INTEMA SOLUTIONS INC.

FILING STATEMENT

with respect to the acquisition of Livestream Gaming Ltd.
pursuant to Policy 5.3 of the TSX Venture Exchange

Dated as at March 29, 2022

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the acquisition described in this Filing Statement.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Filing Statement. This is not an exhaustive list of defined terms used in this Filing Statement and additional terms are defined throughout. Terms and abbreviations used in the financial statements and MD&A of the Corporation are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"ABCA" means the *Business Corporations Act* (Alberta).

"Affiliate" means a company that is affiliated with another company as described below:

A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A company is "controlled" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"Associate" when used to indicate a relationship with a Person or company, means:

(a) an issuer of which the Person or company beneficially owns or controls, directly or indirectly, voting securities entitling it to more than 10% of the voting rights attached to outstanding securities of the issuer,

(b) any partner of the Person or company,

(c) any trust or estate in which the Person or company has a substantial beneficial interest or in respect of which a Person or company serves as trustee or in a similar capacity, or

(d) in the case of a Person, a relative of that Person, including:

(i) that Person's spouse or child, or

(ii) any relative of the Person or of his spouse who has the same residence as that Person; but

(e) where the Exchange determines that two Persons will, or will not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination will be determinative of their relationships in the application of Rule D (as defined in applicable Exchange Policies) with respect to that Member firm, Member corporation or holding company.

"Board" means the board of directors of the Corporation.

"CBCA" means the *Canadian Business Corporations Act*.

"CEO" means Chief Executive Officer.

"CFO" means Chief Financial Officer.

"CIS" means the member states of the Commonwealth of Independent States

"Common Shares" means the issued and outstanding common shares in the capital of Intema or the Resulting Issuer, as the context requires.

"company" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"Concurrent Financing" means the non-brokered private placement of subscription receipts.

"Control Person" means any person or company that holds, or is one of a combination of persons or companies that holds, a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"Curaçao Sub-license" means the sub-licence granted to Livestream (Belize) pursuant to a sub-licensing agreement between Livestream (Belize) and Gaming Services provider, N.V..

"Exchange" or "TSXV" means the TSX Venture Exchange.

"EU" means European Union.

"Filing Statement" means this filing statement dated March 29, 2022, together with all schedules hereto.

"Final Exchange Bulletin" means the Exchange Bulletin which is issued following closing of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction.

"GGWP" mean GGWP LLC.

"Gross Gaming Revenue" means gross revenue generated from wagers placed by users of the LOOT.BET platform minus the amounts payable by the Corporation as winnings to the users.

"Insider" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of the issuer that is an Insider or subsidiary of the Issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

"Intema", or "Corporation" means Intema Solutions Inc.

"Intema Option Plan" means the stock option plan of Intema.

"Intema Options" means the options granted by the Corporation, entitling the holders thereof to acquire Common Shares.

"IOM" means Isle of Man.

"IOM License" the Online Gambling Regulation Act 2001 license to be granted to Livestream Esports Limited by the Isle of Man Gambling Supervision Commission.

"Isle of Man License" means the *Online Gambling Regulation Act* (*OGRA*) 2001 License issued by the Isle of Man Gambling Supervision Commission.

"Issuer" means a company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant company seeking a listing of its securities on the Exchange.

"Letter of Intent" means the arm's length binding letter of intent between Intema, Livestream (Belize) and the Principal Livestream Shareholders dated April 30, 2021 with respect to the Transaction.

"Livestream" means Livestream Gaming Ltd. and its subsidiaries.

"Livestream (Belize)" means Livestream Gaming Ltd.

"Livestream (Cyprus)" means Livestream Ltd.

"MD&A" means Management's Discussion and Analysis.

"Member" has the meaning set out in Policy 1.1 of the Exchange's Corporate Finance Manual.

"Named Executive Officers" or "NEO" means:

(a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than $150,000, for that financial year;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

"Net Working Capital" means the dollar amount determined by subtracting the total liabilities of Livestream from the current assets of Livestream as described in the Share Purchase Agreement.

"Non Arm's Length Party" means, in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including the Corporation) and any Associates or Affiliates of any of such persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

"Person" means a company or individual.

"Policy" means Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* - of the Exchange.

"Pooling Agreement" means the Exchange Form 6A Seed Share Resale Restrictions Pooling Agreement, dated November 16, 2021, among the Corporation, McMillan LLP and the certain insiders of the Corporation pursuant to which the Pooled Shares will be held in escrow.

"Pooled Shares" means the 7,194,811 Common Shares subject to the terms of the Pooling Agreement.

"Principal Livestream Shareholders" means Piotr Zhalau, Nick Katselapov, and Evgueni Kislyi, as the shareholders of Livestream.

"Promoter" means the definition prescribed by applicable Securities Laws.

"Resulting Issuer" means Intema following the completion of the Transaction and the issuance of the Final Exchange Bulletin;

"Resulting Issuer Common Shares" means the common shares in the capital of the Resulting Issuer.

"Resulting Issuer Option Plan" means the stock option plan of the Resulting Issuer;

"Resulting Issuer Options"	means the stock options of the Resulting Issuer exercisable for Resulting Issuer Common Shares.
"SA"	means South America.
"SEA"	means Southeast Asia.
"Securities Laws"	means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval at www.sedar.com.
"Share Purchase Agreement"	means the share purchase agreement among Intema, Livestream and the shareholders of Livestream dated January 27, 2022.
"Shareholders"	means the shareholders of the Corporation.
"Subscription Receipt Agreement"	means the subscription receipt agreement dated August 26, 2021 between Intema and the Subscription Receipt Escrow Agent.
"Subscription Receipt Escrow Agent"	means AST Trust Company (Canada).
"Transfer Agent"	means the Corporation's transfer agent and registrar, Computershare Trust Company of Canada.
"Transaction"	means the purchase of all of the issued and outstanding shares of Livestream Gaming Ltd. pursuant to the terms and conditions of the Share Purchase Agreement.
"ZubrSoft"	means ZubrSoft LLC.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This Filing Statement contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. In particular, forward-looking statements in this Filing Statement include, but are not limited to, statements relating to the proposed Transaction, the timing of the closing of the proposed Transaction, information concerning Intema, and projected revenues and other statements that are not historical facts. These statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including Intema's experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, milestones, strategies and outlook of Intema, Livestream, or the Resulting Issuer, including but not limited to those statements under the headings "Information Concerning the Corporation – Selected Financial Information and Management's Discussion and Analysis", "Information Concerning Livestream – Narrative Description of the Business – Marketing Plans and Strategies", "Information Concerning Livestream – Narrative Description of the Business – Competitive Conditions", "Information Concerning the Resulting Issuer – Available Funds and Principal Purposes", and "Information Concerning the Resulting Issuer – Directors, Officers and Promoters".

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely", "goals", "milestones" or negative versions thereof, as applicable, and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond control of both Intema, affect operations, business, financial condition, performance and results of Intema that may be expressed or implied by such forward-looking statements and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. The risks, uncertainties and other factors, many of which are beyond the control of the Corporation, that could influence actual results include, but are not limited to: limited operating history; competition; operating risks; risks related to a new and unproven market; reliance on management and dependence on skilled personnel; security breach risks; intellectual property risks; risks related to the market price of common shares and volatility; conflicts of interest of management; new laws and government restrictions; access to or restriction of the Internet; foreign financial, political, or economic risks; and other factors beyond the control of the Corporation.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Corporation, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Filing Statement are based upon what management of Intema, as applicable, currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Filing Statement and, other than as specifically required by law, neither Intema assumes any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

For a more detailed discussion of certain of these risk factors, see "Risk Factors".

DATE OF INFORMATION

Except as otherwise indicated in this Filing Statement, all information disclosed in this Filing Statement is as of March 29, 2022 and the phrase "as of the date hereof" and equivalent phrases refer to March 29, 2022.

CURRENCY

In this Filing Statement, references to "$" or "dollars" are to the lawful currency of Canada, unless otherwise stated, and references to "€" are to the lawful currency of the EU member states.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Corporation, Livestream, and the Resulting Issuer and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

The Corporation

The Corporation was initially incorporated as "CPL Capital Inc.", a capital pool company ("**CPC**"), on February 15, 2001 under the *ABCA*. By articles of amendment filed on August 23, 2002, the Corporation changed its name from "CPL Capital Inc." to "CPL Technologies Inc.".

On September 1, 2003, the Corporation continued from the *ABCA* to the *CBCA*. By articles of amendment filed on September 24, 2008, the Corporation changed its name from "CPL Technologies Inc." to "Intema Solutions Inc.".

The business of Intema has transitioned into the world of esports, and since transitioning the Corporation has acquired a number of ventures in the esports industry to expand their portfolio. Intema's portfolio of companies now includes:

- **HypeX.gg**: a leading esports tournament and wagering platform specializing in API based statistics aggregation, social function integration, and non-endemic advertising.
- **TheSMACK.GG**: a provider of esports-related products and services that enables retail brands and individuals to participate in endemic and non-endemic advertising opportunities.
- **Team Bloodhounds Inc.**: a leading Canadian e-sports organization, which manages talent and promotes endorsement and sponsorship opportunities.
- **Generationz Gaming Entertainment Inc.**: established to assist in securing U.S. based partnerships in the gaming industry.
- **Parabellum Media Inc.**: a leading Canadian e-sports organization, which manages talent and provides mentorship and coaching to up-and-coming e-sports athletes through its e-sports training school.

The Corporation has received conditional approval from the Exchange to change its name from "Intema Solutions Inc." to "React Gaming Group Inc.".

A more detailed description of the Corporation is provided under the heading "*Information Concerning the Corporation*."

The Acquisition

On April 30th, 2021 the Corporation entered into the Letter of Intent with Livestream (Belize) and the Principal Livestream Shareholders with respect to the Transaction. On January 27, 2022, the Corporation entered into a share purchase agreement with Livestream (Belize) and the Principal Livestream Shareholders, which superseded and replaced the Letter of Intent (the "**Share Purchase Agreement**").

Pursuant to the terms of the Share Purchase Agreement, the Corporation will acquire all of the issued and outstanding common shares of Livestream (Belize) (the "**Livestream Securities**") for consideration of up to $17,750,000 payable to the holders of the Livestream Securities on the Closing Date (as defined therein) as follows: (i) $8,000,000 in cash; (ii) $4,000,000 by the issuance of a secured vendor take back note of Intema, bearing 12% interest from the date of any default (a first tranche of $2,000,000 maturing on the ninth month following the closing date, and the balance on the eighteenth month following the closing date) (the "**Vendor Take Back Note**"); and (iii) $2,750,000 payable by the issuance of Common Shares, issued at a per-share price equal to the greater of $0.425 or the five-day volume-weighted average trading price of the Common Shares on the TSXV, as of January 27, 2021 (6,470,588 Common Shares). In addition, Intema will pay the Livestream securities holders up to an additional $3,000,000 in cash, subject to the achievement of the following milestones: (i) $1,500,000, if Livestream generates a minimum Gross Gaming Revenue of $7,500,000 during the 12-month period following the Closing Date, and (ii) an additional $1,500,000, if Livestream generates minimum Gross Gaming Revenue of $11,250,000 during the 13-to 24-month period following the Closing Date.

Within 90 days following the Closing Date, Livestream shall prepare and deliver to the Intema, draft closing statements (in accordance with IFRS) (the "**Draft Closing Statements**") setting containing a balance sheet, with all relevant amounts, including Net Working Capital, estimated as at the Closing Date.

Livestream shall have 45 days from receipt of the Draft Closing Statements to review the Draft Closing Statements. Livestream, within such 45 day period, shall prepare and deliver to the Principal Livestream Shareholders final IFRS financial statements of Livestream as of the Closing Date prepared in accordance with the Share Purchase Agreement (the "**Closing Statements**"), which shall include a calculation Net Working Capital as at the Closing Date ("**Final Net Working Capital**"). Subject to mutual agreement or determination by Intema and the Principal Livestream Shareholders and subject to resolution of any dispute pursuant to the Share Purchase Agreement, an adjustment to the amounts payable by Intema to the Principal Livestream Shaerholders pursuant to the Vendor Take Back Note shall occur such that the amount equal to the Final Net Working Capital shall be added to the amounts payable, or deducted from the amounts payable, as applicable, to the Vendors pursuant to the Share Purchase Agreement.

No finder's fee is payable by Intema or Livestream, pursuant to the Acquisition.

If the Transaction does not obtain regulatory approval, the Board will reconsider the strategic objectives of the Corporation and report back to the Shareholders. A more detailed description of the Corporation is provided under the heading "*Information Concerning the Corporation*".

Sponsorship

No Sponsorship was required by the Exchange pursuant to the Transaction.

Officers and Directors

The officers and directors of the Corporation are not expected to change upon the completion of the Transaction. However, one additional Director shall be added to the Board. Accordingly, the directors and officers of Intema shall be as follows:

Laurent Benezra – Chairman, President, CEO, and a Director
Scott Meyers – CFO and Corporate Secretary
Michael Curtis – Independent Director
Michael Wagen – Independent Director
Arthur Manteris – Independent Director
Marc Brassard – Independent Director, chair of the Board
Philip Nolan – Independent Director
Jessica Nicole Di Rito – Independent Director

The Corporation has the following committees of its Board: (1) an Audit Committee comprised of Michael Curtis, Michael Wagen, Arthur Manteris, Philip Nolan, Marc Brassard and Jessica Nicole Di Rito; (2) a Compensation Committee comprised of Michael Wagen, Michael Curtis, Arthur Manteris, Philip Nolan, Jessica Nicole Di Rito, and Marc Brassard; and (3) a Nominating and Corporate Governance Committee comprised of Michael Wagen, Michael Curtis, Arthur Manteris, Philip Nolan and Marc Brassard.

See "*Information Concerning the Corporation – Directors, Officers and Promoters*".

Approval of Directors

The Board has reviewed and approved the Transaction and has concluded that it is fair and reasonable and in the best interests of the Corporation.

Interests of Insiders, Promoters and Control Persons

No Insider, promoter or Control Person of the Corporation, and no Associate or Affiliate of any of those persons, has any interest in the Transaction, other than as a result of the ownership of the Common Shares, and other than as disclosed herein.

Arm's Length Transaction

The Transaction is an Arm's Length Transaction within the meaning of Policy 1.1 – *Interpretation* of the Exchange.

Availability of Funds and Principal Purpose

Estimated Available Funds

Based on information available as at February 28, 2022**,** upon completion of the Transaction, the Resulting Issuer is expected to have approximately $2,091,986 in Available Funds, which includes the following:

Estimated Funds Available	Amount ($)
Consolidated pro forma working capital (deficiency)	$642,958
Estimated gross margin for the following 12 months	$1,449,028
Total Estimated Funds Available	$2,091,986

Principal Purpose of Funds

Based on information available as at the date of this Filing Statement, the following table sets forth the principal purposes for which the Available Funds upon Completion of the Transaction will be used and the current estimated amounts to be used for each such principal purpose:

Principal Use of Available Funds	Amount ($)
Double the LOOT.BET customer base	$25,000
Obtain GLI certification	$35,000
Obtain partnership(s) with U.S. land based casinos	$50,000
IOM License application and maintenance	$10,000
Costs associated with the Transaction and Concurrent Financing	$250,000
Repayment of Vendor Take Back Note Tranche 1	$90,883
Working capital and general corporate expenses	$75,000
General and administrative expenses not included above	$1,556,103
Total	**$2,091,986**

Selected Pro Forma Consolidated Financial Information

The following table sets out certain financial information for the Corporation and Livestream as at September 30, 2021 after giving effect to the Transaction as if such events had occurred on the Effective Date, and should be read in conjunction with the pro forma consolidated financial statements and the notes thereto of the Resulting Issuer attached hereto as Schedule "E".

Balance Sheet Data	**As at September 30, 2021 ($)**
Current Assets	5,932,760
Total Assets	24,099,742
Current Liabilities	5,394,369
Total Liabilities	8,647,548
Total Equity	15,452,194

See "*Information Concerning the Resulting Issuer - Selected Pro Forma Consolidated Capitalization*".

Listing of Common Shares

The Common Shares are currently listed on the Exchange under trading symbol "ITM". Following the completion of the Transaction, the Corporation intends to change its stock symbol from "ITM" to "RGG", or such other symbol decided by the Board and approved by the Exchange.

Market for Securities and Market Price

The Common Shares are listed on the Exchange under trading symbol "ITM" and were halted from trading with the announcement of the Transaction. The closing market price of the Corporation's common shares on the Exchange prior to the announcement of the Transaction was $0.53 per share. Trading of Corporation's common shares resumed on November 22, 2021. The closing market price of the Corporation's common shares on March 28, 2022 was $0.255 per share.

Sponsor

The Exchange has provided the Corporation with a waiver from the requirement to obtain a Sponsor in connection with the Transaction contemplated herein.

Conflicts of Interest

Some of the individuals who will be directors or officers of the Corporation upon the completion of the Transaction are also directors, officers and/or promoters of other reporting and non-reporting issuers. As of the date of this Filing Statement and to the knowledge of the directors and officers of the Corporation, there are no existing conflicts of interest between the Corporation and any of the individuals who will be directors or officers following the completion of the Transaction.

Interests of Experts

To the best of the Corporation's knowledge, no direct or indirect interest in the Corporation is held or will be received by any expert. See "*Experts*" for more information.

Conditional Listing Approval

The Exchange has conditionally accepted the Transaction subject to the Corporation fulfilling all of the requirements of the Exchange.

Summary of Risk Factors

An investment in the Corporation following completion of the Transaction involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Corporation. The risks, uncertainties and other factors, many of which are beyond the control of the Corporation, that could influence actual results include, but are not limited to: the Exchange not approving the Transaction, the Corporation's lack of operating history in the sportsbook and online casino gaming industry; the dependence on management and directors; risks relating to additional funding requirements; due diligence risks; and potential transaction and legal risks.

