | [c] | 2,107,726 |
| Share-based benefits reserve | 388,467 | 0 | 0 | 0 | 0 | | 388,467 |
| Additional paid-in capital | 0 | 11,818,596 | 14,983,616 | (14,983,616) | 0 | [a] | 0 |
| Accumulated other comprehensive loss | (163,245) | 0 | 0 | 0 | 0 | | (163,245) |
| Deficit | (11,795,197) | (11,710,331) | (14,859,239) | 14,859,240 | 0 | [a] | (11,795,196) |
| | 6,150,181 | 108,350 | 124,485 | 25,356,184 | 9,617,522 | | 41,248,372 |
| | 7,847,908 | 1,678,635 | 2,115,292 | 26,969,160 | 9,617,522 | | 46,549,883 |

**Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.)**
Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the year ended December 31, 2021
(Unaudited - in Canadian dollars, unless otherwise noted)

| | Wondr Gaming Corp. CAD$ | Gamelancer, Inc. USD$ | Gamelancer, Inc. CAD$ | Pro forma Adjustments CAD$ | Note 4 | Pro forma Consolidated CAD$ |
|---|---|---|---|---|---|---|
| **Revenues** | 186,919 | 1,506,695 | 1,888,642 | 0 | | 2,075,561 |
| **Expenses** | | | | | | |
| Listing expense | 3,179,576 | 0 | 0 | 0 | | 3,179,576 |
| Consultants and subcontractors | 1,939,147 | 0 | 0 | 0 | | 1,939,147 |
| Research and development | 893,560 | 0 | 0 | 0 | | 893,560 |
| General and administrative | 820,581 | 883,129 | 1,107,002 | 0 | | 1,927,583 |
| Professional fees | 756,265 | 0 | 0 | 0 | | 756,265 |
| Share-based payments - RSU | 0 | 403,007 | 505,169 | 0 | | 505,169 |
| Share-based payments | 691,020 | 4,970,704 | 6,230,777 | 0 | | 6,921,797 |
| Fair value adjustment to SAFE | 0 | 604,883 | 758,221 | 0 | | 758,221 |
| Development cost | 0 | 211,836 | 265,536 | 0 | | 265,536 |
| Salaries, wages and benefits | 626,451 | 0 | 0 | 0 | | 626,451 |
| Advertising and promotion | 394,368 | 0 | 0 | 0 | | 394,368 |
| Finance costs, net | 196,951 | 0 | 0 | 0 | | 196,951 |
| Impairment loss on intangible assets | 170,000 | 0 | 0 | 0 | | 170,000 |
| Depreciation and amortization | 82,414 | 0 | 0 | 0 | | 82,414 |
| Loss on revaluation of conversion option liability | 8,000 | 0 | 0 | 0 | | 8,000 |
| Foreign exchange loss | 7,912 | 0 | 0 | 0 | | 7,912 |
| Short-term and variable lease payments | 0 | 0 | 0 | 0 | | 0 |
| | 9,766,245 | 7,073,559 | 8,866,706 | 0 | | 18,632,951 |
| **Loss from operations** | (9,579,326) | (5,566,864) | (6,978,064) | 0 | | (16,557,390) |
| **Other income** | | | | | | |
| Interest income | 0 | 106 | 133 | 0 | | 133 |
| **Net loss before income taxes** | (9,579,326) | (5,566,758) | (6,977,931) | 0 | | (16,557,257) |
| Income taxes | 0 | 1,200 | 1,504 | 0 | | 1,504 |
| **Net loss** | (9,579,326) | (5,567,958) | (6,979,435) | 0 | | (16,558,761) |
| **Other comprehensive loss** | | | | | | |
| Item that may be reclassified subsequently to loss: | | | | | | |
| Fair value loss on investment in private company | (163,245) | 0 | 0 | 0 | | (163,245) |
| **Total comprehensive loss** | (9,742,571) | (5,567,958) | (6,979,435) | 0 | | (16,722,006) |
| | | | | | | |
| Basic and diluted loss per share | $ (0.07) | | | | | $ (0.04) |
| Weighted average number of common shares outstanding | 138,519,774 | | | | [b] | 400,858,674 |

## 1. Description of the Transaction

On April 14, 2022, the Company, through its wholly-owned subsidiary Wondr Gaming USA Corp., completed the acquisition (the "Acquisition") of 100% of the issued and outstanding common shares of Gamelancer, Inc. ("Target"). In conjunction with the transaction, the Company changed its name from Wondr Gaming Corp. to Gamelancer Gaming Corp. to ensure consistent branding with the acquired company.

Gamelancer, Inc. is a social gaming network to enhance the gaming experience for all its users and connects gamers from all around the world. The platform provides a space for gamers to come together as a community. The social media element of the platform allows users to stay connected outside of the game. Gamelancer, Inc.'s revenue source is advertisement which allows advertisers to use the platform for agree upon fees.

As initial consideration for the Acquisition, the Company issued 212,338,900 common shares of the Company and paid cash consideration of US$7,000,000 to the shareholders of Target on a pro-rata basis. All common shares issued in connection with the Acquisition are subject to voluntary lock-ups of up to 36 months and a statutory four-month hold, with 10% of the common shares released on closing of the Acquisition and 15% released every six months thereafter over the next 36 months. Additional cash consideration of US$2,500,000 is due six months from the Closing Date and a final US$2,500,000 is due twelve months from the Closing Date. The Company also agreed to pay a further US$125,000 cash payment contingent on the satisfaction of certain revenue milestones being met in one of the Company's wholly-owned subsidiaries.

The cash consideration paid at the time of closing was funded through cash on hand with future consideration to be paid from earnings as well as from future financing(s).

## 2. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements as at and for the year ended December 31, 2021 (the "Pro Forma Financial Information"). Has been prepared to illustrate the pro forma impact of the Acquisition.

The Pro Forma Financial Information gives effect to the Acquisition as if it had closed on January 1, 2021. The Pro Forma Financial Information has been prepared by management of Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.) for illustrative purposes and is not necessarily indicative of the operating results that would have been achieved if the Acquisition had been completed on January 1, 2021, nor do they purport to project the results of operations for any future periods. The Pro Forma Financial Information may not be useful in predicting the future results of operations of the combined company. The actual results of operations may differ significantly from the Pro Forma Financial Information presented herein.

The Pro Forma Financial Information is derived from and should be read in conjunction with the following:

- The audited consolidated financial statements of Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.). These financial statements are filed as those of Wondr Gaming Corp. (formerly, Transglobe Internet and Telecom Co. Ltd.) as at and for the year ended December 31, 2021);
- The audited financial statements of Gamelancer, Inc. as at and for the year ended December 31, 2021.

The historical consolidated financial statements have been adjusted in the Pro Forma Financial Information to give effect to pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable and (3) expected to have a material continuing impact on the results of the Company.

The Pro Forma Financial Information does not reflect any cost savings from operating efficiencies or synergies that could result from the Acquisition or for liabilities that may result from integration planning. Furthermore, potential future tax planning strategies have not been reflected in the Pro Forma Financial Information if they have not been implemented at the time of Acquisition. Therefore, the actual effective tax rate will likely vary from the estimated tax rates that have been used for purposes of computing tax expense in these pro forma financial statements.

The accounting policies used in the preparation of the Pro Forma Financial Information are consistent with those described in the audited consolidated financial statements of Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.) for the year ended December 31, 2021.

The pro forma adjustments are based on preliminary estimates of fair value of the consideration paid and fair value of the assets acquired, and liabilities assumed, currently available information and certain assumptions that the Company believes are reasonable in the circumstances. The actual adjustments to the financial statements will depend on a number of factors including, among others, additional information available and finalization of the purchase price allocation.

The Target's historical financial information, originally presented in United States' dollars ("USD") has been translated into Canadian dollars for presentation in the Pro Forma Financial Information using the following exchange rates:

- USD to Canadian dollar at 1.2678 for monetary items on the Statement of Financial Position;
- USD to Canadian dollar at 1.2535 for the non-monetary items on the Statement of Financial Position and for Statement of Loss and Comprehensive Loss.

- The cash payments of US$7,000,000 on the closing date, US$2,500,000 six months from the closing date, the US$2,500,000 due twelve months from the closing date and the contingent consideration were translated at the foreign exchange rate in effect on those dates.

Unless otherwise indicated, all amounts are expressed in Canadian dollars and rounded to the nearest dollar.

## 3. Significant Accounting Policies

Management has performed a preliminary limited review of the historic accounting records and financial statements of Target to identify and adjust material differences between accounting policies selected by the Company under International Financial Reporting Standards ("IFRS") and generally accepted accounting principles in the United States ("US GAAP") as applied by the Target. Management has not identified any material differences in accounting treatment between those under IFRS and those under US GAAP.

## 4. Pro Forma Adjustments

The following assumptions and adjustments have been made to give effect to the Acquisition:

[a] An adjustment to record goodwill of $39,743,319 which reflects the following:

- Cash purchase consideration of US$7,000,000 (CAD$8,925,700) paid on closing of the transaction;
- Payment of US$2,500,000 due six months after the closing date (CAD$3,098,500);
- Future and contingent consideration liability of $3,324,358 reflecting:
  - US$2,500,000 due twelve months after the closing date (CAD$3,169,500). Since the pro forma financial statements show insufficient cash at December 31, 2021 to make that payment, this amount is shown as a current liability in the pro forma financial statements;
  - Payment of US$125,000 assumed to be paid twelve months from the closing date (CAD$158,475) discounted for a period of twelve months at an annual discount rate of 2.3357%. The resulting liability is CAD$154,858.
- Share consideration of $25,480,668 reflecting 212,338,900 common shares of the Company at a price of $0.12 per common share. The share price used reflects the actual share price on the actual closing date of April 22, 2022 since the Company was not publicly traded on the pro forma acquisition date of January 1, 2021 and there was no readily available market price. The shares issued includes those issued on conversion of the SAFE notes of Target immediately prior to Acquisition.
- The fair value of the intangible assets on Target's balance sheet Of $749,958 (US$598,291) was adjusted to zero on a provisional basis, pending finalization of the purchase accounting, with the excess of purchase price over the fair value of net assets acquired being recorded to goodwill.

[b] The adjustment reflects the increase in the weighted average number of shares in relation to the Acquisition as if the Acquisition had taken place on January 1, 2021.

[c] An adjustment to reflect the private placement that closed in the first quarter of 2022 to give effect on a pro forma basis to that transaction closing on January 1, 2021 in conjunction with the acquisition of Target and the funding of the initial US$7,000,000 payment on the closing of the Target acquisition.

The private placement included 50,000,000 common shares being issued with gross proceeds of $8,734,603. The private placement also included 24,999,999 warrants being issued and allocated a value of $1,265,397. The total gross proceeds were therefore $10,000,000.

Cash transaction costs totalled $382,478 with $334,566 being allocated to common shares and $47,912 being allocated to warrants.

There were 1,633,229 broker warrants issued with a value of $97,993 with these issuance costs allocated $85,519 to common shares and $12,474 to warrant reserve.

The entirety of the excess purchase price over the estimated fair value of the net assets acquired was attributed to goodwill on a provisional basis. The initial accounting for the business combination was incomplete as of December 31, 2021. Accordingly, the amounts disclosed above are provisional. To the extent new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date, the Company will retroactively adjust the provisional amounts recognized at the acquisition date. The period over which such retroactive adjustments may be recognized will not exceed one year from the acquisition date. During this one year period the Company may also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

**Exhibit "B"**

**Unaudited Pro Forma Condensed Interim Consolidated Financial Statements of the Company – March 31, 2022**

(See attached)

**Gamelancer Gaming Corp. (formerly Wondr Gaming Corp.)**

# UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF LOSS AND COMPREHENSIVE LOSS

As at and for the three months ended March 31, 2022

**Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.)**
Pro Forma Condensed Consolidated Statement of Financial Position
As at March 31, 2022
(UNAUDITED - In Canadian dollars, unless otherwise noted)

| | Wondr Gaming Corp. CAD$ | Gamelancer, Inc. USD$ | Gamelancer, Inc. CAD$ | Pro forma Adjustments CAD$ | Note 4 | Pro forma Consolidated CAD$ |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Current assets | | | | | | |
| Cash | 11,616,597 | 279,830 | 349,676 | (8,895,600) | [a] | 3,070,673 |
| Receivables | 337,013 | 455,495 | 569,187 | 0 | | 906,200 |
| Inventories | 0 | 64,961 | 82,260 | 0 | | 82,260 |
| Prepaid expenses and deposits | 167,073 | 0 | 0 | 0 | | 167,073 |
| | 12,120,683 | 800,286 | 1,001,122 | (8,895,600) | | 4,226,205 |
| Restricted cash | 50,000 | 0 | 0 | 0 | | 50,000 |
| Deposits | 4,425 | 0 | 0 | 0 | | 4,425 |
| Property and equipment | 4,645 | 0 | 0 | 0 | | 4,645 |
| Right-of-use asset | 11,143 | 0 | 0 | 0 | | 11,143 |
| Website development costs, net | 0 | 56,653 | 71,740 | 0 | | 71,740 |
| Exclusivity rights, net | 0 | 155,000 | 196,277 | 0 | | 196,277 |
| Intangible assets | 1,192,077 | 702,059 | 889,017 | (889,017) | [a] | 1,192,077 |
| Goodwill | 3,719,258 | 0 | 0 | 52,871,532 | [a] | 56,590,790 |
| Investment in a private company | 0 | 0 | 0 | 0 | | 0 |
| | 17,102,231 | 1,713,998 | 2,158,156 | 43,086,915 | | 62,347,302 |
| **Liabilities** | | | | | | |
| Current liabilities | | | | | | |
| Simple agreement for future equity (SAFE) at FV | 0 | 1,276,538 | 1,595,162 | (1,595,162) | [a] | 0 |
| Accounts payable and accrued liabilities | 1,531,670 | 511,307 | 638,929 | 0 | | 2,170,599 |
| Deferred revenue | 0 | 0 | 0 | 0 | | 0 |
| Due to related parties | 10,500 | 0 | 0 | 0 | | 10,500 |
| Current portion of lease liability | 8,435 | 0 | 0 | 0 | | 8,435 |
| Current portion of contingent and future consideration liability | 430,888 | 0 | 0 | 6,385,139 | [a] | 6,816,027 |
| | 1,981,493 | 1,787,845 | 2,234,091 | 4,789,977 | | 9,005,561 |
| Contingent consideration liability | 428,393 | 0 | 0 | 0 | | 428,393 |
| | 2,409,886 | 1,787,845 | 2,234,091 | 4,789,977 | | 9,433,954 |
| **Shareholders' equity** | | | | | | |
| Common shares | 25,729,952 | 65 | 81 | 38,220,921 | [a] | 63,950,954 |
| Preferred shares | 0 | 20 | 25 | (25) | [a] | 0 |
| Warrant reserve | 2,147,178 | 0 | 0 | 0 | | 2,147,178 |
| Share-based benefits reserve | 447,906 | 0 | 0 | 0 | | 447,906 |
| Additional paid-in capital | 0 | 12,540,428 | 15,670,519 | (15,670,519) | [a] | 0 |
| Accumulated other comprehensive loss | (163,245) | 0 | 0 | 0 | | (163,245) |
| Deficit | (13,469,446) | (12,614,360) | (15,746,560) | 15,746,561 | [a] | (13,469,445) |
| | 14,692,345 | (73,847) | (75,935) | 38,296,938 | | 52,913,348 |
| | 17,102,231 | 1,713,998 | 2,158,156 | 43,086,915 | | 62,347,302 |

**Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.)**
Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the three months ended March 31, 2022
(UNAUDITED - in Canadian dollars, unless otherwise noted)

| | | Wondr Gaming Corp. CAD | Gamelancer, Inc. USD | Gamelancer, Inc. CAD | Pro forma Adjustments CAD | Note 4 | | Pro forma Consolidated CAD |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | 66,502 | 488,828 | 619,003 | 0 | | | 685,505 |
| **Expenses** | | | | | | | | |
| Listing expense | | 0 | 0 | 0 | 0 | | | 0 |
| Consultants and subcontractors | | 746,851 | 0 | 0 | 0 | | | 746,851 |
| Research and development | | 0 | 0 | 0 | 0 | | | 0 |
| General and administrative | | 245,563 | 646,499 | 818,662 | 0 | | | 1,064,225 |
| Professional fees | | 117,590 | 0 | 0 | 0 | | | 117,590 |
| Share-based payments - RSU | | 0 | 36,958 | 46,800 | 0 | | | 46,800 |
| Share-based payments | | 98,891 | 684,874 | 867,256 | 0 | | | 966,147 |
| Fair value adjustment to SAFE | | 0 | (73,345) | (92,877) | 0 | | | (92,877) |
| Development cost | | 0 | 96,689 | 122,437 | 0 | | | 122,437 |
| Salaries, wages and benefits | | 198,218 | 0 | 0 | 0 | | | 198,218 |
| Advertising and promotion | | 273,688 | 0 | 0 | 0 | | | 273,688 |
| Finance costs, net | | 3,492 | 0 | 0 | 0 | | | 3,492 |
| Impairment loss on intangible assets | | 0 | 0 | 0 | 0 | | | 0 |
| Depreciation and amortization | | 67,881 | 0 | 0 | 0 | | | 67,881 |
| Loss on revaluation of conversion option liability | | 0 | 0 | 0 | 0 | | | 0 |
| Foreign exchange gain | | (11,423) | 0 | 0 | 0 | | | (11,423) |
| Short-term and variable lease payments | | 0 | 0 | 0 | 0 | | | 0 |
| | | 1,740,751 | 1,391,675 | 1,762,278 | 0 | | | 3,503,029 |
| **Loss from operations** | | (1,674,249) | (902,847) | (1,143,275) | 0 | | | (2,817,524) |
| **Other income** | | | | | | | | |
| Interest income | | 0 | 18 | 23 | 0 | | | 23 |
| **Net loss before income taxes** | | (1,674,249) | (902,829) | (1,143,252) | 0 | | | (2,817,501) |
| Income taxes | | 0 | 1,200 | 1,520 | 0 | | | 1,520 |
| **Net loss** | | (1,674,249) | (904,029) | (1,144,772) | 0 | | | (2,819,021) |
| **Other comprehensive loss** | | | | | | | | |
| Item that may be reclassified subsequently to loss: | | | | | | | | |
| Fair value loss on investment in private company | | 0 | 0 | 0 | 0 | | | 0 |
| **Total comprehensive loss** | | (1,674,249) | (904,029) | (1,144,772) | 0 | | | (2,819,021) |
| Basic and diluted loss per share | $ | (0.01) | | | | | $ | (0.01) |
| Weighted average number of common shares outstanding | | 197,222,017 | | | | [b] | | 409,560,917 |

## 1. Description of the Transaction

On April 14, 2022, the Company, through its wholly-owned subsidiary Wondr Gaming USA Corp., completed the acquisition (the "Acquisition") of 100% of the issued and outstanding common shares of Gamelancer, Inc. ("Target"). In conjunction with the transaction, the Company changed its name from Wondr Gaming Corp. to Gamelancer Gaming Corp. to ensure consistent branding with the acquired company.

Gamelancer, Inc. is a social gaming network to enhance the gaming experience for all its users and connects gamers from all around the world. The platform provides a space for gamers to come together as a community. The social media element of the platform allows users to stay connected outside of the game. Gamelancer, Inc.'s revenue source is advertisement which allows advertisers to use the platform for agree upon fees.

As initial consideration for the Acquisition, the Company issued 212,338,900 common shares of the Company and paid cash consideration of US$7,000,000 to the shareholders of Target on a pro-rata basis. All common shares issued in connection with the Acquisition are subject to voluntary lock-ups of up to 36 months and a statutory four-month hold, with 10% of the common shares released on closing of the Acquisition and 15% released every six months thereafter over the next 36 months. Additional cash consideration of US$2,500,000 is due six months from the Closing Date and a final US$2,500,000 is due twelve months from the Closing Date. The Company also agreed to pay a further US$125,000 cash payment contingent on the satisfaction of certain revenue milestones being met in one of the Company's wholly-owned subsidiaries.

The cash consideration paid at the time of closing was funded through cash on hand with future consideration to be paid from earnings as well as from future financing(s).

## 2. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements as at and for the three months ended March 31, 2022 (the "Pro Forma Financial Information") has been prepared to illustrate the pro forma impact of the Acquisition.

The Pro Forma Financial Information gives effect to the Acquisition as if it had closed on January 1, 2022. The Pro Forma Financial Information has been prepared by management of Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.) for illustrative purposes and is not necessarily indicative of the operating results that would have been achieved if the Acquisition had been completed on January 1, 2022, nor do they purport to project the results of operations for any future periods. The Pro Forma Financial Information may not be useful in predicting the future results of operations of the combined company. The actual results of operations may differ significantly from the Pro Forma Financial Information presented herein.

The Pro Forma Financial Information is derived from and should be read in conjunction with the following:

- The unaudited condensed consolidated interim financial statements of Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.). These financial statements are filed as those of Wondr Gaming Corp. (formerly, Transglobe Internet and Telecom Co. Ltd.) as at and for the three months ended March 31, 2022);
- The unaudited condensed interim financial statements of Gamelancer, Inc. as at and for the three months ended March 31, 2022.

The historical consolidated financial statements have been adjusted in the Pro Forma Financial Information to give effect to pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable and (3) expected to have a material continuing impact on the results of the Company.

The Pro Forma Financial Information does not reflect any cost savings from operating efficiencies or synergies that could result from the Acquisition or for liabilities that may result from integration planning. Furthermore, potential future tax planning strategies have not been reflected in the Pro Forma Financial Information if they have not been implemented at the time of Acquisition. Therefore, the actual effective tax rate will likely vary from the estimated tax rates that have been used for purposes of computing tax expense in these pro forma financial statements.

The accounting policies used in the preparation of the Pro Forma Financial Information are consistent with those described in the unaudited consolidated interim financial statements of Gamelancer Gaming Corp. (formerly, Wondr Gaming Corp.) for the three months ended March 31, 2022.

The pro forma adjustments are based on preliminary estimates of fair value of the consideration paid and fair value of the assets acquired, and liabilities assumed, currently available information and certain assumptions that the Company believes are reasonable in the circumstances. The actual adjustments to the financial statements will depend on a number of factors including, among others, additional information available and finalization of the purchase price allocation.

The Target's historical financial information, originally presented in United States' dollars ("USD") has been translated into Canadian dollars for presentation in the Pro Forma Financial Information using the following exchange rates:

- USD to Canadian dollar at 1.2496 for monetary items on the Statement of Financial Position;
- USD to Canadian dollar at 1.2663 for the non-monetary items on the Statement of Financial Position and for Statement of Loss and Comprehensive Loss.

- The US$7,000,000 due on closing, assumed to be January 1, 2022 for purposes of these pro forma financial statements, was translated at the foreign exchange rate in effect on that date.

Unless otherwise indicated, all amounts are expressed in Canadian dollars and rounded to the nearest dollar.

## 3. Significant Accounting Policies

Management has performed a preliminary limited review of the historic accounting records and financial statements of Target to identify and adjust material differences between accounting policies selected by the Company under International Financial Reporting Standards ("IFRS") and generally accepted accounting principles in the United States ("US GAAP") as applied by the Target. Management has not identified any material differences in accounting treatment between those under IFRS and those under US GAAP.

## 4. Pro Forma Adjustments

The following assumptions and adjustments have been made to give effect to the Acquisition:

[a] An adjustment to record goodwill of $52,871,532 which reflects the following:

- Cash purchase consideration of US$7,000,000 (CAD$8,895,600) paid on closing of the transaction;
- Future consideration liability of $6,385,139 reflecting the following:
  - Payment of US$2,500,000 due six months after the closing date (CAD$3,169,500) discounted for a period of six months at an annual discount rate of 2.3357%. The resulting liability is CAD$3,133,121.
  - Payment of US$2,500,000 due twelve months after the closing date (CAD$3,169,500) discounted for a period of twelve months at an annual discount rate of 2.3357%. The resulting liability is CAD$3,097,160.
  - Payment of US$125,000 assumed to be paid twelve months from the closing date (CAD$158,475) discounted for a period of twelve months at an annual discount rate of 2.3357%. The resulting liability is CAD$154,858.
- Share consideration of $38,221,002 reflecting 212,338,900 common shares of the Company at a price of $0.18 per common share which was the market price of the Company's shares on the pro forma closing date of January 1, 2022 (share price was $0.12 on the actual closing date of April 14, 2022). The shares issued includes those issued on conversion of the SAFE notes of Target immediately prior to Acquisition.
- The fair value of the intangible assets on Target's balance sheet of $889,017 (US$702,059) was adjusted to zero on a provisional basis, pending finalization of the purchase accounting, with the excess of purchase price over the fair value of net assets acquired being recorded to goodwill.