For a detailed description of certain risk factors relating to the Transaction and the ownership of the Common Shares which should be carefully considered before making an investment decision, see "*Risk Factors*".

RISK FACTORS

Where used in this "*Risk Factors*" section, "the Corporation" refers to either Livestream or the Resulting Issuer as the context may require. The current business of Livestream and its subsidiaries will be a significant part of the business of the Resulting Issuer upon completion of the Transaction. Accordingly, risk factors relating to Livestream's current business will be risk factors relating to the Resulting Issuer's business and references to Livestream in these risk factors should, where the context requires, be read to include the risks of the Resulting Issuer. Due to the nature of Livestream's business, the legal and economic climate in which it operates and its present stage of development, the Resulting Issuer is subject to significant risks. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Livestream may face. Livestream's future development and operating results may be very different from those expected as at the date of this Filing Statement. Additional risks and uncertainties not presently known to Livestream or that Livestream currently considers immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Resulting Issuer Common Shares to decline. If any of the following or other risks occur, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Resulting Issuer Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. Readers should carefully consider all such risks and other information elsewhere in this Filing Statement before making an investment in the Corporation or the Resulting Issuer and should not rely upon forward-looking statements as a prediction of future results. Risk factors relating to the Corporation include, but are not limited to, the factors set out below.

No Assurance of Exchange Approval

As of the date of this Filing Statement, the Exchange has not provided conditional approval of the Transaction, and such approval is necessary to consummate the Transaction. There can be no assurance that the Corporation will be able to satisfy the requirements of the Exchange such that the Exchange will provide approval of the Transaction and issue the Final Exchange Bulletin.

No Operating History as a Betting and Gaming Company

The Corporation does not have any record of operating a gaming and betting platform company. As such, upon completion of the Transaction, the Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Corporation will not achieve its financial objectives as estimated by management or at all. Furthermore, past successes of management or the Board does not guarantee future success.

Dependence on Management, Directors

The Corporation will be dependent upon the efforts, skill and business contacts of key members of Livestream's management for their expertise and knowledge. Accordingly, the Corporation's success may depend upon the continued service of these individuals to the Corporation. The loss of the services of any of these individuals could have a material adverse effect on the Corporation's revenues, net income and cash flows and could harm its ability to maintain or grow assets and raise funds.

From time to time, the Corporation will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Corporation's success and there can be no assurance of its ability to attract and retain such personnel. If the Corporation is not successful in attracting and training qualified personnel, the Corporation's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Risks Associated with Acquisitions

As part of the Corporation's overall business strategy, the Corporation may pursue select strategic acquisitions, which would provide additional product and service offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Corporation's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions, in particular where cost synergies are not achieved or where significant additional regulatory risk or costs are associated with the entry into new jurisdictions as a result of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Volatility of Stock Price

The market price of the Common Shares have been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Corporation is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Corporation should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

No History of Payment of Cash Dividends

The Corporation has not declared or paid cash dividends on the Common Shares. Upon completion of the Transaction, the Resulting Issuer intends to retain future earnings to finance the operation, development and expansion of the business. The Corporation does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on the Corporation's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

Changing Economic Conditions

The demand for entertainment and leisure activities, including esports betting, traditional sports betting and gaming, more generally, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond the Corporation's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as esports betting, traditional sports betting or online gaming. As a result, the Corporation cannot ensure that demand for its product and service offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities, such as esports betting and gaming. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Corporation's product offerings, reducing its cash flows and revenues. If the Corporation experiences a significant unexpected decrease in demand for its product offerings or services, its business may be harmed.

Additional Financing Requirements

The Corporation may have ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any limitations on the Corporation's ability to access the capital markets for additional funds could have a material adverse effect on its ability grow its portfolio or manage its businesses.

Potential Conflicts of Interest

The directors and officers of the Corporation are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Corporation. These include serving as directors, officers, advisors or agents of other public and private companies, including companies involved in similar businesses to the Corporation or companies in which the Corporation may invest, management of investment funds, purchases and sales of securities and investment and management counselling for other clients. Such conflicts of the Corporation's directors and officers may result in a material and adverse effect on the Corporation's results of operations and financial condition.

Cybersecurity Risks

The Corporation's operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. The Corporation does not currently have cybersecurity insurance. Although the Corporation has security systems in place, and what it deems sufficient security around its system to prevent unauthorized access, it must ensure that it continually enhances security and fraud protection within its platform, and if the Corporation is unable to do so it may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of the Corporation's security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to the Corporation's systems, data or customers' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in the Corporation's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the LOOT.BET platform, could have a longer and more significant impact on Livestream's business operations than any hardware failure. A compromise in the Corporation's security system could severely harm its business by the loss of its customers' confidence in it and thus the loss of their business. The Corporation may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of customers may also inhibit the growth of the Internet as a means of conducting commercial transactions. This may result in a reduction in revenues and increase operating expenses, which would prevent the Corporation from achieving or maintaining profitability.

Competition in Esports Betting and Traditional Sports Betting Industries

The industry within which the Corporation operates is rapidly evolving and is intensely competitive. The industry is subject to changing technology, shifting customer needs and frequent introductions of new offerings. The Corporation's potential competitors include large and established companies as well as other start-up companies. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies or otherwise develop more commercially successful products or services than the Corporation, which could negatively impact its business. Furthermore, new competitors, whether licensed or not, may enter the Corporation's key product and/or geographic markets. There is no assurance that the Corporation will be able to maintain or grow its position in the marketplace. As a result of the foregoing, among other factors, the Corporation will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance, and engagement. The process of developing new product and service offerings and systems is inherently complex and uncertain, and new product and service offerings may not be well received by customers, even if well-reviewed and of high quality. Furthermore, the Corporation may not recover the often substantial up-front costs of developing and marketing new technologies and product and service offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product or service offerings. Additionally, if the Corporation cannot efficiently adapt its processes and infrastructure to meet the needs of its product and service offering innovations, its business could be negatively impacted.

Risks Relating to Insurance

The Corporation intends to insure its operations in accordance with industry standards. However, given the novelty of esports gambling, online sports betting, and associated businesses, insurance coverage may not extend to the business of the Corporation or be economical. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business of the Corporation.

Risks Relating to Cryptocurrency Transactions

The LOOT.BET platform currently allows users to place bets using cryptocurrency, including Bitcoin, Ethereum, Litecoin, and Bitcoin Cash. The use of cryptocurrencies to buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets. The growth of this industry is subject to a high degree of uncertainty and regulation surrounding this area could impact the Corporation's anticipated operations and revenues.

Esports Betting, Traditional Sports Betting and Online Gambling is Heavily Regulated

The business of the Corporation is subject to the laws and regulations relating to online gaming of the jurisdictions in which the Corporation may conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other government action, may have a material impact on the Corporations' operations and financial results. A gaming license may be revoked, suspended, or conditioned at any time. The loss of a gaming license in one jurisdiction could trigger the loss of a gaming license in another or affect the Corporation's eligibility for a future license. The loss of a license could cause the Corporation to cease offering some or all of its product offerings in the impacted jurisdictions. The Corporation may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals necessary to conduct its business, and could incur fines or experience delays relating to the licensing process. There additionally can be no assurance that legally enforceable prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Corporation's business to prohibit, legislate or regulate various aspects of the Internet, e-commerce, payment processing, or the online gaming industries. Compliance with any such legislation may have a material adverse effect on Livestream's business, financial condition and results of operations.

Complex and Evolving Regulatory Environment

In addition to regulations governing online gaming, the Corporation will be subject to a variety of laws and regulations domestically and abroad that involve the Internet, e-commerce, privacy and protection of data and personal information, rights of publicity, acceptable content, intellectual property, advertising, marketing, distribution, data and information security, electronic contracts and electronic communications, competition, protection of minors, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance and online payment and payment processing services. The Corporation may introduce new products or services, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations, or other government scrutiny. For example, the Corporation will handle, collect, store, retrieve, transmit and use confidential, personal information relating to its customers and personnel for various business purposes, including marketing and financial purposes. The Corporation may share this personal or confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of its business, combating fraud or for marketing purposes.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Internet and e-commerce, are often uncertain, particularly in the new and rapidly evolving industry in which the Corporation operates, and may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

The Corporation is also vulnerable to developments in intellectual property laws and/or political, legislative, regulatory developments that may seek further liability to pay royalties, integrity fees or other types of levy to the organizers of esports events or data right owners, which arise from the concept of the so-called "right-to-bet", where the organizers of sporting events and competitions and those claiming to have data rights in relation to such events seek to obtain a share of the revenue gaming operators generate on such events and competitions. In all such cases, the level of any such royalty, fee or levy will be outside the Corporation's control. The Corporation cannot predict with any certainty what further payments may be required in the future and what other additional resources may need to be made available to address the conditions on which royalties, fees or other levies may be imposed, as well as sports integrity issues.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase the Corporation's operating costs, require significant management time and attention, and subject it to remedies that may harm its business, including fines or demands or orders that modify or cease certain or all existing business practices, such as limiting its use of personal information to add value for customers, or implement costly and burdensome compliance measures. Any such consequences could adversely affect the Corporation's business, results of operations or financial condition.

Intema May Be Subject to Regulatory Investigations

From time to time, the Corporation may receive formal and informal inquiries from government authorities and regulators, including securities authorities, tax authorities and gaming regulators, regarding its compliance with laws and other matters. Violation of existing or future regulatory orders or consent decrees could subject the Corporation to substantial monetary fines and other penalties that could negatively affect its financial condition and result of operations. In addition, it is possible that future orders issued, by or inquiries or enforcement actions initiated by, government or regulatory authorities could cause the Corporation to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices in a manner materially adverse to its business.

Litigation Risks

The Resulting Issuer's business may become susceptible from time to time to various legal claims, including class action claims, in the course of its operations or with respect to the interpretation of existing agreements. Any future claims or litigation could have a material adverse effect on the Resulting Issuer's business and its profitability.

Material Defects or Errors in the Corporation's Technology Infrastructure

The Corporation's ability to provide services to its customers is heavily dependent on the operability of its technology. Material defects or errors in the Corporation's technology infrastructure could harm the Corporation's reputation, result in significant costs and impair the Corporation's ability to provide its services. Software used by the Corporation can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced. Despite internal testing, the Corporation's technology may contain serious errors or defects that cause performance problems or service interruptions, security vulnerabilities or software bugs that the Corporation may be unable to successfully correct in a timely manner, or at all.

Business Disruption Risk

Unexpected and unpredictable events such as war and occupation, natural disasters, political, social or economic unrest or instability, a widespread health crisis or global pandemic, terrorism and related geopolitical risks, could have material adverse effect on the Corporation's business, results of operations or financial conditions and may have adverse long-term effects on world economies and markets generally. The impact of geopolitical trends and events, including the unfolding situation in the Ukraine and related sanctions may adversely impact the Corporation and its business following the completion of the Transaction. The Corporation will take measures to ensure it will comply with all applicable prohibitions and sanctions imposed by Canada, including those relating to the conflict between Russia and Ukraine.

INFORMATION CONCERNING THE CORPORATION

Name and Incorporation

The Corporation was initially incorporated as "CPL Capital Inc.", a CPC, on February 15, 2021 under the *ABCA*. By articles of amendment filed on August 23, 2002, the Corporation changed its name from "CPL Capital Inc." to "CPL Technologies Inc.".

On September 1, 2003, the Corporation continued from the *ABCA* to the *CBCA.* By articles of amendment filed on September 24, 2008, the Corporation changed its name from "CPL Technologies Inc." to "Intema Solutions Inc.". The registered office of the Corporation is located at 6500 TransCanada Highway Suite 209, St. Laurent, Quebec H4T 1X3. The Corporation is a reporting issuer in the Provinces of British Columbia, Alberta, and Quebec. The Common Shares are listed on the Exchange under the symbol "ITM".

The Exchange has conditionally accepted the Corporation's notice for filling in connection with the proposed change of the Corporation's name, from "Intema Solutions Inc." to "React Gaming Group Inc.", subject to the Corporation fulfilling all of the requirements of the Exchange. The Corporation intends to effect the name change following the completion of the Transaction.

General Development of the Business

History

The Corporation completed its initial public offering on January 24, 2002. The Common Shares were listed on the CDNX (the former name of the Exchange) under ticker symbol "CCY" on April 1, 2002. The Corporation completed its Qualifying Transaction through a business combination with CPL Informatique Inc. on December 18, 2002.

After completing its business combination with CPL Informatique Inc., the Corporation initially focused on the development and distribution of proprietary software solutions, in particular its request management platform, C2 Enterprise, used by clients to manage internal or external service-related requests.

On December 11, 2003, the Corporation announced its acquisition of all of the issued and outstanding shares of Les Services Informatique Lasernet Inc., ("**Lasernet**") a privately held corporation that specialized in the on-site servicing of computer equipment in Quebec, for a purchase price of $488,315.80. However, by March 31, 2004, the Corporation sold Lasernet to Infynia.com Inc. for consideration of $84,800.00.

After the Corporation acquired the assets of Le Groupe Erakis Inc. in October 2004 for $20,000, its business grew to include development of a point of sales application targeted at retail stores. Additionally, the Corporation began to develop and sell e-learning courses; however, by December 2006, the Corporation discontinued its e-learning division, deciding to focus exclusively on C2 Enterprise and its other software solutions, following an agreement with Sogique, the IT arm of the Quebec healthcare system, to expand the deployment of C2 Enterprise throughout Quebec's healthcare sector.

In late 2007, the Corporation announced a strategic shift, with the Corporation deciding to focus on strategic acquisitions in the marketing space. The Corporation made significant changes to its Board and its management, reflecting this new vision. Accordingly, on September 29, 2008, the Corporation completed the acquisition of Netmarketingsolution.com Inc., a company that developed various tools to help clients improve the effectiveness of digital marketing campaigns, including its marketing platform, eFlyerMaker, for a purchase price of $2,350,081. eFlyermaker is a leading email marketing platform making it simple for users to create effective email marketing campaigns.

Following the acquisition of Netmarketingsolution.com Inc., on February 2, 2009, the Corporation announced that it had agreed to sell C2 Enterprise for consideration of $1,550,000, and would be focusing on integrating technologies with marketing. On February 3, 2009, the Corporation announced that it had acquired Komunik Konversation, another marketing solutions company, for $400,000.

On January 4, 2010, the Corporation announced its acquisition of all of the assets of Productions Eventia Inc., a company that produced a series of Webcom conferences, to enable the Corporation to enter the interactive communications market. However, on October 20, 2010 the Corporation re-sold these assets.

On March 20, 2013, the Corporation announced the launch of its Predictive Marketing Engine (later renamed as MatcherAnalytics), which used predictive analysis and modelling to make behavioural predictions. This tool was used to power various products subsequently launched by the Corporation, and was integrated into eFlyerMaker. Additionally, on July 4, 2014, the Corporation announced the launch of Konversation/agent, a tool designed to help stockbrokers create email campaigns in compliance with Canada's then-new anti-spam legislation.

As part of its efforts to continue growing its clientele and its shares of the email marketing space, on August 31, 2014, the Corporation announced the acquisition of a portfolio of client contracts from Cabestan-Canada, an email marketing company for $150,000 in cash, plus the issuance of common shares and unsecured debentures of the Corporation.

On October 28, 2015, the Corporation announced that it was shifting its sales strategy for its marketing solutions, including eFlyerMaker, to focus on targeting small and medium businesses, rather than larger corporations, due to the shorter sales cycle required.

On August 30, 2018, the Corporation announced that it had been granted an initial order under the *Companies' Creditors Arrangement Act*, and would be developing a restructuring plan. On February 25, 2019, the Corporation announced that its proposal to creditors under the *Bankruptcy and Insolvency Act* was approved the majority of creditors.

Following the restructuring, the Corporation appointed Laurent Benezra as the President and Chief Executive Officer of the Corporation. Intema continues to run eFlyermaker, its email marketing campaign management platform, however, the business of Intema has transitioned into the world of esports. Since transitioning the Corporation has acquired a number of ventures in the esports industry to expand their portfolio.

On February 8, 2021, Intema completed the acquisition of all of the issued and outstanding shares of HypeX.GG Plateforme de Jeux Sociaux Inc. HypeX.GG is a leading esports tournament and wagering platform specializing in API based statistics aggregation, social function integration, and non-endemic advertising.

On April 20, 2021 Intema acquired all of the issued and outstanding common shares of TheSMACK.GG. TheSMACK.GG is provider of esports-related products and services that enables retail brands and individuals to participate in endemic and non-endemic advertising opportunities. TheSMACK.GG's esports retail service line includes product branding, digital advertising, and marketing campaign design.

On September 23, 2021, Intema acquired all of the issued and outstanding common shares of Team Bloodhounds Inc. Team Bloodhounds Inc. is a leading Canadian e-sports organization. Team Bloodhounds Inc. manages talent and promotes endorsement and sponsorship opportunities, which include everything from online tournaments to sponsored gaming events. Forming in 2018, Team Bloodhounds Inc. has grown rapidly and is affiliated with 13 influencers/players and counting amassing more than 7.25 million combined followers across Youtube, Twitch, Instagram and TikTok.

Generationz Gaming Entertainment was incorporated on September 28, 2021 in accordance with the laws of Delaware to serve as Intema's U.S. operating entity with the intent of securing future U.S. based partnerships in the gambling and gaming industry.

Livestream Esports Limited and Livestream Services Limited, subsidiaries of Livestream, were incorporated on September 20th 2021, in accordance with the laws of the Isle of Man. Livestream through Livestream Esports Limited, applied and was issued the IOM Licence. The IOM License is a licence issued from a tier one licensing jurisdiction. Following the Transaction, Intema and Livestream intend to migrate Livestream's existing player database from operating within the licensing jurisdiction of the Curaçao Sub-license to the IOM License. The IOM Licence was granted to Livestream Esports Limited on February 11, 2022.