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[b] The adjustment reflects the increase in the weighted average number of shares in relation to the Acquisition as if the Acquisition had taken place on January 1, 2022.

The entirety of the excess purchase price over the estimated fair value of the net assets acquired was attributed to goodwill on a provisional basis. The initial accounting for the business combination was incomplete as of March 31, 2022. Accordingly, the amounts disclosed above are provisional. To the extent new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date, the Company will retroactively adjust the provisional amounts recognized at the acquisition date. The period over which such retroactive adjustments may be recognized will not exceed one year from the acquisition date. During this one year period the Company may also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

**Exhibit "C"**
**Financial Statements of Target**

**Financial Statement and Independent Auditor's Report**

As at and for the year ended December 31, 2021

(See attached)

LSL

GAMELANCER, INC.

DECEMBER 31, 2021 AND 2020 (UNAUDITED)

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

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GAMELANCER, INC.

FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020 (UNAUDITED)

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## INDEPENDENT AUDITORS' REPORT

To Management
Gamelancer, Inc.
West Hollywood, California

**Opinion**

We have audited the accompanying financial statements of Gamelancer, Inc. (a Delaware C-corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gamelancer, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gamelancer, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Other Matter – Prior Year Financial Statement Compiled**

Management is responsible for the accompanying financial statements of Gamelancer, Inc. (a corporation), which comprise the balance sheet as of December 31, 2020, and the related statements of operations and changes in stockholders' equity and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these 2020 financial statements.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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To Management
Gamelancer, Inc.
West Hollywood, California

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gamelancer, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gamelancer's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gamelancer's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lance, Soll & Lunghard, LLP

Santa Ana, California
March 30, 2022, except for 2020 compiled information noted in Other Matter Paragraph, as to which the date is June 8, 2022

**GAMELANCER, INC.**

**BALANCE SHEETS**
**DECEMBER 31, 2021 AND 2020**

| | | 2021 | | UNAUDITED 2020 |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets | | | | |
| Cash | $ | 246,442 | $ | 238,194 |
| Accounts receivable | | 531,358 | | - |
| Inventories | | 64,961 | | 9,336 |
| Prepaid expenses | | 308 | | - |
| Total Current Assets | | 843,069 | | 247,530 |
| Other Assets | | | | |
| Website development costs, net | | 67,275 | | 109,765 |
| Exclusivity rights, net | | 170,000 | | - |
| Intangibles | | 598,291 | | - |
| Total Other Assets | | 835,566 | | 109,765 |
| **Total Assets** | **$** | **1,678,635** | **$** | **357,295** |
| **Liabilities and Shareholders' Equity** | | | | |
| Current Liabilities | | | | |
| Simple agreement for future equity (SAFE) at fair value | $ | 1,349,883 | $ | - |
| Accounts payable | | 85,371 | | 48,825 |
| Accrued liability | | 135,031 | | 5,873 |
| Total Current Liabilities | | 1,570,285 | | 54,698 |
| Shareholders' Equity | | | | |
| Common stock | | 65 | | 65 |
| Preferred stock | | 20 | | 20 |
| Additional paid-in-capital | | 11,818,596 | | 6,444,885 |
| Accumulated deficit | | (11,710,331) | | (6,142,373) |
| Total Shareholders' Equity | | 108,350 | | 302,597 |
| **Total Liabilities and Shareholders' Equity** | **$** | **1,678,635** | **$** | **357,295** |

**See Independent Auditors' Report and Notes to Financial Statements.**

GAMELANCER, INC.

**STATEMENTS OF OPERATIONS**
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | UNAUDITED 2020 |
|---|---|---|
| **Revenues** | $ 1,506,695 | $ 10,332 |
| Operating Expenses | | |
| Share-based compensation expense - RSU | 403,007 | 227,345 |
| Share-based compensation expense - Executives | 4,970,704 | 5,416,125 |
| Fair value adjustment to SAFE | 604,883 | - |
| Development cost | 211,836 | 83,037 |
| General and administrative expenses | 883,129 | 426,056 |
| Total Operating Expenses | 7,073,559 | 6,152,563 |
| Loss from operations | (5,566,864) | (6,142,231) |
| Other Income | | |
| Interest income | 106 | 258 |
| Net Loss Before Income Taxes | (5,566,758) | (6,141,973) |
| Income Taxes | 1,200 | 400 |
| **Net Loss** | $ (5,567,958) | $ (6,142,373) |

**See Independent Auditors' Report and Notes to Financial Statements.**

GAMELANCER, INC.

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
## FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | Common Stock | | Preferred Stock | | | | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid- In Capital | Accumulated Deficit | Totals |
| Balance, December 31, 2019 (Unaudited) | 6,500,000 | $ 65 | - | $ - | $ - | $ - | $ 65 |
| Preferred Stock | - | - | 2,000,000 | 20 | 799,980 | - | 800,000 |
| Common Stock | - | - | - | - | 1,435 | | 1,435 |
| Share-Based Compensation: | | | | | | | |
| Share-based compensation to Executives | - | - | - | - | 5,416,125 | - | 5,416,125 |
| RSU to key employees and nonemployees consultants and advisors | - | - | - | - | 227,345 | - | 227,345 |
| Net loss | - | - | - | - | - | (6,142,373) | (6,142,373) |
| Balance, December 31, 2020 (Unaudited) | 6,500,000 | $ 65 | 2,000,000 | $ 20 | $ 6,444,885 | $ (6,142,373) | $ 302,597 |
| Share-Based Compensation: | | | | | | | |
| Share-based compensation to Executives | - | - | - | - | 4,970,704 | - | 4,970,704 |
| RSU to key employees and nonemployees consultants and advisors | - | - | - | - | 403,007 | - | 403,007 |
| Net loss | - | - | - | - | - | (5,567,958) | (5,567,958) |
| Balance, December 31, 2021 (Audited) | 6,500,000 | $ 65 | 2,000,000 | $ 20 | $ 11,818,596 | $ (11,710,331) | $ 108,350 |

See Independent Auditors' Report and Notes to Financial Statements.

GAMELANCER, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | UNAUDITED 2020 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Net loss | $ (5,567,958) | $ (6,142,373) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Amortization expense | 52,490 | 17,704 |
| Fair value adjustment of simple agreement for future equity | 604,883 | - |
| Share-based compensation | 5,373,711 | 5,643,470 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (531,358) | - |
| Other assets | (180,000) | (127,469) |
| Inventories | (55,625) | (9,336) |
| Prepaid expenses | (308) | - |
| Accounts payable | 36,546 | 48,825 |
| Accrued liabilities | (842) | 5,873 |
| **Net Cash Provided by (Used in) Operating Activities** | (268,461) | (563,306) |
| **Cash Flows From Investing Activities** | | |
| Purchases of intangible assets | (468,291) | - |
| Net Cash Used In Investing Activities | (468,291) | - |
| **Cash Flows From Financing Activities** | | |
| Proceeds from issuance of preferred stock | - | 799,980 |
| Proceeds from issuance of common stock | - | 1,435 |
| Proceeds from issuance of simple agreement for future equity (SAFE) | 745,000 | - |
| Proceeds from issuance of common stocks and preferred stocks | - | 85 |
| Net Cash Provided by Financing Activities | 745,000 | 801,500 |
| Net Decrease By Cash | 8,248 | 238,194 |
| Cash, Beginning of Year | 238,194 | - |
| **Cash, End of Year** | $ 246,442 | $ 238,194 |

**Supplemental Disclosures of Cash Flow Information**

| | 2021 | 2020 |
|---|---|---|
| Cash paid during the year for: | | |
| Income taxes | $ 1,200 | $ 400 |
| Non-Cash Investing Activities | | |
| Purchase of exclusivity rights for which future payments are an accrued liability | $ 130,000 | $ - |

**See Independent Auditors' Report and Notes to Financial Statements.**

## Note 1: Nature of Business

Gamelancer Inc. (the "Company") was established on November 27, 2019, under the laws of the state of Delaware. The Company is a social gaming network to enhance the gaming experience for all its users and connects gamers all around the world. The platform provides a space for gamers to come together as a community. The social media element of the platform allows users to stay connected outside of the game.