On December 7, 2021, Intema entered into an arm's length letter of intent dated December 7, 2021, with Amuka Ventures Inc. (DBA Amuka Esports) to acquire all the outstanding shares of Parabellum Media Inc. ("**Parabellum**"), owner of Parabellum Esports and Northern Shield Academy. Parabellum is a Canadian Professional Esports Organization from Toronto. Parabellum competes in various e-sports titles and has a full content team with content creators and streamers from all over North America. Northern Shield Academy provides coaching and mentorship to amateur esports players. On February 28, 2022, Intema announced its acquisition of all of the outstanding shares of Parabellum for a total consideration of 1,845,000 Common Shares of Intema at a deemed price of $0.306 per Common Share, of which 1,700,000 have been issued and a balance of up to 145,000 will be issued upon completion of the closing financial statements review. The Common Shares will be subject to a voluntary resale restrictions on to the following terms:

- 25% of the shares will be subject to a resale restriction of four months and one day from the closing date;
- an additional 25% of the shares will be subject to a resale restriction of 12 months from the closing date;
- an additional 25% of the shares will be subject to a resale restriction of 18 months from the closing date; and
- the remaining 25% of the shares will be subject to a resale restriction of 24 months from the closing date.

Intema continues to develop these assets with the goal of emerging as the leading esports and iGaming company, bringing the excitement of esports betting to the entire world through fully licensed, safe and secure online platforms.

Financing

In connection with the Transaction, the Corporation completed the Concurrent Financing, a non-brokered private placement of subscription receipts at a price of $0.50 (the "**Subscription Price**") per subscription receipt ("**Subscription Receipts**"). The closing of the Concurrent Financing was conducted in two tranches. The first tranche closing consisted of 11,420,000 Subscription Receipts for aggregate gross proceeds of $5,710,000. The second tranche of the closing consisted of the sale of 8,594,000 Subscription Receipts at the Subscription Price for aggregate gross proceeds of $4,297,000. The first tranche of the Private Placement closed on August 26, 2021, and the second tranche closed on October 5, 2021. All subscribers pursuant to the Concurrent Financing were at arm's length to the Company and Livestream.

The Subscription Receipts were issued pursuant to the Subscription Receipt Agreement. Pursuant to the Subscription Receipt Agreement, each Subscription Receipt will be automatically exchanged into one unit of the Corporation (a "**Unit**"), for no additional consideration or action on the part of the holder, upon the satisfaction of certain escrow release conditions in connection with the Transaction, including (i) all conditions precedent to the completion of the Transaction having been satisfied, (ii) the Corporation not being in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement, and (iii) the escrow agent having received a notice from the

Corporation that all conditions precedent to the completion of the Transaction have been satisfied or waived, other than the release of the escrowed funds to the Corporation pursuant to the Subscription Receipt Agreement (the "**Escrow Release Conditions**"). The proceeds of the first tranche of the Private Placement are being held in escrow pending the satisfaction of the Escrow Release Conditions. If the Transaction is not completed within 180 days of the closing of the Private Placement, the Subscription Receipts will be deemed to be cancelled and the holders of Subscription Receipts will receive an amount equal to the aggregate Subscription Price of their Subscription Receipts and the interest earned, if any, on such Subscription Price. Each Unit consists of one common share of the Corporation (a "**Common Share**") and one-half of one common share purchase warrant of the Corporation (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.90 for a period of 12 months from the date of issuance.

In connection with the Private Placement, the Corporation, upon satisfaction of the Escrow Release Conditions, shall pay eligible arm's length parties (each a "**Finder**"): (i) a cash fee of 6% of the aggregate value of Subscription Receipts sold pursuant to the Private Placement in respect of subscriptions referred to the Corporation or directly sourced by the Finder and issued on the closing of the first tranche of the Private Placement; and (ii) a number of Finders warrants (each a "**Finder Warrant**") equal to 8% of the Subscription Receipts sold that were referred to or directly sourced by the Finder to the Corporation. Each Finder Warrant will be exercisable one additional common share at an exercise price of $.90 per share for a period of 12 months from the closing of the Transaction. The following table sets out the cash fee and Finder Warrants received by each Finder:

Finder	Finder Warrants (8%)	Finder Fee (6%)
Comverj PTY, Ltd.	166,667	$62,500.02
Oceans Asset Inc.	44,000	$16,500.00
Leede Jones Gable Inc.	40,000	$15,000.00
Clarus Securities Inc.	252,000	$94,500.00
Richardson Patrimoine	348,000	$130,500.00
Good Fella Capital (Grant O'Connor)	4,800	$1,800.00
2435596 Ontario Inc. (Edwin Gomez)	25,054	$9,395.28
Aligned Capital Partners Inc. (Bernie Ugolini)	18,400	$6,900.00
Louis Ialenti	4,200	$2,800.00
Canaccord Genuity Corp.	16,000	$6,000.00
First Republic Capital Corp. (Annick Masse)	88,800	$33,300.00
Maurice Montpetit	16,000	$6,000.00

Selected Financial Information and Management's Discussion and Analysis

Selected Financial Information

The following information is summarized from the audited financial statements of the Corporation for years ended December 31, 2020, December 31, 2019, and the unaudited interim financial statements of the Corporation for the nine months ended September 30, 2021, and should be read in conjunction with the financial statements attached as Schedule "A" hereto:

	For the nine months ended September 30, 2021 ($)	**For the year ended December 31, 2020 ($)**	**For the year ended December 31, 2019 ($)**
Total Expenses(1)	2,981,269	1,249,580	1,679,118
Amounts Deferred in connection with the Transaction	Nil	Nil	Nil

Notes:

(1) Total expenses include cost of sales, general and administrative, R&D and financial expenses.

Management's Discussion and Analysis

The Corporation's management discussion and analysis for the nine month period ended September 30, 2021 and each of the financial years ended December 31, 2020, and 2019 are attached as Schedule "B" hereto.

Description of Securities

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date of this Filing Statement, 164,182,762 Common Shares were issued and outstanding as fully paid and non-assessable. The holders of Common Shares are entitled to: (i) receive notice of, and to one vote per Common Share at, meetings of Shareholders; (ii) dividends if, as and when declared by the Board, out of funds legally available therefor; and (iii) in the event of liquidation, receive all of the assets of the Corporation remaining after payment of the Corporation's liabilities.

Stock Option Plan

Summary of Plan

On January 4, 2022, the Shareholders of the Corporation adopted the Intema Option Plan. The Intema Option Plan provides that the Board (or a committee created or appointed by the Board) may, from time to time, in its discretion designate the persons to whom options shall be granted in accordance with the Intema Option Plan and the number of Common Shares to be optioned to each, provided that the number of Common Shares to be optioned shall not exceed the number provided in the Intema Option Plan. Options may be granted to any director, officer, employee or consultant of the Corporation or of its Affiliates (as defined in the Intema Option Plan). No optionee shall have any of the rights of a shareholder with respect to any Common Shares subject to an option until such Common Shares have been paid for in full and issued to such optionee.

The Intema Option Plan is a rolling stock option plan that sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant.

The number of Common Shares set aside for issuance to an individual must not exceed, within a 12-month period, 5% of the number of issued and outstanding Common Shares of the Corporation. The total number of options granted to all persons providing investor relations services during a 12-month period shall not exceed 2% of the issued and outstanding Common Shares. Additionally, the total number of options granted to a consultant shall not exceed 2% of the issued and outstanding Common Shares. Options are not transferable and the period during which an option may be exercised may not exceed ten years from the date of its grant. The minimum exercise price of an option granted to a director or officer of the Corporation must not be less than the Discounted Market Price (as defined in Policies of the Exchange). The minimum exercise price of an option granted to any admissible persons that are not directors or officers of the Corporation must not be less than the last closing price of the Common Shares before the date of the option grant, less the applicable discount permitted by the Policies of the Exchange.

Upon the death of an optionee, the option may be exercised by the legal heirs or personal representatives of the optionee for a period not exceeding one year from the optionee's dearth provided that nothing in the foregoing shall have the effect of extending the term of an option beyond its original expiry date. Options granted to any optionee who is a director, officer or an employee of the Corporation shall expire at no later than 180 days after the optionee ceases to be at least one of those categories, by reason other than the optionee's death. Options granted to an optionee who is a consultant that is engaged in investor relations activities shall terminate on expiry of a period not in excess of 30 days following the date that the optionee ceases to be employed or provide investor relations activities, by reason other than the optionee's death. Any outstanding option can be cancelled by the administrator with the consent of the optionee to whom such option has been granted.

The Board may at any time suspend or terminate the Intema Option Plan with respect to any Common Shares not at the time subject to option, and the Board may at any time and from time to time amend any provisions of the Intema Option Plan subject to obtaining any required approval of the Exchange or other regulatory authorities having jurisdiction, provided that any such amendment shall not, without the consent of the optionee to whom such options were granted, adversely affect or impair any options previously granted under the Intema Option Plan.

Stock Options Granted

As of the date of this Filing Statement, there are 9,714,412 outstanding Intema Options to acquire an aggregate of 9,714,412 Common Shares as follows:

Name	Number of Common Shares Under Option	Exercise Price per Common Share	Expiry Date
Clarus Securities	500,000	$0.900	September 17, 2022
Laurent Benezra	860,000	$0.2350	December 17, 2025
Michael Wagen	500,000	$0.2350	December 17, 2025
Michael Curtis	500,000	$0.2350	December 17, 2025
Laura Kluber	320,000	$0.2350	December 17, 2025
Sonia Patraccione	80,000	$0.2350	December 17, 2025
Edwin Monzon	100,000	$0.2350	December 17, 2025
Evan Ryer	225,000	$0.2550	February 8, 2026
Jordan Meyler	400,000	$0.2550	February 8, 2026
Evan Mellul	200,000	$0.2550	February 8, 2026
Scott Meyers	500,000	$0.5000	February 18,2027
Marc Brassard	500,000	$0.5000	February 18,2027
Philip Nolan	500,000	$0.5000	February 18,2027
Art Manteris	500,000	$0.5000	February 18,2027
Jessica Di Rito	500,000	$0.5000	February 18,2027
Piotr Zhalau	1,356,979	$0.5000	February 18, 2024
Nick Katselapov	1,813,424	$0.5000	February 18, 2024
Evgueni Kislyi	359,009	$0.5000	February 18, 2024
Total:	**9,714,412**		

Prior Sales

Other than as set out below, no securities of the Corporation were sold within the last 12 months of this Filing Statement:

- On January 12, 2022, the Corporation issued 59,154 Common Shares at a deemed price of $0.355 per Common Share to Agora Internet Relations Corp. in consideration of services rendered.

- On February 18, 2022 the Corporation issued 6,470,599 Common Shares at a deemed price of $0.425 per Common Share to the vendors in connection with the Transaction.

- 13,120,000 Common Shares were issued to certain warrant holders pursuant to the exercise of warrants of the Corporation between November 12, 2021 and December 20, 2021 for total proceeds of $1,574,400.

- On February 24, 2022 1,325,000 Common Shares were issued to warrant holders pursuant to their exercise.

- On September 23, 2021, the Corporation issued 943,396 Common Shares pursuant to the acquisition of Team Bloodhounds Inc.

- On August 31, 2021, the Corporation sold 11,420,000 Subscription Receipts under the first tranche of the Concurrent Financing, and 8,594,000 Subscription Receipts on October 5, 2021, under the second tranche of the Concurrent Financing., at a price of $0.50 per Subscription Receipt. See "*Information Concerning the Corporation – Financing*".

- On March 8, 2021, the Corporation sold 25,000,000 Units at a price of $0.20 per Unit for aggregate gross proceeds of $5 million. Each Unit consists of one Common Share and one Warrant, each Warrant entitling the holder to acquire one Common Share of the Corporation at a price of $0.265 for a period of 18 months following the closing of the private placement.

- In connection with the $5 million private placement of units on March 8, 2021, 1,012,120 Common Shares were issued by the Corporation to certain finders.

- On February 8, 2021, the Corporation issued 1,625,000 Common Shares pursuant to the acquisition of HypeX.gg

- On December 18, 2020, the Corporation issued 12,000,000 Units at a price of $0.05 per Unit. Each Unit consists of one Common Share and one Warrant. Each Warrant entitled the holder to acquire one Common Share of the Corporation at a price of $0.12 for a period of 12 months following the closing of the private placement.

Stock Exchange Price

The Common Shares are listed on the Exchange under the symbol "ITM". On May 3, 2021**,** trading in the Common Shares was halted in connection with the announcement of the Transaction. Trading of Corporation's common shares resumed on November 22, 2021.

The following table sets out trading information for the Common Shares on the TSXV for the periods indicated:

Trading Periods	High	Low	Trading Volume
Period ended March 28, 2022	$0.28	$0.205	1,546,669
Month ended February 28, 2022	$0.34	$0.25	3,526,580
Month ended January 31, 2022	$0.36	$0.38	3,066,002

Month ended December 31, 2021	$0.40	$0.31	4,534,252
Month ended November 30, 2021(1)	$0.53	$0.29	5,996,007
Month ended October 30, 2021	No trades(1)		
Quarter ended September 30, 2021	No trades(1)		
Quarter ended June 30, 2021	No trades(1)		
Quarter ended March 31, 2021	$0.80	$0.21	37,019,521
Quarter ended December 31, 2020	$0.37	$0.02	33,885,880
Quarter ended September 30, 2020	$0.05	$0.03	6,111,043
Quarter ended June 30, 2020	$0.06	$0.03	4,950,098
Quarter ended March 31, 2020	$0.13	$0.03	3,384,547

Notes:

(1) Trading in the Common Shares was halted prior to market open on May 3, 2021 until November 22, 2021 in connection with the announcement of the Transaction.

Executive Compensation

The following discussion sets out the statement of executive compensation of the Corporation for the financial years ended December 31, 2020 and December 31, 2019, prepared in accordance with Form 51-102F6V – Statement of Executive Compensation – Venture Issuers.

Laurent Benezra, President and CEO, and Scott Meyers, CFO, are each a NEO of the Corporation for the purposes of the following disclosure.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each NEO and each director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation, for each of the Corporation's two most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Laurent Benezra – President, CEO and Director	2019	$150,000	$50,000	n/a	$22,800	n/a	$222,800
	2020	$150,000	n/a	n/a	$34,200	n/a	$184,200
Scott Meyers - CFO	2019	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil

Michael Curtis - Director	2019	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
Michael Wagen - Director	2019	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
Arthur Manteris - Director	2019	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
Marc Brassard - Director	2019	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
Philip Nolan - Director	2019	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil

Benefits and Perquisites

The NEOs do not receive any benefits or perquisites as pension other than as disclosed herein.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and NEO by Intema in the year ended December 31, 2020, for services provided or to be provided directly or indirectly to Intema:

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Laurent Benezra	Stock Option	860,000[2]	December 17, 2020	0.2350	0.13	0.35	December 17, 2030
Michael Wagen	Stock Option	500,000[2]	December 17, 2020	0.2350	0.13	0.35	December 17, 2030
Michael Curtis	Stock Option	500,000[2]	December 17, 2020	0.2350	0.13	0.35	December 17, 2030

Notes:

(1) Each of the above holders held the same number of securities as set out in the above chart as at December 31, 2020.

(2) The securities are subject to the following vesting schedule: 25% of the securities shall vest on the date that is one year from the date granted by the Corporation; 25% of the securities shall vest on the date that is two years after the date granted by the Corporation; 25% of the securities shall vest on the date that is three years after the date granted by the Corporation; 25% of the securities shall vest on the date that is four years after the date granted by the Corporation.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO of the Corporation during the financial year ended December 31, 2020.

Stock Option Plans and Other Incentive Plans

Disclosure regarding the Intema Option Plan is set forth in "*Information Concerning the Corporation – Stock Option Plan*".

Employment, Consulting and Management Agreements

The Corporation has entered into employment agreements or arrangements with each of the NEOs. Each of the employments agreements or arrangements provide for an indefinite term of employment at a base salary reviewable on an annual basis by the Compensation Committee, as well as eligibility for annual bonus incentives and incentive stock options at the discretion of the Board on the recommendation of the Compensation Committee (see the Table of compensation, excluding compensation securities for executive compensation information in respect of the NEOs).

Each of the employment agreements entered into by the Corporation with each of the NEOs provide for the payment of an indemnity equal to three months of base salary in the event employment is terminated or the individual resigns within 3 months of a change of control event (as defined in the agreements). In addition, each of the NEOs has agreed, under his respective employment agreement or arrangement, not to solicit, directly or indirectly, for employment any of the employees of the Corporation for a period of 12 months following the end of his employment with the Corporation.

Oversight and Description of Director and NEO Compensation

The Corporation's executive compensation is reviewed annually by the Corporation's Compensation Committee, which then makes recommendations to the Board. The Board approves the base salary of each NEO (and any other person) based on the recommendations of the Compensation Committee.

The members of the Compensation Committee during the most recently completed financial year were Michael Wagen and Michael Curtis. The Corporation's executive compensation program is structured into three main components: base salary, annual incentives (bonuses), and long term incentives, including incentive stock options granted pursuant to the Intema Option Plan.

NEOs receive a base salary which is based primarily on the level of responsibility of the position, the qualifications and experience of the NEO, and current competitive market conditions. In addition to their base salary, the NEOs may receive a discretionary annual bonus declared by the Board and based on the overall performance of the Corporation.

The annual base salary review of each NEO takes into consideration the following factors: current market and economic conditions, the levels of responsibility and accountability of each NEO, the skill and competencies of each individual, retention considerations, and the level of demonstrated performance. Base salary is not evaluated against a formal "peer group"; however, the Compensation Committee does conduct periodic informal reviews of executive compensation data from public companies with a comparable market capitalization that operate in similar industry sectors and in regions with similar economic conditions as those in which the Corporation operates. The Compensation Committee relies on the general experience of its members in setting base salary amounts. The Corporation places equal emphasis on base salary and options as short term and long term incentives, respectively. Annual incentive bonuses are related to performance and may form a greater or lesser part of the entire compensation package in any given year.

Internal Controls over Financial Reporting

The Corporation maintains internal controls over financial reporting ("**ICFR**"). The ICFR in place ensures that the Corporation has reliable financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. An evaluation of the Corporation's ICFR will be conducted by the Company's auditors as part of the 2021 year end audit. At this time, no material weaknesses relating to the design or operations of the ICFR are identified.

Pension Plan

The Corporation does not have a pension plan or provide any benefits following or in connection with retirement.

Management Contracts

No management functions of Intema are to any substantial degree performed by a Person other than the directors or officers of the Issuer**.**

Non-Arm's Length Party Transactions

Intema has not acquired any assets or services within the 24 months prior to the date of this Filing Statement, nor proposes to acquire any assets or services from any director or officer of the Corporation, any principal security holder of the Corporation, or any Affiliate or Associate of any such person.

The Transaction does not constitute a Related Party Transaction within the meaning of the Policy.

Legal Proceedings

Management knows of no legal proceedings, contemplated or actual, involving the Corporation, which are material.

Auditors, Transfer Agent and Registrar

The auditors of the Corporation are Macias Gini O'Connell LLP, Chartered Professional Accountants, having an office at 500 Capitol Mall, Suite 2200, Sacramento, CA 95814 United States.

AST Trust Company (Canada) located at 2001 Robert-Bourassa Blvd. Suite 1600, Montreal, QC H3A 2A6, is the transfer agent and registrar for the Common Shares.

Material Contracts

With the exception of the Share Purchase Agreement, there are no contracts of the Corporation (other than contracts entered into in the ordinary course of business) that are material to the Corporation and that were entered into by the Corporation within the most recently completed financial year or were entered into since incorporation and are still in effect. For more information regarding the Share Purchase Agreement, please see the information provided under the heading "*Summary of the Filing Statement – The Acquisition*". A copy of the Share Purchase Agreement is available on SEDAR.

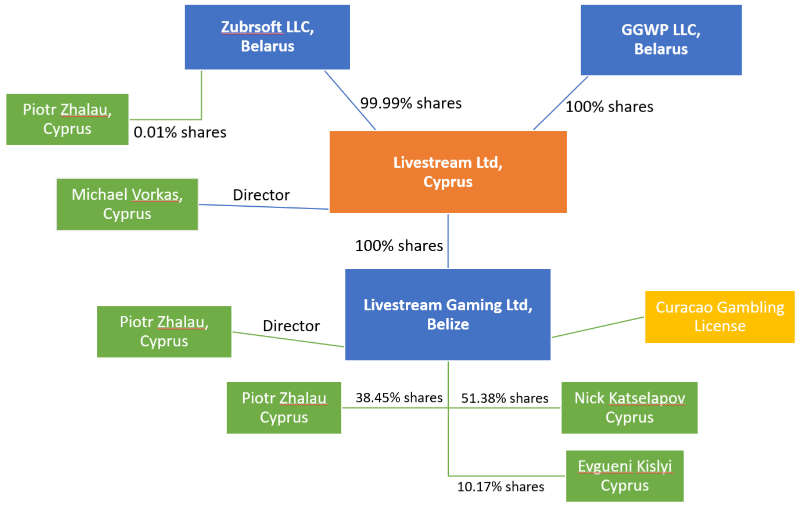
INFORMATION CONCERNING LIVESTREAM

Corporate Structure

Name and Incorporation

Livestream (Belize) is a private company, incorporated under the name "Livestream Gaming Ltd." on June 21, 2016, pursuant to the provisions of *The International Business Companies Act* in Belize. The registered office and head office of Livestream (Belize) is 9 Barrack Road, Belize City, Belize.

Intercorporate Relationships



Livestream (Belize) has three subsidiaries: (1) "Livestream Ltd.", a private company incorporated in accordance with the laws of Cyprus; (2) "ZubrSoft LLC", a limited liability, company incorporated in accordance with the laws of the Republic of Belarus.; and (3) "GGWP LLC", a limited liability company incorporated in accordance with the laws of Republic of Belarus.

Livestream (Belize) holds 100% of the issued and outstanding common shares of Livestream (Cyprus). The shareholders of ZubrSoft are as follows: Livestream (Cyprus) holding 99.99% of the issued and outstanding common shares of ZubrSoft, and Piotr Zhalau holding the remaining 0.01%. The sole shareholder of GGWP is Livestream (Cyprus) holding 100% of the issued and outstanding shares.

General Development of the Business

History

Livestream Gaming (Belize) and Livestream (Cyprus) were incorporated in 2016. Livestream was founded by Piotr Zhalau and Nick Katselapov, two veterans of the gaming industry, having previously worked for a large online games publisher 'Wargaming.net'. Livestream's start-up was funded by one of the founders, Nick Katselapov, who made an initial investment in the form of capital contribution of USD $250,000 in October 2016.

In June 2016, pursuant to a sub-licensing agreement between Livestream (Belize) and Gaming Services provider N.V., Livestream (Belize) was granted the Curaçao Sub-license. The Curaçao Sub-license permits the holder operating from Curaçao to offer 'games of chance and wagering' in the international market. For more information please see "*Information Concerning Livestream - Narrative Description of the Business - Overview of Global Regulatory Environment and Gaming Licenses*".

In December 2016, LOOT.BET was launched on a third-party betting platform. At the time of launch, the LOOT.BET platform was launched as a minimum viable product (the "**MVP**") to test the product, market ideas and develop a user-base. While operating the MVP, Livestream began to invest in partnerships, events, and marketing, to create brand recognition in the gaming industry. In 2017 the Livestream made several prominent partnerships, and entered into sponsorship agreements with 'Dota 2' team 'Digital Chaos' (runner-up of 'The International 2016') and 'Team Empire'. Additionally, during this time Livestream hosted its first Dota 2 tournament, the 'LOOT.BET Invitational Tournament', in cooperation with U Can Company. In the first few months of operations, Livestream was able to generate significant traction with its target audience leading to an increase in users of the MVP.

With the growing success of MVP, Livestream wanted to develop its own platform rather than operate off of a third party platform. In September of 2017, Livestream started developing its own betting platform with the goal of launching it in 2018.

By May of 2018, the core of the new LOOT.BET platform was ready and Livestream was ready to allow access to users. At this time, Livestream launched the new platform and migrated the existing user-base with all balances held by the users to the new platform. Following the launch of the new LOOT.BET platform, Livestream needed to temporary close the site in June 2018 to integrate a new data feed provider. The site was relaunched in September 2018 with a new data provider and redesigned front-end.

To assist in scaling the LOOT.BET platform, Livestream made two principal changes to its operations. In February 2018, Livestream incorporated GGWP as a wholly owned subsidiary. The purpose of GGWP was to develop an in-house team of employees to provide Livestream's marketing, advertising, customers support, consultancy, and any other additional services required by Livestream. In August 2019, the company acquired all of the issued and outstanding securities of a software development company, ZubrSoft LLC. The goal of the acquisition was to further develop the LOOT.BET platform and develop software to be used by the Business. For more information please see "*Information Concerning Livestream - Narrative Description of the Business – Operations*".

Throughout 2019-2021, the principal focus of Livestream has been to further develop the LOOT.BET platform, the services offered on LOOT.BET, and increase its user-base. Several key highlights include:

- April 2019 - Livestream created its own esports trading team and trading module, which allowed it significantly improve betting margin by avoiding arbitrage opportunities with other esports betting operators.

- December 2019 - Livestream launched the LOOT.BET progressive web application, (available on Android, iOS, Windows and Macintosh platforms) and 'Games' module (RNG slots).

- May 2020 - Livestream launched a new module featuring pool betting on video game live streaming. The feature allows users of the LOOT.BET platform to place live bets on their favorite Twitch and YouTube streamers playing video games.

- July 2020 - Livestream launched a promotional system as a part of LOOT.BET, which allows Livestream to issue any combination of free bets, free spins, cashback, cash vouchers, and deposit bonuses to users on the LOOT.BET platform.

- 2019 / 2020 - Livestream was very active in esports marketing. These marketing activities included organizing and sponsoring multiple CS:GO and Dota 2 esports tournaments, including its famous CS:GO Loot.bet/cs series of tournaments consisting of nine seasons with a total prize pool of USD $350,000.

- January 2021 - Livestream launched traditional sports betting services on the platform. The services allow users to place wagers on the outcomes of traditional sports such as basketball, ice-hockey, or football.

- February 2021 - Livestream launched a new "Daily Quests" feature intended to retain users on the LOOT.BET platform. The Daily Quests feature gives users one or several tasks to complete each day, and upon completion of the task(s) the user is rewarded with gifts or bonuses (free bets, free spins etc.). The tasks typically require the user to make a deposit of a certain amount or placing bets on a specific tournament. Daily quests are the next step in development of LOOT.BET's gamification features.

On April 30, 2021 Livestream entered into an arm's length binding letter of intent with Intema, with respect to the Transaction, whereby Intema will acquire all of the issued and outstanding securities of in the capital of Livestream. Please see "*Summary of the Filing Statement – the Acquisition*".

Narrative Description of the Business

Principal Services

The principal activity of Livestream is the provision of the online betting and online gambling services. Livestream offers its services to its customers through the LOOT.BET website platform accessible through a web-browser at https://loot.bet. The LOOT.BET website platform offers an esports sportsbook, traditional sportsbook, and random number generator casino games (the "**Business**"). The LOOT.BET platform has over 500,000 registered users. Livestream additionally regularly sponsors notable professional esports tournaments, and partners with leading esports operators, studios and esports talents and influencers.

The LOOT.BET website is accessible globally through an internet web-browser. The website is available in the following languages: English; Russian; Spanish; German; Portuguese; Filipino and Chinese.

Livestream's revenue is generated by the services provided to users on the LOOT.BET. In 2019, 97% of Livestream's revenue was generated from betting activity on the LOOT.BET platform, with the remaining 3% generated from RNG (random number generator) Games on the LOOT.BET platform. In 2020, 91% of Livestream's revenue was generated from betting activity on the LOOT.BET platform, with the remaining 9% generated from RNG Games on the LOOT.BET platform.

Operations

The LOOT.BET website is currently operated by Livestream (Belize) from Curaçao pursuant the terms and conditions of the Curaçao Sub-license agreement with Gaming Services Provider N.V.. Livestream (Cyprus) holds the intellectual property of Livestream including the LOOT.BET brand, the front-end website, sportsbook platform, and the back office. The back-end server supporting the LOOT.BET platform is hosted from Curaçao by Ocean Communications, a third-party IT service, hosting, and cloud solution provider. LOOT.BET is supported by Livestream's professional operational and software development team of over 50 employees. The software that forms the LOOT.BET platform is developed within Livestream by a distributed team working in offices and remotely. Livestream leases three offices in Minsk, Belarus from an arm's length party to provide space for the company's employees and hardware. The leases are in good standing and set to expire in December 31, 2023, December 31, 2023, and August 31, 2022, respectively. Livestream intends to renew the leases prior to their expiry. In 2021, Livestream paid €29,727.85, and €1,484.08, respectively, for its two main offices.

ZubrSoft's main operation is the software development for its parent company, Livestream (Cyprus). ZubrSoft, on behalf of Livestream (Cyprus) developed the platform for the esports and traditional sportsbook, the front-end and the back-office, and the management platform for the LOOT.BET website. With respect to the LOOT.BET platform:

- The front-end website and back office have been developed by ZubrSoft using the programming languages PHP and Go.

- There are no restrictions on the use of the system: there are specific limits for one server, but the server cluster can combine hundreds of servers allowing it to cope with high volume.

- Livestream uses Cloudfare as their content delivery channel (Cloudflare is an third-party web infrastructure and website security company that provides content delivery network and DDOS mitigation services at arm's length of Livestream) and Graylog as their data logging and reporting system (Graylog is a third-party provider of software which centrally captures, stores, and enables real-time search and log analysis against machine data from any component in the IT infrastructure and applications).

- In terms of security, all servers' access is limited by RSA keys, all ports are closed by a firewall and Kubernetes is used for load balancing.

- The current hosting providers consist of G-core Labs, Hetzner, Google Cloud, and Ocean Communications (each of the providers are at arm's length of Livestream).

Although the primary software supporting the LOOT.BET platform is developed internally, Livestream subcontracts third-party providers to provide the data feeds supporting the sportsbooks and the payment and withdrawal methods.

Following completion of the Transaction, the Resulting Issuer intends to subcontract Pandascore, Betbazar, Betsy Games and Betradar to provide the data feeds. All odds are reviewed and adjusted by the trading team at ZubrSoft.

The GGWP subsidiary provides Livestream's marketing, advertising, customers support, consultancy, and additional other services as required by Livestream. To fulfill the customer support function GGWP created a dedicated team of experienced English speaking employees, consisting of 6 "Level 1" Customer Support Agents, 2 "Level 2" Customer Support Agents; 1 VIP Manager; and 1 Community Manager. Livestream intends to expand this team as necessary to support the user-base of the LOOT.BET platform. The Customer Support team receive training on the specific requirements for anti-money laundering ("**AML**"), responsible gambling and data protection. Livestream provides 24/7 customer support via customer support platform 'Intercom'. For customer non-specific queries, Livestream also responds to users via social media channels such as twitter, and through Livestream's public Discord server.

Additionally, Livestream intends to engage with games content aggregators 'Slotegrator' and 'Infingame' in order to offer a portfolio of premium RNG Casino products from the industry's most reputable brands. Both Slotegrator and Infingame are at arm's length of Livestream.

The business has an average seasonality, as the turnover depends on the global esports tournaments schedule. Summer and winter holiday seasons are the least active for LOOT.BET users, while spring and autumn are the most active.

The TSXV's acceptance of the Transaction is conditional upon the migration of Livestream user-base from operations under the jurisdiction of the Curaçao Sub-license to operations under the jurisdiction of the IOM Licence that will be completed within 90 days from closing of the Transaction. The Corporation has provided an undertaking to the Exchange in this respect.

As previously disclosed, the entirety of Livestream's operations are conducted in jurisdictions outside of Canada. There are risks associated with Livestream being a foreign incorporated entity such as that Livestream derives most of its revenue from foreign jurisdictions and, as a result, the business and operations of Livestream may be impacted by fluctuations in foreign currency, also any judgements rendered against Livestream may not be enforceable in any one jurisdiction. The impact of geopolitical trends and events, including the unfolding situation in the Ukraine and related sanctions may adversely Livestream and its business. Livestream and the Corporation will take measures to ensure it will comply with all applicable prohibitions and sanctions imposed by Canada, including those relating to the conflict between Russia and Ukraine.

Know Your Client Requirements, Anti-Money Laundering Requirements, and Internal Controls

Livestream's AML and anti-terrorist financing ("**ATF**") policies and procedures are documented in a manual titled "AML-KYC Policy" adopted by Livestream.

All users of the LOOT.BET platform are required to complete a registration form and read the terms and conditions before they are allowed to start betting on the platform or make withdrawals. The user registration process has been designed to ensure compliance with online gambling legislation and the terms of the Curaçao Sub-license consistent with Livestream's AML policy ("**AML Policy**").

For a user to be considered a "verified customer" by Livestream, they are required to complete a customer onboarding procedure by verifying their identity. According to the AML Policy, when Livestream is required to verify the identity of a user, the Corporation will use the "dual process method" of client identification. The dual process method involves referring to two independently sourced pieces of information that includes the person's name and address and name and date of birth. The sources of information can include international passport, driver's license, bank statement and utility bill.

The dual process method is also documented on Livestream's website and is consistent with the eligible client identification methods in the Canadian Anti-Money Laundering Legislation - Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations ("**PCMLTFR**").

The AML-KYC Policy also documents Livestream's controls and procedures for monitoring unusual or suspicious activity by users on its platform. According to the AML-KYC Policy, Livestream will continue to monitor client activity on the platform and may trigger enhanced due diligence procedures on a user based on unusual activity. Livestream's transaction monitoring procedures include the review of users' transactional patterns using data analysis. According to the AML-KYC Policy, the following controls are in place for transaction monitoring:

- activities of users are checked on a daily basis, where certain users might be flagged for further investigation where required;

- where there is an active investigation or review, the Livestream maintains a case and document management process which includes completing a review of the flagged activity, as well as requesting further information from the user where required;

- manual screening[1] for sanctions circumvention and Politically Exposed Persons is completed using Dilisense via www.dilisense.com (Dilisense is a third-party compliance screening platform that offers sanctions and screening services. Dilisense is at arm's length of Livestream);

- Livestream will report to law enforcement in the event of an activity indicative of money laundering or terrorist financing; and

- Livestream will also suspend or terminate a user's account when it confirms that the user is engaged in illicit activity.

With respect to payment method controls, the Livestream platform allows users to make payment using credit and debit cards. According to the AML Policy, users are expected to pass a verification test before a transaction can be successfully completed. This verification process will involve the confirmation that the name on the card (debit or credit) matches the name on the photo identification provided by the user and the first 6 and last 4 digits on the card should be visible, while the middle 6 digits must be covered.

Data Protection

Livestream is strongly committed to maintaining the highest standards in privacy and protecting customers' personal data ("**Data Subjects**") and shall take all relevant steps to adhere to the data protection laws of the jurisdictions which it maintains a gaming license. In connection obtaining the IOM License, Livestream will be registered with the Isle of Man Information Commissioner and steps are being taken to appoint a suitably qualified Data Protection Officer.

Livestream undertakes substantial efforts to protect the confidentiality of the identity, preferences and other information it has collected about individual customers and will not knowingly allow access to this information to anyone outside of the organization, other than to the user or to personnel of other companies related to or affiliated with Livestream and to third party service providers who use personal information to provide services in respect of the Livestream's gambling services.