The Company's revenue source is advertisement which the Company allows advertisers to use its platform for agreed upon fees.

## Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

### Revenue Recognition

The Company has analyzed the provisions of the Financial Accounting Standard Board's ("FASB") Accounting Standards Update ("ASU") No.2014-09, *Revenue from Contracts with Customers* (Topic 606).

The Company generates revenue primarily from advertising revenue which is generated by displaying advertising products on the Gamelancer's platform. Marketers pay for advertising products based on the number of impressions delivered or the number of actions, such as clicks, taken by the Company's users. The Company recognizes revenue from the display of impression-based advertisements in the contracted period in which the impressions are delivered. Impressions are considered delivered when an advertisement is displayed to users.

### Accounts Receivable

Accounts receivable consists of trade accounts arising in the normal course of business. The term of receivables is generally net 60 days. Accounts which are determined as uncollectible are written-off after all attempts at collection have been pursued. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Management has determined an allowance is not necessary as of December 31, 2021 and 2020.

**Note 2: Summary of Significant Accounting Policies (Continued)**

**Inventories**

Inventories are valued at the lower of cost or net realizable value with costs on a first-in, first-out basis. At December 31, 2021 and 2020, no reserve for obsolete inventory was deemed necessary.

**Website Development Cost**

The Company developed its own website. In accordance with FASB Accounting Standardization Codification ("ASC") 350-50, *Website Development Costs*, the Company accounts for website development costs by capitalizing qualifying costs which are incurred during the development and infrastructure stage. Expenses incurred in the planning stage are expensed as incurred. Capitalized website development cost is amortized straight-line over the expected period of benefit, which is three years. Amortization expense related to capitalized website development costs in included in operating expenses in the accompanying statement of operations.

Amortization expense was $42,490 and $17,704 for the years ended December 31, 2021 and 2020, respectively. The net cost reported on the balance sheet is $67,275 and $109,765 as of December 31, 2021 and 2020.

**Exclusivity Rights**

The exclusivity rights are stated at acquisition cost. The cost is amortized straight-line over the expected period of benefit, which is three years.

**Intangible Assets**

The Company's intangible assets consist of cost of developing mobile application and acquisition costs of domain name. The mobile application is in production as of December 31, 2021 and will be amortized over its useful life when it is ready for its intended use in accordance with the guidelines of ASC 350-30, *General Intangible Other than Goodwill*. The Company accounts for acquired domain name as infinite assets without amortization and reviews annually to determine if an impairment should be recognized.

**Income Taxes**

The Company's income tax liability has been determined by using an asset and liability approach. The liability is based on the current and deferred tax consequences of all events recognized in the financial statements as of the date of the balance sheet. Deferred taxes are provided for temporary differences which will result in taxable or deductible amounts in future years, primarily attributable to a different basis in certain assets for financial and tax reporting purposes, including recognition of deferred tax assets net of a related valuation allowance.

The Company did not have unrecognized tax benefits as of December 31, 2021 and 2020 and does not expect this to change significantly over the next 12 months. In accordance with ASC 740, *Income Taxes,* the Company will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2021 and 2020, the Company has not accrued interest or penalties related to uncertain tax positions.

## Note 2: Summary of Significant Accounting Policies (Continued)

### Advertising

Advertising costs are charged to operations when incurred. During the years ended December 31, 2021 and 2020, the Company incurred $44,989 and $54,905, respectively, for advertising costs which are included in operating expenses in the accompanying consolidated statements of operations.

### Stock-Based Compensation and Share-Based Compensation

The Company amended and restated the 2020 Equity Incentive Plan (the "Plan"). Under the Plan, the Company provides incentive stock options or nonstatutory stock options and restricted stock units ("RSU"). The Company issues common stock to executives and restricted stock units ("RSUs") to key employees and nonemployee advisors and consultants. The Company follows provisions of ASC 718, *Stock Compensation,* to account for equity incentive. Under this guidance, the Company recognizes compensation expense as vesting requirements are met, based on the fair value at the vesting date. The Company's vesting requirement is generally time-based vesting and vesting periods are generally between 24 months to 36 months. The Company recognizes compensation expense on a straight-line basis over the requisite service periods. The Company accounts for forfeitures as they occur.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### Date of Management's Review

Events occurring after December 31, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of March 30, 2022, which is the date the financial statements were available to be issued.

## Note 3: Significant Concentrations of Credit Risk

The Company may be subject to credit risk on its cash. At December 31, 2021 and 2020, the Company maintains its cash balances at one institution. Accounts at this institution is insured by the FDIC, which covers up to $250,000 for substantially all depository accounts. At various times throughout the year, the balances in these accounts may be in excess of federally insured limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

For the years ended December 31, 2021 and 2020, the Company generated revenue from one customer, which accounted for 79% and 90% of total revenues. At December 31, 2021, receivables for this customer accounted for 89% of total receivable. The Company did not have accounts receivables as of December 31, 2020.

**Note 4: Inventories**

Inventories at December 31, 2021 and 2020, consists of purchased gaming merchandise.

**Note 5: Intangible Assets**

Intangible assets is comprised of the following at December 31:

| | 2021 | 2020 |
|---|---|---|
| Finite-lived: | | |
| Mobile application | $ 348,291 | $ - |
| Indefinite-lived: | | |
| Domain name | 250,000 | - |
| Intangible assets, at net book value | $ 598,291 | $ - |

The mobile application is still in production as of December 31, 2021; thus, amortization has not been recorded as of December 31, 2021.

**Note 6: Agreement for the Development and Manufacturing of a Gaming Device**

In November 2021, the Company entered into an agreement with a foreign company for the manufacturing of a gaming device, effective for three years. The Company agreed to purchase 3,000 sets of the device for a total cost of $96,000. The deposit of $48,400 was paid by January 31, 2022, and the remaining balance of $47,600 is due upon shipment. The gaming device is scheduled to be launched by the end of the second quarter of 2022. Additionally, the Company agreed to pay $180,000 to this manufacturer for the development cost and potential business in return for exclusivity rights. In December 2021, the Company paid $50,000 and is scheduled to pay the remaining amount of $130,000 in 2022.

Amortization expense was $10,000 for the year ended December 31, 2021 which is in included in operating expenses in the accompanying statement of operations.

**Note 7: Simple Agreement for Future Equity (SAFE)**

The Company designated a right to investors of certain shares of the Company's capital stock (otherwise known as Simple Agreement for Future Equity ("SAFE"), utilizing a valuation estimate, as defined, ("Valuation Cap") and 20% discount rate (the "Discount Rate"). The Company entered into 14 SAFE agreements for the year ended December 31, 2021 as follows:

**Note 7: Simple Agreement for Future Equity (SAFE) (Continued)**

| | | |
|---|---|---|
| 1 | 03/08/2021 | $ 100,000 |
| 2 | 03/08/2021 | 50,000 |
| 3 | 03/08/2021 | 30,000 |
| 4 | 03/09/2021 | 100,000 |
| 5 | 03/09/2021 | 100,000 |
| 6 | 03/09/2021 | 25,000 |
| 7 | 03/11/2021 | 75,000 |
| 8 | 03/17/2021 | 25,000 |
| 9 | 03/19/2021 | 25,000 |
| 10 | 03/22/2021 | 20,000 |
| 11 | 05/10/2021 | 15,000 |
| 12 | 05/12/2021 | 100,000 |
| 13 | 09/17/2021 | 30,000 |
| 14 | 09/24/2021 | 50,000 |
| | Total | 745,000 |
| Fair value adjustments | | 604,883 |
| | | $ 1,349,883 |

The agreements set a discount rate of 20%, valuation cap of $15,000,000 and a valuation floor of $6,000,000.