All recipients of personal information shall be bound by applicable data protection laws to keep personal information private at no less a level than that by which Livestream is bound. Livestream makes a substantial investment in its server, database, backup, firewall and encryption technologies to protect the collected information.

Where applicable, Livestream will be clear and open to Data Subjects about why and how personal information is collected and used. Livestream maintains and conducts its business and operation in accordance with its General Data Protection Regulation Policy.

Overview of Global Regulatory Environment and Gaming Licenses

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[1] Livestream intends to transition to an automated screening platform using the third-party platform at Sumsub.com. Sumsub.com is at arm's length from Livestream.

There are broadly two types of gaming licences in the world: (a) local; and (b) multi-jurisdictional (or point-of-supply). Local licences are jurisdiction-specific and permit holders to offer gaming services to residents of that jurisdiction while preventing unlicensed entities from doing so. Currently there are over 30 jurisdictions which require a licence to provide gaming services to their respective residents, including the United Kingdom and the United States. Multi-jurisdictional licences, like the Curaçao Sub-license and the IOM Licence, enable gaming companies to operate in other territories which do not expressly prohibit offshore gaming operators by relying on the well-established general principle of e-commerce and internet law that deems online product offerings to take place where the operator's server and/or the operator itself is established and located. This principle is widely relied upon by offshore online gaming operators as well as by many other ecommerce businesses.

Market

Livestream's target market is males ages 18 to 29, with a strong interest in esports and video games, and sports generally.

As discussed above, the LOOT.BET website is accessible globally through an internet web-browser, except in those jurisdictions which either require a local license, or are prohibited by the local laws. Consistent with these prohibitions, the terms of the Curaçao Sub-license prohibit Livestream from accepting customers in certain of these restricted jurisdictions. Pursuant to Livestream's terms of service, the restricted jurisdictions include: Australia, Belize, Belarus, Cyprus, Malta, France, the Netherlands and its territories and countries within the Kingdom of the Netherlands, Spain, the United Kingdom of Great Britain and Northern Ireland and the United States of America. Accordingly, Livestream does not offer services to individuals located in these jurisdictions and its platform has multiple checks to ensure access to such individuals is prohibited.

Livestream's main geographic market is countries within the European Union, South-East Asia, CIS Countries, and South America. Following the transition of the user-base to the IOM License, the Resulting Issuer intends to offer its services in the following jurisdictions: Philippines, Russia, Malaysia, Finland, Vietnam, Israel, Norway, India, Singapore, Azerbaijan, Japan, Kazakhstan, Jordan, South Africa, China, Australia, Myanmar (Burma), South Korea, Switzerland, Romania, Belgium, Brunei, Pakistan, Cambodia, Serbia, New Zealand, Hong Kong SAR China, Faroe Islands, Chile, Slovenia, United Arab Emirates, Guatemala, Iran, Mongolia, Venezuela, Croatia, Austria, Peru, Ecuador, North Macedonia, Georgia, Afghanistan, Dominican Republic, Bolivia, Egypt, Panama, Kosovo, Albania, Macao SAR China, Uzbekistan, Dominica, Kenya, Jersey, Turkmenistan, Bosnia and Herzegovina, Saudi Arabia, Tunisia, Uruguay, Tajikistan, Algeria, Botswana, Vatican City, Micronesia, Northern Mariana Islands, Andorra, Paraguay, Colombia, Morocco, Cayman Islands, Qatar, Bangladesh, Sri Lanka, Mexico, Moldova, Brazil, Luxembourg, Armenia, Taiwan, Kyrgyzstan, Iceland, Thailand, Indonesia, Canada, and Argentina. The Resulting Issuer has provided an undertaking to the TSXV to migrate the existing players from the Curacao License to the IOM License within 90 days following closing of the Transaction.

In many countries betting on esports has become a common hobby for Livestream's target audience. With adoption among so many individuals, the trend is towards responsible and higher regulated gaming.

Marketing Plans and Strategies

Following completion of the Transaction, Livestream intends to use the following marketing and user acquisition methods:

- sponsorship of esports tournaments and organizations;
- partner with esports influencers to serve as brand ambassadors;
- conduct search engine optimization ("**SEO**");
- "Pay-Per-Click" ("**PPC**") advertising;
- social media marketing ("**SMM**");
- affiliate marketing;
- direct advertising; and
- public relations.

Livestream intends to budget an average of €150,000 per month for marketing efforts. The allocation of the budget to the above methods will depend on prospect to customer conversion ratios. Only those methods providing an efficient price per customer will be used. Livestream understands the importance of perfecting the correct marketing mix, and that the company will have to experiment with the different channels to find the most profitable operation. Livestream therefore intends to increase scaling on high-performing channels and cut spending on those that are low-performing.

The Corporation intends to outsource its public relations, SEO and SMM. The Corporation has not yet selected the company (or companies) to provide these services. These remaining marketing and user acquisition methods discussed above will be managed by an internal marketing team through Livestream's GGWP and ZubrSoft subsidiaries. The initial marketing approach will involve all promotional methods, starting with PR to build product awareness and ending with PPC advertising for pure user acquisition.

The commission earned by Livestream on betting activity on the LOOT.BET platform is consistent with competitors in the market.

Competitive Conditions

Livestream operates in a highly competitive environment featuring existing traditional gaming companies as well as similar endemic esports betting operators. There are a variety of principal competitive factors that separate service providers within the industry. These factors include:

(a) the geographic reach of the LOOT.BET platform;

(b) the gaming licences and player protections;

(c) the number of esports titles supported;

(d) the number of betting markets included;

(e) providing esports industry statistics;

(f) the overheads and customer acquisition cost;

(g) the brand awareness;

(h) the accessibility of the customer interface;

(i) the number and quality of payment methods per territory; and

(j) the level of customer support provided.

Livestream has identified the following operators as their principal competitors in their primary target markets: "GG.BET", "EGB.com" "Rivalry.com", "Unikrn.com", and "Luckbox.com". The below chart is a comparison among the principle services and features of each platform:

Service \ Features	**LOOT.BET**	**GG.bet**	**EGB.com**	**Rivalry.com**	**Unikrn.com**	**Luckbox.com**
Main license	Curaçao→IOM	Curaçao	Curaçao	IOM	IOM	IOM
Key markets	EU / SEA	CIS / EU	CIS / Korea	SA	EU / SA	EU
Number of esports titles	High	High	High	High	Medium	High
Number of betting markets	Medium	High	Low	Medium	Low	High

Esports statistics	No	No	No	No	No	Yes
Brand awareness	Medium	High	Medium	High	Medium	Medium
Payment methods	High	Medium	High	Medium	High	Medium
Customer support	Live chat	Live chat	Live chat	Live chat	Ticket system	Live chat
Public chat	No	No	Yes	No	No	No
Onboarding	Low	Low	Low	Medium	Low	Low
Gamification features	Medium	Low	Low	Medium	Low	Low
Mobile application	Yes	Yes	Yes	No	No	Yes

Livestream does not anticipate any significant new competition. The gaming industry's strict licensing regime provides a strong barrier to entry of one to three years for any new start-ups, thereby providing a substantial advantage to those who already have experience and a history of operation. While competition is still expected to grow, due to the high cost of obtaining applicable licences and the general lack of compliance expertise, management of Livestream believes the company's position in the market, and its growth within the market, is not jeopardized by new entrants.

Future Developments

The LOOT.BET platform and supporting technology shall be further developed or improved in the ordinary course of business.

Proprietary Protection

Livestream's intellectual property is limited primarily to domain names, software, the LOOT.BET platform, and trademarks.

With respect to trademarks, Livestream has obtained or taken steps for the protection of trademarks in numerous jurisdictions. The European Union trademark ("**EUTM**") with respect to LOOT.BET is due renewal on April 24, 2030. The EUTM is registered in classes 9 and 41, covering, amongst others, gambling, gaming and betting software, as well as entertainments services, betting, gambling and gaming services.

Additionally, there are currently a number of registrations or pending applications for the LOOT.BET trademark, covering the, United Kingdom, and an International Registration designating Brazil, Norway, Philippines, Russia, Turkey and Ukraine.

Livestream has registered 128 domain names including the following:

- LOOT.BET;
- LOOT1.BET;
- LOOT2.BET;
- LOOT3.BET; and
- LOOTBET.EU.

Livestream's betting platform, odds compiling platform, and odds visualization module is protected under Cyprus copyright laws.

Livestream's standard employment agreement, service agreement, and agreements entered into in the ordinary course of business, contain provisions to protect the intellectual property of Livestream, including provisions related to the ownership of intellectual property, confidentiality, non-competition and non-solicitation. Livestream's consulting agreements contain similar protections as appropriate to the specific nature of the consulting services to be provided.

Livestream additionally routinely enters into mutual non-disclosure agreements or non-disclosure agreements with its business partners.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Annual Information

The following information is summarized from the audited consolidated financial statements of Livestream for years ended December 31, 2021, and December 31, 2020, and should be read in conjunction with the consolidated financial statements attached as Schedule "C" hereto:

	For the year ended December 31, 2021 (€) (audited)	**For the year ended December 31, 2020 (€) (audited)**
Total revenue	2,186,787	3,203,435
Operating Profit	26,371	660,757
Net income/(loss) and comprehensive income/(loss) for the period	(416,940)	(279,375)
Total assets	2,463,949	2,151,008
Total long term liabilities	31,822	6,186
Cash dividends declared	Nil	Nil

Management's Discussion and Analysis

The COVID-19 pandemic had a positive effect on the revenue of Livestream in the first half of 2020. However, the COVID-19 pandemic had a negative impact on the revenue of Livestream in the second half of 2020, continuing through Q1-Q3 of 2021. Between March and April of 2020, the betting turnover at LOOT.BET was growing by 20% every week.[2] However, with cancellations of most of the major esports tournaments that were scheduled to be held in late 2020 and 2021, including the largest esports tournament, 'The International', the betting turnover on the LOOT.BET platform decreased. These large-scale esports events typically generate increased betting turnover on the LOOT.BET platform. In the second half of 2021, betting activity stabilized, and Livestream expects an increase in betting turnover in 2022.

For further discussion of the factors affecting the comparability of the data above, please see the MD&A for Livestream for the years ended December 31, 2021 and 2020 are **attached hereto as Schedule "D".** The Livestream MD&A should be read in conjunction with the Livestream Financial Statements.

Description of the Securities

Livestream Common Shares

The authorized share capital of Livestream Gaming (Belize) is 1,150,000 Common Shares. Each of the Livestream Common Shares is entitled to one vote per Livestream Common Share. Each of the Livestream Common Shares is entitled to receive an equal share of any dividends (whether payable in cash or otherwise) as may be declared on the

[2] "Betting turnover" refers to the total (gross) amount wagered by users of betting services.

Livestream Common Shares from time to time. Dividends can only be distributed out of profits and can only be declared if Livestream has made a profit. Each of the Livestream Common Shares is entitled, in the event of any liquidation, dissolution or winding-up of Livestream (whether voluntary or involuntary), to receive in equal amounts per Livestream Common Share, the assets of Livestream available for liquidation.

The Principal Livestream Shareholders may only transfer their shares in accordance with the provisions of a Shareholders Agreement between the Principal Livestream Shareholders, dated March 1, 2021.

Prior Sales of Securities of Livestream

No securities of Livestream have been sold within the 12 month-period prior to the date of this Filing Statement.

Executive Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Livestream to each NEO and each director of Livestream (Belize), in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation, for each of the Corporation's two most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($CAD)**	**Bonus ($CAD)**	**Committee or meeting fees ($CAD)**	**Value of perquisites ($CAD)**	**Value of all other compensation ($CAD)**	**Total compensation ($CAD)**
Piotr Zhalau (Director – Livestream Belize, CEO – Livestream (Cyprus))	2019	26,968	Nil.	Nil.	Nil.	Nil.	26,968
	2020	46,360	Nil.	Nil.	Nil.	170,190	216,550
	2021	53,410	Nil.	Nil.	Nil.	51,599	105,009
Mikhail Bronau (Director – GGWP)	2019	25,483	Nil.	Nil.	Nil.	Nil.	25,483
	2020	25,570	Nil.	Nil.	Nil.	Nil.	25,570
	2021	19,113	Nil.	Nil.	Nil.	Nil.	19,113
Mikhail Bronau (Director – ZubrSoft)	2019	2,596	Nil.	Nil.	Nil.	Nil.	2,596
	2020	13,977	Nil.	Nil.	Nil.	Nil.	13,977
	2021	18,510	Nil.	Nil.	Nil.	Nil.	18,510

Benefits and Perquisites

The NEOs do not receive any benefits or perquisites as pension other than as disclosed herein.

Stock Options and Other Compensation Securities

There were no compensation securities granted or issued to any director or NEO by Livestream or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO of the Livestream during the financial year ended December 31, 2020.

Employment, Consulting and Management Agreements

Other than with respect to the below, no management functions of the Livestream are to any substantial degree performed by a Person other than the directors or officers of Livestream:

- On November 15, 2019, Livestream entered into an employment agreement with Pavel Busel, as Chief Technology Officer, to plan, develop, coordinate and execute technical strategies consistent with the mission and purpose of Livestream. Pavel Busel is a resident of Paphos, Cyprus. The employment agreement is set to expire on November 14, 2024. Pursuant to the employment agreement, Livestream pays Pavel Busel a net salary of $60,000 USD per year.

Oversight and Description of Director and NEO Compensation

Aside from the compensation disclosed above, no compensation is paid by Livestream to any other director or NEO of Livestream. Directors and Officers may, however, receive reimbursements for out-of-pocket expenses. The CEO of Livestream makes all determinations with respect to the compensation of the Directors of Livestream and such determinations are made on an ad hoc basis. The compensation of Piotr Zhalau, as Director of Livestream Gaming (Belize) and CEO of Livestream (Cyprus) was determined and approved by a resolution of the shareholders of Livestream Gaming (Belize) on December 27, 2016. There are no set performance criteria with respect to the compensation of the NEOs.

On August 1, 2021, Mikhail Bronau's salary was increased to $2,600 per month. Additionally, Mikhail Bronau may be awarded a bonus equal to 30% of his salary granted at the sole discretion of the CEO of Livestream.

Pension Plan

Livestream does not have a pension plan or provide any benefits following or in connection with retirement.

Non-Arm's Length Party Transactions

On March 1, 2018 Livestream (Cyprus), as the borrower, entered into Credit Line Agreement LSNK-1 with Nick Katselapov, as the lender, in the principal amount of €400,000.00 (the "**Credit Line Agreement LSNK-1**"). The Credit Line Agreement LSNK-1 bears interest at a rate of 4% per annum.

On August 31, 2018, Livestream (Cyprus), as the borrower, entered into Credit Line Agreement LSNK-2 with Nick Katselapov, as lender, (the "**Credit Line Agreement LSNK-2**"), in the principal amount of up to €400,000.00. Pursuant to an amendment dated August 31, 2018, the Credit Line Agreement LSNK-2 bears interest at a rate of 0% per annum.

On December 7, 2018, Livestream (Cyprus), as the borrower, entered into Loan Agreement LSNK-03 with Nick Katselapov, as lender, (the "**Credit Line Agreement LSNK-03**"), in the principal amount of up to €700,066.09. The Credit Line Agreement LSNK-03 bears interest at a rate of 0% per annum.

On December 7, 2018, Livestream (Cyprus), as the borrower, entered into Loan Agreement LSEK-1, with Evgueni Kislyi, as the lender, in the amount of €1,200,000.00, bearing interest at a rate of 0% per annum ("**Credit Line Agreement LSEK-1**").

On December 10, 2019, Livestream (Belize), as the borrower, entered into certain convertible loan notes with Nick Katselapov and Evgueni Kislyi (the "**Convertible Loan Notes**"), in the aggregate principal amount of €500,000.00 (€250,000.00 each), bearing interest at a rate of 4% per annum.

On July 12, 2021, Livestream (Cyprus), as the borrower, entered into Credit Line Agreement LSNK-4 with Nick Katselapov, as lender, (the "**Credit Line Agreement LSNK-4**") (as amended on September 6, 2021), in the principal amount of up to €400,000.00. The Credit Line Agreement LSNK-4 bears interest at a rate of 4% per annum.

Shares for Debt Transactions

Pursuant to a shareholders agreement dated March 1, 2021, among Nick Katselapov, Piotr Zhalau, and Evgueni Kislyi, Livestream (Belize) transferred 105,423 common shares of Livestream (Belize) to Nick Katselapov and 115,000 common shares of Livestream (Belize) to Evgueni Kislyi. In exchange for the common shares of Livestream (Belize), Nick Katselapov agreed to settle the debt owed by Livestream (Cyprus) pursuant to Credit Line Agreement LSNK-2 and pay to Livestream (Cyprus) $700,066.09 according a payment schedule, and Evgueni Kislyi agreed to pay €1,200,000.00 in cash to Livestream (Cyprus) according to a payment schedule.

Pursuant to a Set-Off and Cancellation Agreement between the Livestream (Cyprus) and Nick Katselapov dated March 1, 2021, the amounts owed by the Livestream (Cyprus) to Nick Katselapov pursuant to Credit Line Agreement LSNK-03 were set off against amounts owed by Nick Katselapov to the Livestream (Cyprus) pursuant to the above aforementioned Shareholders Agreement dated March 1, 2021.

Pursuant to a Set-Off and Cancellation Agreement between the Livestream (Cyprus) and Evgueni Kislyi dated March 1, 2021, the amounts owed by the Livestream (Cyprus) to Evgueni Kislyi pursuant to Credit Line Agreement LSEK-1 were set off against amounts owed by Evgueni Kislyi to the Livestream (Cyprus) pursuant to the above aforementioned Shareholders Agreement dated March 1, 2021.

Pursuant to a resolution of the shareholders of Livestream (Belize) dated June 22, 2021, Piotr Zhalau transferred 26,198 common shares of Livestream (Belize) to Nick Katselapov and 6,539 common shares of Livestream (Belize) to Evgueni Kislyi. In exchange for the common shares of Livestream (Belize), Nick Katselapov agreed to settle the debt owed by Livestream (Cyprus) pursuant to Credit Line Agreement LSNK-1, and Nick Katselapov and Evgueni Kislyi agreed to settle the respective debts owed by Livestream (Cyprus) pursuant to the Convertible Loan Notes.

Pursuant to a resolution of the shareholders of Livestream (Belize) dated November 23, 2021, Piotr Zhalau transferred 17,243 common shares of Livestream (Belize) to Nick Katselapov, and Evgueni Kislyi transferred 4,562 common shares of Livestream (Belize) to Nick Katselapov. In exchange for the common shares of Livestream (Belize), Nick Katselapov agreed to settle the debt owed by Livestream (Cyprus) pursuant to Credit Line Agreement LSNK-4.

Livestream (Cyprus) entered into to an independent contractor agreement with Piotr Zhalau dated July 1, 2016 ("**Independent Contractor Agreement**"), whereby Piotr provided certain consulting services at a rate of USD$100 per hour. The Independent Contractor Agreement was for a term of 5 years and expired July 1, 2021.

Legal Proceedings

Livestream does not know of any legal proceedings material to Livestream, contemplated or actual, involving Livestream, or any of its respective property.

Material Contracts

With the exception of the Share Purchase Agreement, there are no contracts of Livestream (other than contracts entered into in the ordinary course of business) that are material to Livestream and that were entered into by Livestream within the two years prior to the date of this Filing Statement. For more information regarding the Share Purchase Agreement, please see the information provided under the heading "*Summary of the Filing Statement – The Acquisition*". A copy of the Share Purchase Agreement is available on SEDAR.

INFORMATION CONCERNING THE RESULTING ISSUER

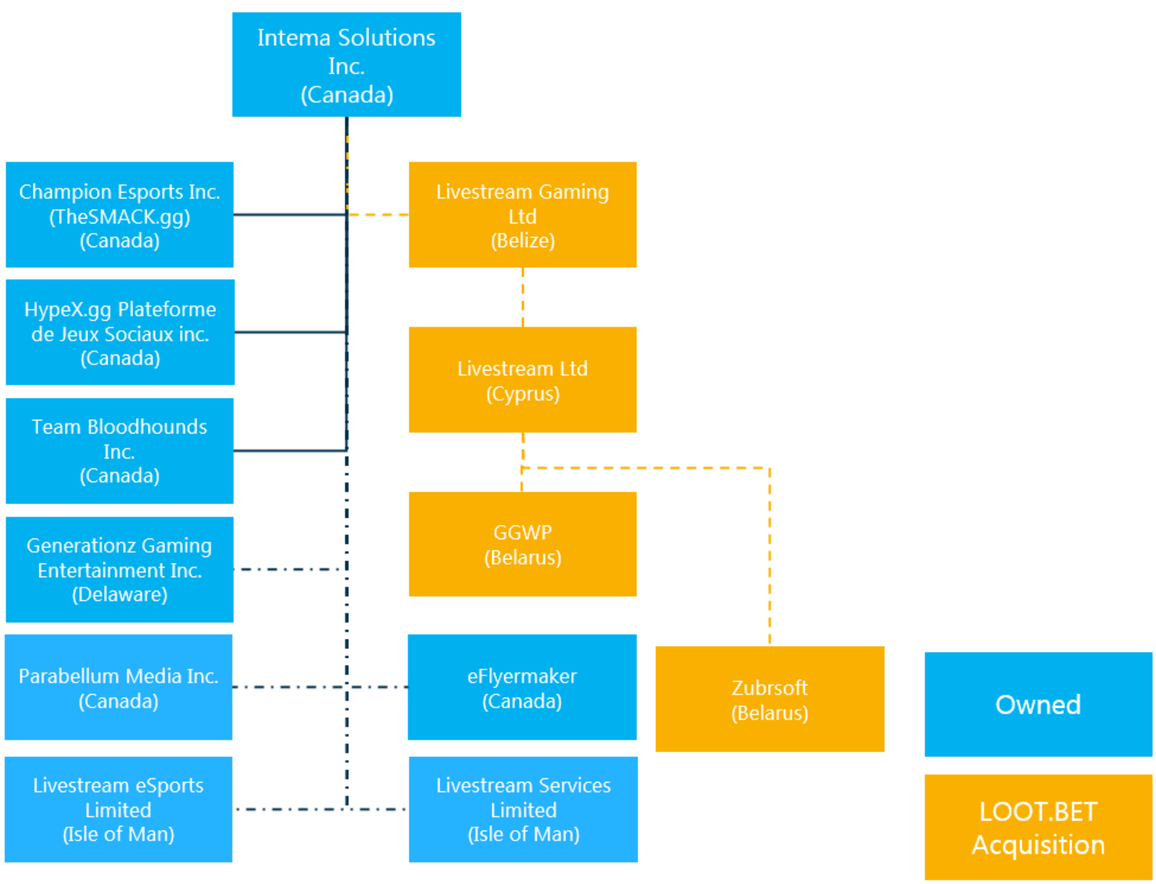
Name and Incorporation

Following the completion of the Transaction, it is anticipated that the Resulting Issuer will continue to subsist under the *CBCA*. Following completion of the Transaction, it is anticipated that the Resulting Issuer will file articles of amendment to change its name to "React Gaming Group Inc.", or such other name as may be determined in the sole discretion of the Board.

The registered office and head office of the Resulting Issuer will remain located 6500 TransCanada Highway Suite 209, St. Laurent, Quebec H4T 1X3. The Resulting Issuer shall continue to be a reporting issuer in the Provinces of British Columbia, Alberta, and Quebec.

Intercorporate Relationships

The corporate structure of the Resulting Issuer is anticipated to be as follows (the Resulting Issuer shall hold 100% of common shares of each of the below subsidiaries):



Narrative Description of the Business

Stated Business Objectives

The Resulting Issuer intends to carry on the Business of Livestream while leveraging its existing portfolio of services and products. As discussed above, Livestream has developed an established online platform offering an esports sportsbook, traditional sportsbook, live dealer, and random number generator casino games. Using the funds available to the Resulting Issuer following the Transaction, the Resulting Issuer intends to achieve its primary objective of growing the LOOT.BET platform and developing the LOOT.BET brand through: (1) doubling the existing user-base on the LOOT.BET platform; and (2) developing the LOOT.BET brand as a credible, regulatory compliant, and safe provider of gaming services.

On, February 11, 2022 Livestream Esports Limited was granted the IOM License. The Resulting Issuer will migrate Livestream's existing user-base from operations under the jurisdiction of the Curaçao Sub-license to operations under the jurisdiction of the IOM Licence within 90 days from closing of the Transaction.

Milestones

Following the completion of the Transaction, the Resulting Issuer anticipates working towards several milestones, including:

Milestone	Target Date	Anticipated Cost to Complete (CAD$)
Scale Livestream's marketing capabilities	Q1 2023	$750,000
Obtain GLI Certification	Q3 2022	$250,000
Obtain partnership(s) with US land-based casinos	Q1 2023	$250,000

The Resulting Issuer's stated business objectives can be accomplished through the completion of the above milestones, as described further below:

The first activity is marketing to the direct user base where LOOT.BET has a license. With the Isle of Man License, the Resulting Issuer will be able to legally offer its services to new users in jurisdictions that were prohibited from accessing the LOOT.BET platform pursuant to the terms of the Curaçao sub-license and local laws. To drive customers to use the LOOT.BET platform in these jurisdictions, the Resulting Issuer will need to incur expenses in respect to marketing activities. The marketing spend will occur through esports media channels as well as promotion across the Resulting Issuer's ecosystem, including the esports content creation through Team Bloodhounds. In addition, the Resulting Issuer will devote funds towards incentivizing new and existing players to joining or remaining on the platform through new player bonuses and loyalty rewards.

Another milestone for the Resulting Issuer is obtaining Gaming Laboratories International ("**GLI Certification**") certification of the LOOT.BET platform. GLI Certification refers to the certification provided by Gaming Laboratories International ("**GLI**"), a third party, providing independent testing and inspection of electronic gaming products. GLI certifies gaming products based on the testing, inspection and compliance determinations made the company. GLI can test, inspect and/or certify products for conformity with their standard in addition to the individual applicable requirements of 480 jurisdictions around the world. Many jurisdictions use GLI's standards as a starting point in developing their regulations. Management of the Corporation believes obtaining a GLI Certification will enhance the Resulting Issuer's ability to license deals and enter into partnerships. Management of the Corporation further believes GLI Certification is a key strategic accomplishment to open revenue streams in the gaming landscape by providing potential partners with the assurance that the platform meets the compliance standards of a well respected company within the gaming industry.

Lastly, another significant milestone of the Resulting Issuer is to obtain partnerships with US land-based casinos. However, the market is also subject to complex and stringent regulated. Management of the Corporation believes partnering with existing U.S based license holders to expand their offers into esports is strategically more effective in time and resources than seeking new licenses or purchasing existing licenses. Further, it is the belief of management of the Corporation that partnerships will bring greater synergies through existing gaming entertainment knowledge and new market esports expertise of the Corporation.

Description of Securities

The Resulting Issuer shall maintain the authorized share capital of the Corporation and the rights attached to the Resulting Issuer shares shall be the same as the Common Shares. For a description of the Common Shares, see *Information Concerning the Corporation – Description of Securities*.

Pro Forma Consolidated Capitalization

The following table sets forth the share and loan capitalization of the Resulting Issuer after giving effect to the Transactions based on the unaudited *Pro Forma* Consolidated Financial Statements attached hereto as Schedule "E".

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding After Giving Effect to the Transaction
Resulting Issuer Common Shares	Unlimited	164,182,762
Resulting Issuer Warrants	N/A	34,154,796
Resulting Issuer Finder Warrants(1)	1,023,921	1,023,921
Resulting Issuer Stock Options	N/A	9,714,412

Notes:

(1) Certain Finders in respect to the Concurrent Financing received a that number of Finder Warrants equal to 8% of the Subscription Receipts sold that were referred to or directly sourced by the Finder to the Corporation.
(2) The Resulting Issuer is anticipated to have an equity deficit of 13,092,875.

Fully Diluted Share Capital

In addition to the information set out in the capitalization table above, the following table sets out the number and percentage of securities of the Resulting Issuer after giving effect to the Transaction.

	Number of Securities	Percentage of Total After Giving Effect to the Transaction and the Concurrent Financing
Resulting Issuer Common Shares	135,823,174	65.0%
Resulting Issuer Common Shares issued pursuant to the Transaction	6,470,588	3.1%
Resulting Issuer Common Shares issued pursuant to the Parabellum Transaction	1,875,000	0.9%
Resulting Issuer Common Shares issued upon the automatic exercise of the Subscription Receipts of Intema	20,014,000	9.6%
Total	**164,182,762**	**78.5%**
Resulting Issuer Common Shares reserved for issuance pursuant to the exercise of Resulting Issuer Options pursuant to the Resulting Issuer Option Plan (1)	9,714,412	4.6%
Resulting Issuer Common Shares reserved for issuance pursuant to the exercise of Resulting Issuer Warrants	34,154,796	16.3%
Resulting Issuer Common Shares reserved for issuance upon exercise of Resulting Issuer Finder Warrants	1,023,921	0.5%
Total Number Of Issued And Outstanding Resulting Issuer Common Shares On A Fully Diluted Basis	**209,075,891**	**100.0%**

Notes:

(1) After the resulting transaction, the total number of stock options available under the 10% stock option plan would be 16,418,276 less the issued 9,714,412 for a balance of remaining stock options available for issuance to be 6,703,864.

Estimated Available Funds and Principal Purposes

Estimated Available Funds

Based on information available as at February 28, 2022**,** upon completion of the Transaction, the Resulting Issuer is expected to have approximately $2,091,986 in Available Funds, which includes the following:

Estimated Funds Available	**Amount ($)**
Consolidated pro forma working capital (deficiency) at February 28, 2022	$642,958
Estimated gross margin for the following 12 months	$1,449,028
Total Estimated Funds Available	$2,091,986

Principal Purposes of Funds

Based on information available as at the date of this Filing Statement, the following table sets forth the principal purposes for which the Available Funds upon Completion of the Transaction will be used and the current estimated amounts to be used for each such principal purpose:

Principal Use of Available Funds	**Amount ($)**
Double the LOOT.BET customer base	$25,000
Obtain GLI certification	$35,000
Obtain partnership(s) with U.S. land based casinos	$50,000
IOM License application and maintenance	$10,000
Costs associated with the Transaction and Concurrent Financing	$250,000
Repayment of Vendor Take Back Note Tranche 1	$90,883
Working capital and general corporate expenses	$75,000
General and administrative expenses not included above	$1,556,103
Total	**$2,091,986**

Dividends

Since its incorporation, the Corporation has not paid any dividend on its Common Shares. The Corporation's policy is to retain future earnings to finance its growth. The Resulting Issuer shall maintain this policy. Any future determination to pay dividends is at the discretion of the Resulting Issuer's Board and will depend on the Resulting Issuer's financial condition, results of operations, capital requirements and other such factors as the Board may deem relevant.

Principal Securityholders

To the knowledge of management of Livestream and Intema, no person or company is anticipated to own of record of beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer upon completion of the Transaction.

Directors, Officers and Promoters

The following table provides the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer upon completion of the Transaction, their proposed positions and offices to be held with the Resulting Issuer, their principal occupations or employment and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each upon completion of the Transaction.

No person has been a Promoter of Livestream, Intema or any subsidiary of Intema in the two-year period preceding this Filing Statement, and it is not expected that any person will be a Promoter of the Resulting Issuer.

Name, Municipality and Country of Residence	Principal Occupations for the Last Five Years	Period or periods during which each director or officer has served as a director or officer of Intema / Livestream	Proposed Position With the Resulting Issuer	Number and Percent of Resulting Issuer Shares (1)
Laurent Benezra Montreal, QC Canada	Chief Executive Officer	July 12, 2019-present	President, CEO and Director (Intema Solutions Inc. / HypeX / Champion Esports)	1,454,000 0.87%
Scott Meyers Calgary, Alberta Canada	Financial Director and Executive	August 9, 2021 - Present	CFO (Intema Solutions Inc.)	0 0%
Michael Curtis Deux Montagnes, QC Canada	President of Investment Advisory	July 25, 2019	Director (Intema Solutions Inc.)	0 0%
Michael Wagen Lachine, QC Canada	CEO of Delmar International Inc.	July 12, 2019	Director (Intema Solutions Inc.)	1,549,000 0.94%
Arthur Manteris Las Vegas, NV USA	VP of Race and Sports Operations	July 9, 2021	Director (Intema Solutions Inc.)	0 0%
Marc Brassard Montreal, QC Canada	Investment Advisor and CFA	May 30, 2021 - present	Director (Intema Solutions Inc.)	330,085 0.20%
Philip Nolan Outremont, QC Canada	Lawyer	May 30, 2021 - present	Director (Intema Solutions Inc.)	3,015,500 (2) 1.84%
Jessica Nicole Di Rito Toronto, Ontario Canada	Lawyer	January 4, 2021 - present	Director (Intema Solutions Inc.)	0 0%
Matteo Di Penta Ottawa, Ontario, Canada	CEO Team Bloodhounds Inc.	October 26, 2019 – present (with Team Bloodhounds Inc.)	CEO (Team Bloodhounds Inc.)	896,226 0.55%

Name, Municipality and Country of Residence	Principal Occupations for the Last Five Years	Period or periods during which each director or officer has served as a director or officer of Intema / Livestream	Proposed Position With the Resulting Issuer	Number and Percent of Resulting Issuer Shares (1)
William Foss Chicago, Illinois, U.S.A	Employee – Gambling Industry	December 14, 2021 (Generationz Gaming Entertainment Inc.)	CEO (Generationz Gaming Entertainment Inc.)	0 0%
Ty Root Austin, Texas, U.S.A	VP of Production and Delivery Operations of Subvrsive	January 11, 2022 (HypeX.gg)	CEO (HypeX.gg)	0 0%
Piotr Zhalau Tremithousa, Paphos Cyprus	Director Livestream Gaming Ltd.	June 21, 2016 (Livestream Gaming Ltd.)	Director (Livestream Gaming Ltd. / Livestream Esports Limited) CEO (Livestream Cyprus)	2,072,729 1.26%
Pavel Busel Paphos, Cyprus	Employee – Livestream Ltd.	November 15, 2019 (Livestream Ltd.)	CTO (Livestream Ltd.)	0 0%
Ali Hawa Douglas, Isle of Man	Employee – Amber Gaming	September 20, 2021 - Present	Officer (Livestream Esports Limited)	0 0%
Karen Yates Bride, Isle of Man	Employee – Amber Gaming	September 20, 2021 - Present	Director (Livestream Esports Limited)	0 0%
Rebecca Forrest Douglas, Isle of Man	Business Development Manager – Amber Gaming / Corporate Services	September 20, 2021 - Present	Director (Livestream Esports Limited)	0 0%
Mikhail Bronau Minsk, Belarus	Director – ZubrSoft LLC, Director – GGWP LLC	August 07 2019, (ZubrSoft LLC) February 09, 2018 (GGWP)	Director (GGWP LLC & ZubrSoft LLC)	0 0%
Michael Vorkas Nicosia, Cyprus	Director – Livestream Cyprus	May 29, 2019 (Livestream Cyprus)	Director (Livestream Cyprus)	0 0%

Notes:

(1) Assuming that there are 164,182,762 Resulting Issuer Common Shares issued and outstanding upon completion of the Transaction, on a non-diluted basis.

(2) 1,515,500 Resulting Issuer Common Shares are held directly by Philip Nolan. 1,500,000 Resulting Issuer Common Shares are held by Philip Nolan indirectly through a holding company, 3342913 Canada Inc..