The Company has evaluated the SAFE in accordance with ASC 480-10, *Distinguishing Liabilities from Equity*, and determined that the SAFEs represented an obligation that the Company must settle by issuing a variable number of its equity shares and the monetary value of which is known when entering into the SAFE. The fair value of the related liability has been calculated as of December 31, 2021. This value represents the value of the liability settled upon the sale of the Company which is expected to be completed April 2022 (See Note 11). The SAFE investors have two options upon the sale of the Company: 1) receive a cash distribution at 150% of original investment amounts, or 2) obtain shares of the Company's Series Seed Preferred Stock. In connection with the Stock Purchase Agreement among the Company, Wondr Gaming Corp and the Company's stockholders dated as of March 21, 2022, SAFE investors with an original investment amount of $235,000 have elected to receive a cash payout, which will be in the amount of $352,500, and SAFE investors with an original investment amount of $510,000 have elected to receive Series Seed Preferred Stock, which will be converted into the Company's common shares immediately prior to the closing of the transactions under the Stock Purchase Agreement. At the closing of such transactions, the converting SAFE investors will receive in the aggregate cash consideration of $218,588 and will receive shares of Wondr Gaming Corp's stock per provision of sales agreement.

## Note 8: Shareholders' Equity

Under its articles of incorporation, the Company is authorized to issue 10,000,000 shares of common stock with a par value of $.00001 per share, and 2,000,000 has been authorized as preferred stock (designated as Series Seed Preferred Stock) with a par value of $.00001 per share. During 2020, the Company issued 2,000,000 shares of its preferred stock to one investor at $800,000. At the time of the sale of the Company, 2,000,000 shares of preferred stock was converted into 2,000,000 shared of the Company's common stock.

### Stock-based Compensation Plan

During 2019, the Company issued and outstanding 6,500,000 shares of its common stock to its 3 executives (founders) of the Company. Based on Executive Employment Agreement, these shares are subject to the following time-based vesting schedule. In the event that the Executive's employment is terminated pursuant to the terms and conditions described in the Executive Employment Agreement, the unvested shares will be forfeited by the executives.

**Razvan Romanescu – Executive**

| | Shares | | | |
|---|---|---|---|---|
| Vesting Date | 2020 | 2021 | 2022 | Total |
| December 2, 2020 | 1,299,870 | - | - | 1,299,870 |
| January 1, 2021-October 31, 2021 | - | 1,083,390 | - | 1,083,390 |
| November 1, 2021-December 31, 2021 | - | 216,678 | - | 216,678 |
| After January 1, 2022 | - | - | 1,300,062 | 1,300,062 |
| | 1,299,870 | 1,300,068 | 1,300,062 | 3,900,000 |

**Darren Lopes – Executive**

| | Shares | | | |
|---|---|---|---|---|
| Vesting Date | 2020 | 2021 | 2022 | Total |
| December 2, 2020 | 649,935 | - | - | 649,935 |
| January 1, 2021-October 31, 2021 | - | 541,690 | - | 541,690 |
| November 1, 2021-December 31, 2021 | - | 108,340 | - | 108,340 |
| After January 1, 2022 | - | - | 650,035 | 650,035 |
| | 649,935 | 650,030 | 650,035 | 1,950,000 |

**Note 8: Shareholders' Equity (Continued)**

**Zachary Longo – Executive**

| Vesting Date | Shares 2020 | 2021 | 2022 | Total |
|---|---|---|---|---|
| December 2, 2020 | 216,645 | - | - | 216,645 |
| January 1, 2021-October 31, 2021 | - | 180,570 | - | 180,570 |
| November 1, 2021-December 31, 2021 | - | 36,114 | - | 36,114 |
| After January 1, 2022 | - | - | 216,671 | 216,671 |
| | 216,645 | 216,684 | 216,671 | 650,000 |

The Company recognized compensation expenses to executives for vested shares of $4,970,704 and $5,416,125 for the years ended December 31, 2021 and 2020. The stock-based compensation expense is included in the statement of operations and also recoded as an addition to additional paid in capital.

**Share-based Compensations Plan**

The Company amended and restated the 2020 Equity Incentive Plan ("the Plan") on April 20, 2020, to add the rights for the Company to issue restricted stock units ("RSUs") in addition to stock options. Pursuant to the Plan, the Company has reserved 1,500,000 of common stock for equity incentives. The following table summarizes the activities for unvested RSUs for the year ended December 31, 2021 and 2020. The Company hasn't granted stock options as of December 31, 2021 and 2020:

| | Number of Shares | Weighted-Average Grant Date Fair Value Per Share |
|---|---|---|
| Unvested at December 31, 2019 | - | |
| Granted | 490,215 | $ 2.50 |
| Vested | (87,371) | $ 2.50 |
| Forfeited | - | - |
| Unvested at December 31, 2020 | 402,844 | $ 2.50 |
| Adjustment | 24,971 | $ 2.50 |
| Granted | - | - |
| Vested | (170,172) | $ 2.36 |
| Forfeited | (110,039) | $ 2.50 |
| Unvested at December 31, 2021 | 147,604 | |

**Note 8: Shareholders' Equity (Continued)**

Compensation expense related to vested RSUs was $403,006 and $227,345 for the years ended December 31, 2021 and 2020, respectively. The share-based compensation expense is included in the statement of operations and recorded as additional paid in capital. Unvested units will be fully vested at the time of sale of the Company.

**Note 9: Provision for Income Taxes**

At December 31, 2021, the Company has deferred tax assets which primarily related to its federal and state net operating loss ("NOL") carryforwards. However, the Company is not expected to be able to utilize the future NOL benefits prior to the sale of the Company. Thus, a full valuation allowance has been recorded against the deferred tax assets.

**Note 10: COVID-19**

The Company is still in the start-up stage. Thus, the impact of COVID-19 is hard to assess. Although management is continuing to monitor and assess the effects of COVID-19 on their business, the ultimate impact of the COVID-19 is highly uncertain and subject to change. Therefore, the management cannot reasonably estimate the financial impact on the Company's business at the date of this report.

**Note 11: Subsequent Events**

The Company will execute the stock purchase agreement with Wondr Gaming USA Corp (the "purchaser") in April 2022. Total sales price is $12,000,000 plus 212,338,900 shares of the purchaser's company's stock which represents approximately 49% of the purchaser's outstanding common stock. $7,000,000 will be paid at the time of closing, $2,500,000 will be paid within 6 months of the closing and the final $2,500,000 will be paid within 12 months from the closing.

In addition to the $12,000,000 cash component of the sales price, there is a contingency to receive an additional $125,000 after 12 months from the sale if purchaser's Joybox project meets certain milestones. There are two milestones. As each milestone is met, the Company is entitled to receive $62,500 for each milestone.

**Exhibit "D"**
**Financial Statements of Target**

**Unaudited Condensed Interim Financial Statements as at and for the three months ended March 31, 2022**

**(See attached)**

# Gamelancer, Inc.

**Condensed Interim Financial Statements**
**For the Three Months ended March 31, 2022 and 2021**

**In United States Dollars**

**UNAUDITED**

**GAMELANCER, INC.**
**Condensed Interim Balance Sheet**
**As at March 31, 2022 and December 31, 2021**
**(Unaudited - in United States Dollars)**

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| Current Assets | | |
| Cash | 279,830 | 246,442 |
| Accounts receivable | 455,495 | 531,358 |
| Inventories | 64,961 | 64,961 |
| Prepaid expenses | 0 | 308 |
| | 800,286 | 843,069 |
| Website development costs, net | 56,653 | 67,275 |
| Exclusivity rights, net | 155,000 | 170,000 |
| Intangibles | 702,059 | 598,291 |
| | 1,713,998 | 1,678,635 |
| **Liabilities** | | |
| Current liabilities | | |
| Simple agreement for future equity (SAFE) at fair value | 1,276,538 | 1,349,883 |
| Accounts payable and accrued liabilities | 511,307 | 220,402 |
| | 1,787,845 | 1,570,285 |
| **Shareholders' equity** | | |
| Common stock | 65 | 65 |
| Preferred stock | 20 | 20 |
| Additional paid-in capital | 12,540,428 | 11,818,596 |
| Accumulated deficit | (12,614,360) | (11,710,331) |
| | (73,847) | 108,350 |
| | 1,713,998 | 1,678,635 |