As a group, the directors and officers of the Resulting Issuer will hold approximately 9,317,540 Resulting Issuer Common shares, representing approximately 4.73% of all issued and outstanding Resulting Issuer Common Shares.

Management

The following is a brief description of each of the proposed members of management for the Resulting Issuer, (including details with regard to their principal occupations for the last five years):

Laurent Benezra – President, CEO and Director, Age 41

Laurent Benezra will be employed full time with the Resulting Issuer in the capacity of President and CEO. Laurent is the President and CEO of Intema and is a highly skilled professional with over 16 years extensive experience in wealth management, trading, business development and revenue building with companies such as TD Waterhouse, Scotia Bank and BMO Nesbitt Burns. He is also a Certified Blockchain Expert, as well as Crypto Currency Exchange Expert and holds a Bachelor of Science in Finance and Economics from L'Université du Québec à Montréal. Previously, Laurent was an investment advisor for Manulife Securities and Nesbitt Burns. Laurent has experience with capital markets as well as cryptocurrency. He brings a wealth of skills related to marketing and mergers and acquisitions.

Scott Meyers – CFO, Age 41

Scott Meyers is employed full time by the Corporation as the CFO. Scott's employment will be maintained by the Resulting Issuer in the same capacity. Scott Meyers has over 18 years of experience in finance and accounting for large multinational firms and Canadian start-ups. Prior to joining Intema, he was Vice President of Finance of Complete Energy Solutions, a Toronto-based services company, overseeing all aspects of finance for the past year. Prior to Complete Energy Solutions, Scott was the Controller at Kinectrics, a Nuclear Indusry Service Provider, for 1 year. He also previously worked for Liberty Health Sciences, a Florida based cannabis company traded on the CSEV as the Director of Finance for 1 year. Prior to that, he worked for Schneider Electric for more than 13 years, where he saw increased levels of responsibilities. Scott is a CPA in IL, USA and ON, Canada and has a Master of Science degree in Accountancy from the University of Illinois. Scott has work experience in multiple countries as well as global and Canadian public reporting entities.

Michael Curtis – Director, Age 67

Michael Curtis will be a member of the Board of the Resulting Issuer. Michael has over 45 years of experience in the Canadian financial industry in the areas of trading, research, corporate finance and the management of public companies. In 1998, he founded and became President and Director of Cardwell Capital Inc., a private investment and trading corporation that invests in small and mid-capitalization public companies trading in North American markets. He has worked closely with Intrepid Financial, a Canadian investment and advisory firm with focus on natural resources and technology sectors that has raised over $2 billion for its portfolio companies with multiple exits since 2006, Rainy River, Ryland Oil and Gas, US Cobalt. Michael has held board seats in numerous public companies including Declan Resources (now 21 C Metals) and Opal Energy (now Versus Systems). Michael is presently a board member of Intema and General Gold which are both publicly listed companies.

Michael Wagen – Director, Age 64

Michael Wagen will be a member of the Board of the Resulting Issuer. Michael is an entrepreneur and driven Chief Executive with over 40 years of industry expertise in leading and growing companies domestically and across international markets. He is the owner and COO of Delmar International Inc., a leading North American provider of freight forwarding, custom brokerage, warehousing and ground services, operating in over 15 countries with more than 2,500 employees.

Arthur Manteris – Director, Age 65

Arthur Manteris will be a member of the Board of the Resulting Issuer and gaming and gambling advisor for the Resulting Issuer. Arthur brings more than 35 years of Nevada race and sports book expertise to his role at Station Casinos LLC as Vice President of Race & Sports Operations where he oversees operations for the company's 16 sportsbooks in Southern Nevada. He had overseen the first computer networking of race and sports books in Nevada history in late 1980's and has been a policy contributor to the Nevada State Gaming Control Board, Nevada State Gaming Commission, Nevada Resort Association and previously assisted the American Gaming Association. He was also a leading advocate and creator of the Nevada Pari-Mutuel Association and long-time member of its influential Rate Committee that negotiates track participation and video signals from major US racing circuits. Additionally, Arthur authored the original Sports Book House Wagering Rules and Regulations used for many years by most race and sports books in Nevada and betting operations worldwide. Regarded as an authority on the regulated sports gaming industry, Arthur was inducted into the UK based SBC (Sports Betting Community Ltd) Sports Gaming Hall of Fame in 2019 and has been licensed by the Nevada State Gaming Commission since 1991.

Marc Brassard – Director, Age 39

Marc Brassard will be a member of the Board of the Resulting Issuer, the chair of the Board, and advisor who will dedicate full time efforts to the Resulting Issuer. Marc is a Structured Products professional with strong interpersonal and analytical skills recognized for top sales performances and dedication. Marc began as a financial analyst at the Bank of Montreal ("BMO") Financial Group before working his way up to Vice President of Financial Products at BMO Capital Markets, being responsible for the growth of structured products sales in Quebec by tenfold from 2010. Most recently, Marc has been the Executive Director of the Canadian Imperial bank of Commerce Global Markets division. Marc also holds a Bachelor of Finance from Laval University and is a Chartered Financial Analyst.

Philip Nolan – Director, Age 59

Philip Nolan will be a member of the Board of the Resulting Issuer. Philip has been a director on Intema since May 2021 and is a leading tax lawyer in Canada. Having graduated with a Bachelor of Arts in Administrative and Commercial Studies from the University of Western Ontario and a Bachelor of Laws from Université de Montréal, he became a member of the Quebec Bar Association. After spending time as an associate at the Lavery de Billy practice, he became a partner where he spent over 20 years practicing, centred on tax litigation and planning for high-net-worth individuals. While practicing there, Philip was listed by Best Lawyers in Canada as a leading practitioner in the field of Tax Law. Since the start of 2020, Philip has been a self-employed tax lawyer and investor.

Jessica Nicole Di Rito – Director, Age 30

Jessica Nicole Di Rito will be a member of the Board of the Resulting Issuer. Jessica is a partner at McGovern Hurley LLP providing assurance, advisory, and taxation services to publicly traded entities and private company clients across various industries. Jessica's career in public accounting began after graduating from the Schulich School of Business with a Bachelor of Business Administration, specializing in accounting and finance. She successfully completed the Uniform Final Exam in 2013, ranking on the Honour Roll. She spent the earlier part of her career with a multinational public accounting firm in their technology, media, and telecommunications assurance practice. Jessica serves on the Board of Directors for Vita Community Living, a non-profit organization providing services to adults with special needs, and is a part-time instructor for Masters of Accounting courses at the Schulich School of Business as well as for professional development courses at CPA Ontario.

Matteo Di Penta – Chief Executive Officer – Team Bloodhounds Inc., Age 23

Matteo Di Penta will continue to be employed as the CEO of Team Bloodhounds Inc., working full-time with the Resulting Issuer. Matteo is an entrepreneur in the gaming and esports industry. Matteo built Team Bloodhounds Inc. in 2018 and has since developed the brand to be an established Canadian e-sports entertainment team, with the goal of entertaining, influencing, and teaching audiences with unique highly engaging content. Matteo studied Entrepreneurship at Algonquin College.

William Foss – Chief Executive Officer – Generationz Gaming Entertainment Inc. Age 62

William (Bill) Foss will continue to act as the CEO of Generationz Gaming Entertainment Inc., working full-time with the Resulting Issuer. Bill Foss has worked in the gaming industry for approximately 29 years, having started on the marketing side of operations before rising to general manager, which allowed him to gain an understanding of the operations and regulatory side of gaming. Bill has worked in corporate gaming as well as Native American gaming over the years and has been fortunate enough to learn gaming from some of the most influential and successful gaming operators and owners. Bill has worked in numerous areas and jurisdictions, including Illinois (St. Louis area), Indiana (Cincinnati area), Iowa (Dubuque), San Diego, Northern California (Mendocino County), New Mexico (Taos), Arizona and Northern Wisconsin. Bill has a degree in Business Administration from the University of Utah.

Ty Root – Chief Executive Officer – HypeX.gg, Age 42

Ty Root will continue to act as the CEO of HypeX.gg, working full-time with the Resulting Issuer. Before joining Intema and HypeX, Ty was Vice-President of Production and Delivery Operations for Subvrsive, a studio/agency specialized in conceptualizing and creating immersive VR, AR and web-based experiences for brands and media companies. Over his 15-year career, Ty has built a strong track record of successful partnerships with renowned players such as Samsung, WPP, Google, Lionsgate, Ford and Apple and secured creative alliances with Snapchat, Facebook and TikTok. Ty was also a key player in the success of IGN and Gamespot's video strategy, and helped in the creation of the IGN Pro League, one of the first US-based esports leagues specializing in StarCraft.

Piotr Zhalau – Chief Executive Officer and Director - Livestream Gaming Ltd., Livestream Esports Limited, Age 42

Piotr will be the director and CEO for Livestream working full time as an employee for the Resulting Issuer. Piotr and is an experienced CEO, Marketer and Business Development professional with a demonstrated history of working in the computer games industry, who is skilled in esports, online and TV advertising, and blockchain. Piotr graduated from the Belarusian State University with a Bachelor's Degree in radiophysics and electronics. Piotr has previously worked for Wargaming.net, initially as Business Development Manager prior to moving into the role of VP of Marketing and Advertising where he was responsible for online and TV advertising for the online games World of Tanks and World of Warplanes, building the global advertising department for the company and coordinating advertising operations of regional offices in Europe, USA, SEA, and Japan. Since 2016, Piotr has been the Director of Livestream (Belize) and CEO of Livestream (Cyprus), building and helping to grow the LOOT.BET brand.

Mikhail Bronau – Director – GGWP LLC. / Zubrsoft LLC., Age 40

Mikhail Bronau shall remain employed full time by the Resulting Issuer in his capacity as a director of the two subsidiaries of Livestream. Mikhail has extensive knowledge and experience dealing with the administration of Livestream and software development. Mikhail and has been employed with GGWP since 2018 and Zubrsoft since 2019. Prior to working with Livestream, Mikhail was employed by Topshoes Ltd., as the commercial director. Mikhail has entered into a non-disclosure agreement with Livestream as part of his employment agreement.

Michael Vorkas – Director – Livestream Ltd., Age 58

Michael Vorkas shall remain as a nominee director of Livestream (Cyprus). Michael's role with the Resulting Issuer is largely administrative and will be a low proportion of his time. The position is maintained to adhere with Cyprus law. For the last two decades, Michael has served as the managing partner of Michael Vorkas & Partners LLC (law firm) in his capacity as a lawyer in Cyprus.

Pavel Busel – Chief Technology Officer – Zubrsoft LLC., Age 30

Pavel Busel shall remain employed full time by the Resulting Issuer in his capacity as CTO of Zubrosoft LLC. Pavel has extensive knowledge and experience in software development and continues to develop the LOOT.BET platform. Pavel has acted as CTO & Co-founder of Zubrsoft since late 2017. Pavel has entered into a non-disclosure agreement with Livestream as part of his employment agreement.

Karen Yates – Director and Operations Manager – Livestream Esports Limited, Age 51

Karen Yates shall be a member of the Board of Livestream Esports Limited. Karen is a Director of Amber Gaming and the Head of Corporate Governance. Karen has been employed within the Suntera Group for over 20 years servicing corporate and private clients from an international client base. Since 2014 when she joined the eGaming Team, Karen has layered knowledge of eGaming licensing regimes over her understanding of corporate tax, regulation and corporate structuring and has a strong foundation knowledge and practical experience of managing a number of operators licensed in various jurisdictions, offering a variety of products to ensure full regulatory compliance to relevant gaming legislation. This is also supported by her achieving an International Compliance Association Diploma in Governance, Risk and Compliance. Karen is approved as "Key Staff" with the Isle of Man Financial Services Authority, the Isle of Man Gambling Supervision Commission, as well as the Jersey Gambling Commission, plus holds a Personal Management Licence issued by the Gambling Commission of Great Britain.

Rebecca Forrest – Director – Livestream Esports Limited, Age 31

Rebecca Forrest shall be a member of the Board of Livestream Esports Limited. Rebecca is a Business Development Manager within Amber Gaming and is responsible for developing and maintaining relationships with both new and existing clients across multiple jurisdictions. Becky has built a strong understanding of the regulations and requirements surrounding the gaming industry and is highly experienced in corporate structuring, administration and governance, having previously worked within the corporate service industry on the Island for almost 10 years. Becky has a law degree from Sheffield Hallam University, is a member of the Society of Trust and Estate Practitioners and holds a Diploma with the International Compliance Association.

Ali Hawa –Money Laundering Reporting Officer – Livestream Esports Limited, Age 38

Ali Hawa shall act as the Money Laundering Reporting Officer of the Resulting Issuer. Ali is the Head of Regulatory Compliance at Amber Gaming and is responsible for the implementation of compliance management policies and best practices, ensuring that areas of risk within products and services are monitored effectively. Prior to joining Amber, he has held many vital compliance roles, the most recent being Director of Risk, Fraud and Compliance Investigations & MLRO for Casumo. He has also held the role of VP Compliance with MoPlay and Director of Risk, Compliance & MLRO with the Mansion Group and has extensive knowledge of working with multiple jurisdictions including UK, Gibraltar, Malta and Isle of Man. He has managed multiple regulatory inspections for AML and RG over the years and through this developed an understanding of regulatory expectations. Ali holds the following professional ICA qualifications: International Diploma in Governance, Risk and Compliance, International Diploma in AML and the International Advanced Certificate in AML. With over 10 years of experience, Ali has a deep understanding and knowledge in Compliance, Marketing Risk, Affiliate Risk and Player Risk and extensive experience of building operational frameworks for best practices and optimisation of current business processes whilst maintaining compliance with regulatory bodies.

Committees of the Board

Following the completion of the Transaction, the Board intends to maintain its Audit Committee, and a Compensation Committee.

<u>Audit Committee</u>

The Audit Committee of the Resulting Issuer is expected to be composed of the following members:

Member	**Independent / Not Independent (1)**	**Financially Literate / not Financially Literate (2)**
Marc Brassard(3)	Independent	Financially Literate
Philip Nolan	Independent	Financially Literate
Arthur Manteris	Independent	Financially Literate
Michael Curtis	Independent	Financially Literate
Michael Wagen	Independent	Financially Literate
Jessica Nicole Di Rito	Independent	Financially Literate

Notes:

(1) A member of the audit committee is independent if the member meets the meaning of that term as defined in Section 1.4 of National Instrument 52-110 Audit Committees ("**NI 52-110**").

(2) As defined by NI 52-110.

(3) Marc Brassard is the chair of the Audit Committee.

In accordance with section 6.1.1(3) of NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the audit committee are not executive officers, employees or control persons of the company.

All members of the Audit Committee are "financially literate" within the meaning of NI 52-110. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and has an understanding of the internal controls and procedures necessary for financial reporting. The Audit Committee members will additionally seek clarification from Intema's auditors and use their varied experience as to the general application of such accounting principles.

For additional details regarding the relevant education and experience of each member of the Audit Committee, see the relevant biographical experiences for each member of the Audit Committee under "*Directors, Officers and Promoters*".

The Board has adopted a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of Intema and public disclosure documents containing financial information and reporting on such review to the Board. It is anticipated the Audit Committee Charter shall ensure that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

<u>Compensation Committee</u>

Following the Transaction, the Compensation Committee of the Resulting Issuer shall continue to be comprised of Marc Brassard, Michael Wagen, Michael Curtis, Arthur Manteris, and Philip Nolan, and Jessica Di Rito.

The Compensation Committee will consist of individuals who satisfy the independence requirements of the Toronto Stock Exchange and TSXV and, who are experienced executives familiar with compensation and incentive plans that appropriately align management with shareholder interests.

The Board has adopted a written charter for the Compensation Committee which sets out the responsibilities of the Compensation Committee including: reviewing and approving goals and objectives relevant to the CEO's compensation, reviewing and approving goals and objectives relevant to the senior management team compensation, reviewing and approving director compensation, reviewing and approving broad based incentive compensation plans including stock based plans, providing counsel to the CEO regarding personnel issues, management structure, and succession planning.

<u>Nominating and Corporate Governance Committee</u>

Following the Transaction, the Nominating and Corporate Governance Committee of the Resulting Issuer shall continue to be comprised of Marc Barassard, Michael Wagen, Michael Curtis, Art Manteris, and Philip Nolan.

The Board has adopted a written charter for the Nominating and Corporate Governance Committee. The primary function of the Nominating and Corporate Governance Committee is to assist the Board in fulfilling its responsibilities by: (i) identifying individuals qualified to become members of the Board and recommending to the Board nominees for election as directors at the next annual meeting of shareholders, (ii) establishing and reviewing corporate governance policies, (iii) adopting and reviewing a corporate code of business conduct and ethics applicable to all directors, officers and employees (the "**Code of Business Conduct and Ethics**"), and (iv) monitoring compliance with and periodically reviewing the Code of Business Conduct and Ethics.

Work Commitment to the Resulting Issuer

Excluding the proposed officers of the Isle of Man Subsidiaries, all proposed executive officers of the Resulting Issuer will work on a full-time or part-time basis for the Resulting Issuer. Each executive officer of the Resulting Issuer will enter into non-competition and non-disclosure agreements with the Resulting Issuer. The proposed directors will devote their time and expertise as required by the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

Within the ten years before the date of this Filing Statement, no proposed director, officer or Promoter is or has been a director, officer or Promoter of any person or company that:

(a) was subject to a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable securities law, that was in effect for a period of more than 30 consecutive days, while that person was acting in that capacity; or

(b) was subject to a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable securities law, that was in effect for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, officer or Promoter and which result from an event that occurred while that person was acting in that capacity.

Within the ten years before the date of this Filing Statement, no proposed director, officer or Promoter of the Resulting Issuer is or has been a director or, officer of any company that, while that person was acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

The foregoing information has been furnished by the proposed directors and officers of the Resulting Issuer.