**GAMELANCER, INC.**
**Condensed Interim Statements of Operations**
**For the three months ended March 31, 2022 and 2021**
**(Unaudited - in United States Dollars)**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| **Revenues** | 488,828 | 17,000 |
| **Operating expenses** | | |
| Share based compensation expense - RSU | 36,958 | 0 |
| Share based compensation expense - Executives | 684,874 | 0 |
| Fair value adjustment to SAFE | (73,345) | 0 |
| Development cost | 96,689 | 70,434 |
| General and administrative expenses | 646,499 | 135,693 |
| Total operating expenses | 1,391,675 | 206,127 |
| **Loss from operations** | (902,847) | (189,127) |
| Other income | | |
| Interest income | 18 | 24 |
| **Net loss before income taxes** | (902,829) | (189,103) |
| Income taxes | 1,200 | 400 |
| **Net loss** | (904,029) | (189,503) |

**GAMELANCER, INC.**
**Condensed Interim Statement of Changes in Shareholders' Equity**
**For the three months ended March 31, 2022 and 2021**
**(Unaudited - In United States Dollars)**

| | Common Stock | | Preferred Stock | | Additional | Accumulated | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount $ | Shares | Amount $ | Paid-in Capital $ | Deficit $ | Total $ |
| Balance, December 31, 2020 | 6,500,000 | 65 | 2,000,000 | 20 | 6,444,885 | (6,142,373) | 302,597 |
| Share based compensation: | | | | | | | |
| Executives | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSUs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net loss | 0 | 0 | 0 | 0 | 0 | (189,503) | (189,503) |
| Balance, March 31, 2021 | 6,500,000 | 65 | 2,000,000 | 20 | 6,444,885 | (6,331,876) | 113,094 |

| | Common Stock | | Preferred Stock | | Additional | Accumulated | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount $ | Shares | Amount $ | Paid-in Capital $ | Deficit $ | Total $ |
| Balance, December 31, 2021 | 6,500,000 | 65 | 2,000,000 | 20 | 11,818,596 | (11,710,331) | 108,350 |
| Share based compensation: | | | | | | | |
| Executives | 0 | 0 | 0 | 0 | 684,874 | 0 | 684,874 |
| RSUs | 0 | 0 | 0 | 0 | 36,958 | 0 | 36,958 |
| Net loss | 0 | 0 | 0 | 0 | 0 | (904,029) | (904,029) |
| Balance, March 31, 2022 | 6,500,000 | 65 | 2,000,000 | 20 | 12,540,428 | (12,614,360) | (73,847) |

**GAMELANCER, INC.**
**Condensed Interim Statements of Cash Flows**
**For the three months ended March 31, 2022 and 2021**
**(Unaudited - in United States Dollars)**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | $ | $ |
| **Cash Flows From Operating Activites** | | |
| Net loss | (904,029) | (189,503) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Amortization expense | 25,622 | 10,622 |
| Fair value adjustment of SAFE | (73,345) | 0 |
| Share-based compensation | 721,832 | 0 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 75,863 | 0 |
| Inventories | 0 | (4,100) |
| Prepaid expenses | 308 | (3,079) |
| Accounts payable and accrued liabilities | 290,905 | 21,614 |
| Net cash provided by (used in) operating activities | 137,156 | (164,446) |
| **Cash Flows from Investing Activities** | | |
| Purchase of intangible assets | (103,768) | (24,398) |
| Net cash used in investing activities | (103,768) | (24,398) |
| **Cash Flows from Financing Activities** | | |
| Issuance of SAFE notes | 0 | 549,969 |
| Net cash provided by Financing Activities | 0 | 549,969 |
| Net Increase in cash | 33,388 | 361,126 |
| Cash, beginning of period | 246,442 | 238,194 |
| Cash, end of period | 279,830 | 599,320 |

## 1. Nature of Business

Gamelancer, Inc. (the "Company") was established on November 27, 2019, under the laws of the state of Delaware. The Company is a social gaming network to enhance the gaming experience for all its users and connects gamers all around the world. The platform provides a space for gamers to come together as a community. The social media element of the platform allows users to stay connected outside of the game.

The Company's revenue source is advertisement where the Company allows advertisers to use its platform for agreed upon fees.

## 2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

*Basis of Accounting*

The accompanying financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

*Revenue Recognition*

The Company has analysed the provisions of the Financial Accounting Standard Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606).

The Company generates revenue primarily from advertising revenue which is generated by displaying advertising products on Gamelancer's platform. Marketers pay for advertising products based on the number of impressions delivered or the number of actions, such as clicks, taken by the Company's users. The Company recognizes revenue from the display of impression-based advertisements in the contracted period in which the impressions are delivered. Impressions are considered delivered when an advertisement is displayed to users.

*Accounts receivable*

Accounts receivable consists of trade accounts arising in the normal course of business. The term of receivables is generally net 60 days. Accounts which are determined as uncollectible are written-off after all attempts at collection have been pursued. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Management has determined an allowance is not necessary as at March 31, 2022.

*Inventories*

Inventories are valued at the lower of cost or net realizable value with costs on a first-in, first-out basis. The Company hasn't started selling inventory as of March 31, 2022. At March 31, 2022, no reserve for obsolete inventory was deemed necessary.

*Website Development Cost*

The Company developed its own website. In accordance with FASB Accounting Standardization Codification ("ASC") 350-50, *Website Development Costs*, the Company accounts for website development costs by capitalizing qualifying costs which are incurred during the development and infrastructure stage. Expenses incurred in the planning stage are expensed as incurred. Capitalized website development cost is amortized straight-line over the expected period of benefit, which is three years. Amortization expense is related to capitalized website development costs is included in operating expenses in the accompanying statement of operations.

Amortization expense was $10,622 for the three months ended March 31, 2022.

*Exclusivity Rights*

The exclusivity rights are stated at acquisition cost. The cost is amortized straight-line over the expected period of benefit, which is three years.

*Intangible Assets*

The Company's intangible assets consist of developing mobile application and acquisition costs of a domain name. The mobile application is in production as of March 31, 2022 and will be amortized over its useful life when it is ready for its intended use in accordance with the guidelines of ASC 350-30, *General Intangibles Other than Goodwill*. The Company accounts for acquired domain name as infinite assets without amortization and reviews annually to determine if an impairment should be recognized.

*Income Taxes*

The Company's income tax liability has been determined by using an asset and liability approach. The liability is based on the current and deferred tax consequences of all events recognized in the financial statements as of the date of the balance sheet. Deferred taxes are provided for temporary differences which will result in taxable or deductible amounts in future years, primarily attributable to a different basis in certain assets for financial and tax reporting purposes, including recognition of deferred tax assets net of a related valuation allowance.

The Company did not have unrecognized tax benefits as of March 31, 2022 and December 31, 2021 and does not expect this to change significantly over the next 12 months. In accordance with ASC 740, *Income Taxes*, the Company will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of March 31, 2022, the Company has not accrued interest or penalties related to uncertain tax positions.

*Statement of Cash Flows*

For purposes of the statement of cash flows, the Company's cash equivalents include all highly liquid, temporary, interest-bearing deposits having an original maturity of three months or less.

*Advertising*

Advertising costs are charged to operations when incurred.

*Stock-Based Compensation and Share-Based Compensation*

The Company amended and restated the 2020 Equity Incentive Plan (the "Plan"). Under the Plan, the Company provides incentive stock options or non-statutory stock options and restricted stock units ("RSU"). The Company issues common stock to executives and restricted stock units to key employees and nonemployee advisors and consultants. The Company follows provisions of ASC 718, Stock Compensation, to account for equity incentive. Under this guidance, the Company recognizes compensation expense as vesting requirements are met, based on their fair value at the vesting date. The Company's vesting requirement is generally time-based vesting and vesting periods are generally between 24-36 months. The Company recognizes compensation expense on a straight-line basis over the requisite service periods. The Company accounts for forfeitures as the occur.

*Use of Estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

3. Significant Concentrations of Credit Risk

The Company may be subject to credit risk on its cash. At March 31, 2022 and December 31, 2021, the Company maintains its cash balances at one institution. Accounts at this institution are insured by the FDIC, which covers up to $250,000 for substantially all depository accounts. At various times through the year, the balances in these accounts may be in excess of federally insured limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

For the three months ended March 31, 2022, the Company generated revenue from one customer which accounted for 77.8% of total revenues. At March 31, 2022, receivables for this customer accounted for 83.5% total receivables.

(Unaudited – in United States dollars)

## 4. Inventories

Inventories at March 31, 2022, consists of purchased gaming merchandise.

## 5. Intangible Assets

Intangible assets at March 31, 2022, consists of the following:

| | |
|---|---|
| Finite-lived: | |
| Mobile application | $452,058 |
| Indefinite-lived: | |
| Domain name | 250,000 |
| Intangible assets, at net book value | $702,059 |

The mobile application is still in production as of March 31, 2022; thus, amortization has not been recorded as of March 31, 2022.

## 6. Agreement for the Development and Manufacturing of a Gaming Device

In November 2021, the Company entered into an agreement with a foreign company for the manufacturing of a gaming device, effective for three years. The Company agreed to purchase 3,000 sets of the device for a total cost of $96,000. The deposit of $48,400 was paid by January 31, 2022 and the remaining balance of $47,600 is due upon shipment. The gaming device is scheduled to be launched by the end of the second quarter of 2022. Additionally, the Company agreed to pay $180,000 to this manufacturer for the development cost and potential business in return for exclusivity rights. In December 2021, the Company paid $50,000 and is scheduled to pay the remaining amount of $130,000 in 2022.

Amortization expenses was $15,000 for the three months ended March 31, 2022 which is included in operating expenses in the accompanying statement of operations.

(Unaudited – in United States dollars)

## 7. Simple Agreement for Future Equity (SAFE)

The Company designated a right to investors of certain shares of the Company's capital stock (otherwise known as Simple Agreement for Future Equity ("SAFE")), utilizing a valuation estimate, as defined, ("Valuation Cap") and 20% discount rate (the "Discount Rate"). The Company entered into 14 SAFE agreements during 2021 as follows:

| | | |
|---|---|---|
| 1 | 03/08/2021 | $100,000 |
| 2 | 03/08/2021 | 50,000 |
| 3 | 03/08/2021 | 30,000 |
| 4 | 03/09/2021 | 100,000 |
| 5 | 03/09/2021 | 100,000 |
| 6 | 03/09/2021 | 25,000 |
| 7 | 03/11/2021 | 75,000 |
| 8 | 03/17/2021 | 25,000 |
| 9 | 03/19/2021 | 25,000 |
| 10 | 03/22/2021 | 20,000 |
| 11 | 05/10/2021 | 15,000 |
| 12 | 05/12/2021 | 100,000 |
| 13 | 09/17/2021 | 30,000 |
| 14 | 09/24/2021 | 50,000 |
| Total | | 745,000 |
| Fair value adjustments | | 531,538 |
| | | $1,276,538 |

The agreements set a discount rate of 20%, valuation cap of $15,000,000 and a valuation floor of $6,000,000.

The Company has evaluated the SAFE in accordance with ASC 480-10, Distinguishing Liabilities from Equity, and determined that the SAFEs represented an obligation that the Company must settle by issuing a variable number of its equity shares and the monetary value of which is known when entering into the SAFE. The fair value of the related liability has been calculated as of March 31, 2022. This value represents the value of the liability settled upon the sale of the Company which is expected to be completed in April 2022 (see note 11). The SAFE investors have two options upon the sale of the Company: 1) receive a cash distribution at 150% of original investment amounts, or 2) obtain shares of the Company's Series Seed Preferred Stock. In connection with the Stock Purchase Agreement among the Company, Wondr Gaming Corp. and the Company's stockholders dated as of March 31, 2022, SAFE investors with an original investment amount of $235,000 have elected to receive a cash payout, which will be in the amount of $352,500, and SAFE investors with an original investment amount of $510,000 have elected to receive Series Seed Preferred Stock, which will be converted into the Company's common shares immediately prior to closing of the transactions under the Stock Purchase Agreement. At the closing of such transactions, the converting SAFE investors will receive in the aggregate cash consideration of $218,588 and will receive shares of Wondr Gaming Corp.'s stock per provision of the sales agreement.

(Unaudited – in United States dollars)

**8. Shareholders' Equity**

Under its articles of incorporation, the Company is authorized to issue 10,000,000 shares of common stock with a par value of $0.00001 per share, and 2,000,000 has been authorized as preferred stock (designated as Series Seed Preferred Stock) with a par value of $0.0001 per share. During 2020, the Company issued 2,000,000 shares of its preferred stock to one investor at $800,000. At the time of the sale of the Company, 2,000,000 shares of the preferred stock was converted into 2,000,000 shares of the Company's common stock.

*Stock-based Compensation Plan - Executives*

During 2019, the Company issued 6,500,000 shares of its common stock to its three executives (founders) of the Company. Based on the Executive Employment Agreements, these shares are subject to the following time-based vesting schedule. In the event that the Executive's employment is terminated pursuant to the terms and conditions described in the Executive Employment Agreements, the unvested shares will be forfeited by the Executives.

Razvan Romanescu – Executive:

| Vesting Date | Shares |
|---|---|
| December 2, 2020 | 1,299,870 |
| January 1, 2021 – October 31, 2021 | 1,083,390 |
| November 1, 2021 – December 31, 2021 | 216,678 |
| After January 1, 2022 | 1,300,062 |
| | 3,900,000 |
| | ======== |

Darren Lopes – Executive:

| Vesting Date | Shares |
|---|---|
| December 2, 2020 | 649,935 |
| January 1, 2021 – October 31, 2021 | 541,690 |
| November 1, 2021 – December 31, 2021 | 108,340 |
| After January 1, 2022 | 650,035 |
| | 1,950,000 |
| | ======== |

Zachary Longo – Executive:

| Vesting Date | Shares |
|---|---|
| December 2, 2020 | 216,645 |

(Unaudited – in United States dollars)

| | |
|---|---|
| January 1, 2021 – October 31, 2021 | 180,570 |
| November 1, 2021 – December 31, 2021 | 36,114 |
| After January 1, 2022 | 216,671 |
| | 650,000 |
| | ======== |

The Company recognized compensation expenses to executives for vested shares of $684,874 for the three months ended March 31, 2022. The stock-based compensation expense is included in the statement of operations and also recorded as an addition to paid-in capital.

*Share-based Compensation Plan – RSU*

The Company amended and restated the 2020 Equity Incentive Plan (the "Plan") on April 20, 2020 to add the rights for the Company to issue restricted stock units ("RSUs") in addition to stock options. Pursuant to the Plan, the Company has reserved 1,500,000 of common stock for equity incentives. The following table summarizes the activities for unvested RSUs for the three months ended March 31, 2022:

| | Number of shares | Weighted-average grant date fair value per share |
|---|---|---|
| Unvested at December 31, 2021 | 147,604 | $2.50 |
| Unvested at March 31, 2022 | 118,372 | $2.50 |

Compensation expense related to vested RSUs for the three months ended March 31, 2022 was $36,958. The share-based compensation expense is included in the statement of operations and also recorded as an addition to additional paid-in capital. Unvested units will be fully vested at the time of the sale of the Company.

## 9. Provision for income taxes

At March 31, 2022, the Company has deferred tax assets which primarily related to its federal and state net operating losses ("NOL") carryforwards. However, the Company is not expected to be able to utilize the future NOL benefits prior to the sale of the Company. Thus, a full valuation allowance has been recorded against the deferred tax assets.

## 10. COVID-19

The Company is still in the start-up stage. Thus, the impact of COVID-19 is hard to assess. Although management is continuing to monitor and assess the effects of COVID-19 on their business, the ultimate impact of COVID-19 is highly uncertain and subject to change. Therefore, management cannot reasonably estimate the financial impact on the Company's business at the date of this report.

## 11. Subsequent events

On April 14, 2022, the acquisition of the Company by Wondr Gaming USA Corp. (the "purchaser") closed. The total sale price was $12,000,000 plus 212,338,900 shares of the purchaser's common stock which represents approximately 49% of the purchaser's outstanding common stock on a post-transaction basis. At the time of closing, $7,000,000 cash was paid. The remaining $5,000,000 will paid in the amount of $2,500,000 six months from closing and $2,500,000 twelve months from closing. In addition, there is contingent consideration totaling $125,000 due twelve months after the sale if certain conditions of one of the purchaser's divisions meets certain milestones.