Penalties or Sanctions

No proposed director, officer or Promoter of the Resulting Issuer has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

Personal Bankruptcies

No director, officer or Promoter of the Resulting Issuer, or a personal holding company of any of them, has, within the ten years prior to the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the closing of the Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers. To the knowledge of the directors and officers of Livestream and Intema, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers upon closing of the Transaction, as of the date of this Filing Statement.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From		To	
				MM	YY	MM	YY
Michael Curtis	General Gold Resources Inc. (British Columbia)	CSE	Director	01	2020	Present	
	Quinto Resources Inc.	TSXV	Officer - President	02	2011	09	2019
	Cellstop Systems Inc.	TSXV	Director	03	2010	09	2019
	21CMetals	CNSX	Director	01	2017	01	2019
Philip Nolan	Imaflex Inc. (Quebec)	TSX Venture	Director	08	2001	Present	

Executive Compensation

The Resulting Issuer's compensation payable to the Named Executive Officers will be based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Resulting Issuer.

In particular, the CEO's compensation will be determined by time spent on: (i) the Resulting Issuer's day to day operations; (ii) developing the Resulting Issuer's products and services; (iii) reviewing potential transactions and negotiating them on behalf of the Resulting Issuer; and (iv) new business ventures.

The CFO's compensation will be primarily determined by time spent in reviewing the Resulting Issuer's financial affairs, including, but not limited to, the Resulting Issuer's day-to-day accounting, budgets and financial reporting.

Compensation Discussion and Analysis

Disclosure of the executive compensation practices for Intema is set forth in "*Part II –Information Concerning the Corporation – Executive Compensation*". It is anticipated that the Resulting Issuer will continue the executive compensation practices of Intema upon completion of the Transaction. It is anticipated that from time to time, Resulting Issuer Options will be granted under the Resulting Issuer Option Plan to: provide an incentive to the participants; to achieve the longer-term objectives of the Resulting Issuer; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Resulting Issuer; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Resulting Issuer.

Director Compensation

Upon completion of the Transaction the directors of the Resulting Issuer will determine how much, if any, compensation will be paid to directors for services rendered to the Resulting Issuer by them in that capacity. Such incentives may be in the form of an annual director's fee and/or in the form of incentive Resulting Issuer Options pursuant to the Resulting Issuer Option Plan.

Executive Compensation

The following table sets forth a summary of all compensation anticipated to be earned by the Resulting Issuer's three most highly compensated executive officers, in addition to the proposed CEO and CFO, for the 12 month period after giving effect to the Transaction.

Table of Compensation								
Named Executive Officer Name and Principal Position	**Salary**	**Share Based Awards**	**Option Based Awards (# of Options)**	**Annual Incentive Plans ($)**	**Long-Term Incentive Plans**	**Pension Value ($)**	**All other Compensation Plans ($)**	**Total Compensation ($)**
Laurent Benezra CEO	$200,400 CAD	250,000	0	$0	$0	$30,000	$10,200	$240,600 CAD
Scott Meyers, CFO	$225,000 CAD	n/a	0	n/a	n/a	n/a	n/a	$225,000 CAD
Piotr Zhalau	€150,000	n/a	2,356,979 (1)	n/a	n/a	n/a	n/a	€150,000
Tyson Root	$175,000 USD	n/a	1,000,000 (2)	$50,000 USD	n/a	n/a	n/a	$225,000 USD
William Foss	$175,000 USD	n/a	1,000,000 (2)	n/a	n/a	n/a	n/a	$175,000 USD

Notes:

(1) 1,000,000 options shall vest over a twenty-three month period beginning on February 18, 2022, and the remainder shall vest immediately upon grant by the Resulting Issuer, conditional on the continued employment of the Officer with the Resulting Issuer.

(2) 25% of the options shall vest immediately upon grant by the Resulting Issuer, and 25% shall vest annually from the date of the grant, conditional on the continued employment of the Officer with the Resulting Issuer.

Indebtedness of Directors and Officers

No director, officer, Promoter, member of management, nominee for elections as director or officer of the Resulting Issuer, nor any of their Associates or Affiliates, is indebted to Livestream or Intema at the date of this Filing Statement.

Investor Relations Arrangements

The Resulting Issuer has not entered into any promotional or investor relations arrangements.

Options to Purchase Securities

As at the date of this Filing Statement, it is anticipated the following Resulting Issuer Options will be outstanding upon completion of the Transaction:

Stock Option Plan

The Resulting Issuer will maintain the Intema Option Plan, which will be the stock option plan of the Resulting Issuer upon completion of the Transaction. Disclosure regarding the Intema Option Plan is set forth in "*Information Concerning the Corporation – Stock Option Plan*".

Optionee	Number of Resulting Issuer Options	Exercise Price per Resulting Issuer Common Share	Expiry date
All officers and directrors of the Resulting Issuer, including:			
Laurent Benezra	860,000	$ 0.2350	12/17/2025
Michael Wagen	500,000	$ 0.2350	12/17/2025
Michael Curtis	500,000	$ 0.2350	12/17/2025
Scott Meyers	500,000	$ 0.5000	2/18/2027
Marc Brassard	500,000	$ 0.5000	2/18/2027
Philip Nolan	500,000	$ 0.5000	2/18/2027
Art Manteris	500,000	$ 0.5000	2/18/2027
Jessica Di Rito	500,000	$ 0.5000	2/18/2027
All officers and directors of the subsidiaries of rhe Resulting Issuer, including:			
n/a			
All employees of the Resulting Issuer			
Employees	1,000,000	$ 0.2350	12/17/2025
Employees	1,356,979	$ 0.5000	2/18/2027
All consultants of the Resulting Issuer			
Consultants	500,000	$ 0.9000	9/17/2022
Consultants	100,000	$ 0.2350	12/17/2025
Any Other Person or Company			
Other parties	225,000	$ 0.2350	12/17/2025
Other parties	2,172,433	$ 0.5000	2/18/2024

Escrowed Securities

Pooling Agreement

The following table sets out, as of the date hereof and to the knowledge of the Corporation, the name of the security holders whose securities are subject to the Pooling Agreement (on a non-diluted basis):

Name and Municipality	Designation of class	Prior to giving effect to the Qualifying Transaction		After giving effect to the Qualifying Transaction(1)	
		Number of securities held in escrow	Percentage of class(2)	Number of securities held in escrow	Percentage of class
Laurent Benezra	Intema Common Shares	1,454,000	0.88%	Nil	n/a
4422945 Canada Inc.	Intema Common Shares	1,549,000(3)	0.94%	Nil	n/a
Marc Brassard	Intema Common Shares	280,085	0.20%	Nil	n/a
Philip Nolan	Intema Common Shares	1,515,500	0.92%	Nil	n/a
3342913 Canada Inc.	Intema Common Shares	1,500,000(4)	0.91%	Nil	n/a
Matteo Di Penta	Intema Common Shares	896,226	1.25%	Nil	n/a

Notes:

(1) The Common Shares subject to the Pooling Agreement (legally, in escrow), shall be released from escrow, by McMillan LLP, as the escrow agent, upon the Exchange issuing the Final Exchange Bulletin.
(2) Assuming that there are 165,224,934 Common Shares of Intema issued and outstanding at the date of this Filing Statement, on a non-diluted basis.
(3) Michael Wagen, member of the Board, is the beneficial owner of the shares held by 4422945 Canada Inc.
(4) Philip Nolan, member of the Board, is the beneficial owner of the shares held by 3342913 Canada Inc.

Auditors, Transfer Agent and Registrar

The auditors of the Resulting Issuer will be Macias Gini O'Connell LLP, Chartered Professional Accountants, having an office at 500 Capitol Mall, Suite 2200, Sacramento, CA 95814 United States.

AST Trust Company (Canada) located at 2001 Robert-Bourassa Blvd. Suite 1600, Montreal, QC H3A 2A6, will be the transfer agent for the Resulting Issuer.

GENERAL MATTERS

Sponsorship

No Sponsorship was required by the Exchange pursuant to the Transaction.

Experts

The following is a list of persons or companies whose profession or business gives authority to a statement made by a person or company named in this Filing Statement as having prepared or certified a part of that document or report described in the Filing Statement:

(a) Brunet Roy Dubé, Chartered Professional Accountants, former auditor of the Corporation.

(b) KPMG, auditor of Livestream.

(c) Macias Gini O'Connell LLP, Chartered Professional Accountants, current auditor of the Corporation.

Brunet Roy Dubé, Chartered Professional Accountants, as former auditors of the Corporation have confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed in the relevant profession bodies in Canada and any applicable legislation or regulation.

KPMG as auditors of Livestream have confirmed that they are independent with respect to the Livestream within the meaning of the relevant rules and related interpretations prescribed in the relevant profession bodies in Canada and any applicable legislation or regulation.

Macias Gini O'Connell LLP, Chartered Professional Accountants, as the auditors of the Corporation have confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed in the relevant profession bodies in Canada and any applicable legislation or regulation.

To the knowledge of management of the Corporation, as of the date hereof, no expert, nor any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in the securities or property of the Corporation, or of an Associate or Affiliate of it, and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate thereof.

Other Material Facts

There are no other material facts relating to the Transaction that are not otherwise disclosed in this Filing Statement or are necessary for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Transaction.

Board Approval

The Board of the Corporation has approved the contents of this Filing Statement.

CERTIFICATE OF THE CORPORATION

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities of Intema Solutions Inc. assuming completion of the Transaction.

DATED March 30, 2022

INTEMA SOLUTIONS INC.

"Laurent Benezra"
Laurent Benezra
President, Chief Executive Officer and Director

"Scott Meyers"
Scott Meyers
Chief Financial Officer

On behalf of the Board of Intema Solutions Inc.

"Michael Curtis"
Michael Curtis
Director

"Michael Wagen"
Michael Wagen
Director

CERTIFICATE OF LIVESTREAM GAMING LTD.

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities Livestream Gaming Ltd. assuming completion of the Transaction.

DATED March 30, 2022

LIVESTREAM GAMING LTD.

"Piotr Zhalau"
Piotr Zhalau
Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached Filing Statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 36, 37, 38, 38, 39, 41 and 42 of Exchange Form 3B1/3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B1/3B2; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: March 30, 2022

INTEMA SOLUTIONS INC.

"Laurent Benezra"

Laurent Benezra
President, Chief Executive Officer and Director

Schedule "A"

See attached.

INTEMA SOLUTIONS INC.

Financial Statements

Years ended December 31, 2020 & 2019

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Intema Solutions Inc. are the responsibility of management during the reference period and have been approved by the Board of Directors on May 21, 2021. The management responsibility in this respect includes the selection of appropriate accounting policies as well as the exercise of some judgment in establishing reasonable and fair estimates in accordance with International Financial Reporting Standards (IFRS) appropriate in the circumstances.

The Company, during the tenure of its President and CEO, has maintained accounting systems and internal controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that we can rely on the accounting records for the preparation of annual financial statements.

The Board of Directors assumes its responsibilities for the financial statements principally through its Audit Committee. The Audit Committee reviews the audited annual financial statements and recommends their approval to the Board of Directors. The Audit Committee also examines on a regular basis the results of the audits performed by the independent auditor on accounting policies of the Company. These financial statements have been audited by Brunet Roy Dubé, CPA s.e.n.c.r.l. and their report on the financial statements is set out below.

(signed) Laurent Benezra	(signed) Anna Kastelorizios
……………………………………	……………………………………
Laurent Benezra	Anna Kastelorizios, Interim
Chief executive officer	Provisional Chief financial officer

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Intema Solutions Inc.

Opinion

We have audited the financial statements of INTEMA SOLUTIONS INC. (the Company), which comprise the statement of financial position as at December 31, 2020 and December 31, 2019, and the statement of income and comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises the Management's discussion and analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Rhéal Brunet, CPA auditor, CA.

"Brunet Roy Dubé" [1]

Montreal,
May 21, 2021

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[1] CPA auditor, CA, public accountancy permit No. A108047

BRD

INTEMA SOLUTIONS Inc.

Audited Income Statements and Statements of Comprehensive Income

For the years ended December 31,	2020	2019
(in Canadian dollars)	$	$
Revenue from Continuing Operations	143,814	509,089
Direct Costs	104,261	181,123
Direct Labor	86,518	107,295
Gross Profit (Loss)	(46,965)	220,671
Administrative and Sales Expenses	955,854	1,126,489
Research and Development Expenses	136,328	156,685
Operating Loss	(1,139,147)	(1,062,503)
Financial Income (Note 7)	30	15
Financial Expenses (Note 7)	17,523	20,771
Loss Before Following Items	(1,156,640)	(1,083,259)
Loss on property, plant and equipment write-off	-	(37,204)
Loss on goodwill write-off	-	(49,536)
Covid loan subsidies	20,000	-
Covid rent concessions	30,873	-
Gain on debt settlement (Note 7)	-	585,413
Net Loss Before Tax	(1,105,767)	(584,586)
Income taxes (Note 9)	-	-
Net Loss and Total Comprehensive Income	(1,105,767)	(584,586)
Weighted Average Number of Outstanding Shares		
During the Period (Note 8)	70,938,178	50,338,761
Loss per share (Note 8)	(0.0156)	(0,0116)

The accompanying notes are an integral part of the Financial Statements.

Audited Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(in Canadian dollars)

	Shares Capital			Equity Component of the Convertible	Contributed		Total Equity
	Number	Amount	Warrants	Debentures	Surplus	Deficit	(Deficiency)
	#	$	$	$	$	$	$
Balance as at January 1st, 2020	**68,754,789**	**7,625,161**	**830,879**	**-**	**1,113,255**	**(9,101,764)**	**467,531**
Issuance of Capital stock	22,999,000	862,975	44,640	-	-	-	907,615
Cost of issuance of capital stock	-	(79,027)	(1,613)	-			(80,640)
Expired warrants	-	-	(830,879)	-	830,879	-	-
Net Loss and Total Comprehensive Income	-	-	-	-	-	(1,105,767)	(1,105,767)
Balance as at December 31, 2020	**91,753,789**	**8,409,109**	**43,027**	**-**	**1,944,134**	**(10,207,531)**	**188,739**

The accompanying notes are an integral part of the Financial Statements.

INTEMA SOLUTIONS Inc.

Audited Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(in Canadian dollars)

	Shares Capital Number	Shares Capital Amount	Warrants	Equity Component of the Convertible Debentures	Contributed Surplus	Deficit	Total Equity (Deficiency)
	#	$	$	$	$	$	$
Balance as at January 1st, 2019	**85,209,577**	**6,467,687**	**233,723**	**20,060**	**1,033,700**	**(8,517,178)**	**(762,008)**
Share consolidation	(43,004,788)	**-**	**-**	**-**	**-**	**-**	**-**
Exercised warrants	1,550,000	132,911	(17,911)	-	-	-	115,000
Expired warrants	-	-	(59,495)	-	59,495	-	-
Issuance of Capital stock	25,000,000	1,050,000	700,000	-	-	-	1,750,000
Cost of issuance of capital stock	-	(25,437)	(25,438)	-	-	-	(50,875)
Convertible debentures write-off	-	-	-	(20,060)	20,060	-	-
Net Loss and Total Comprehensive Income	-	-	-	-	-	(584,586)	(584,586)
Balance as at December 31, 2019	68,754,789	7,625,161	830,879	-	1,113,255	(9,101,764)	467,531

The accompanying notes are an integral part of the Financial Statements.

Audited Statements of Financial Position

As at December 31,	2020	2019
(in Canadian dollars)	$	$
ASSETS		
Current		
Cash and cash equivalents (Note 10)	301,087	501,887
Trade and other receivables (Note 11)	555,442	58,632
Prepaid expenses and deposit	11,103	9,785
Research and Development Tax Credit Recoverable (Note 9)	30,653	84,511
Current Assets	898,285	654,815
Non-Current		
Deposit	8,825	14,825
Investment (Note 12)	-	23,434
Property, Plant and Equipment (Note 13)	32,234	39,168
Lease asset-rental office (Note 13.3)	85,117	129,525
Other Intangible Assets (Note 15)	75,120	119,354
Non-Current Assets	201,296	326,306
Total Assets	1,099,581	981,121

The accompanying notes are an integral part of the Financial Statements.

Audited Statements of Financial Position (cont'd)

As at December 31,	2020	2019
(in Canadian dollars)	$	$
LIABILITIES		
Current		
Employee Benefits	300,175	49,903
Trade and Other Payables (Note 18)	193,062	167,974
Short-term debt (Note 19)	125,000	-
Deferred Revenue	-	3,854
Current portion of long-term debt (Note 20)	206,409	39,253
Current Liabilities	824,646	260,984
Long-term debt (Note 20)	86,196	252,606
Total Liabilities	910,842	513,590
Equity		
Share Capital (Note 22)	8,409,109	7,625,161
Warrants	43,027	830,879
Contributed Surplus	1,944,134	1,113,255
Deficit	(10,207,531)	(9,101,764)
Total Equity	188,739	467,531
Total Liabilities and Equity	1,099,581	981,121

The accompanying notes are an integral part of the Financial Statements.

For the Board of Directors,

Laurent Benezra, Director

Michael Wagen, Director

INTEMA SOLUTIONS Inc.

Audited Statements of Cash Flow

For the years ended December 31,	2020	2019
(In Canadian dollars)	$	$
Net loss and Total comprehensive income:	(1,105,767)	(584,586)
Non-cash items from net loss and total comprehensive income:		
Variation of the value of cash surrender value of life insurance	-	6,111
Covid rent concessions	(30,873)	-
Rent undertaken by landlord according to covid rent concessions	11,973	-
Depreciation of property plant and equipment	11,750	12,670
Depreciation of lease asset-rental office	44,408	3,701
Depreciation of other intangible assets	44,234	81,387
Loss on property, plant and equipment write-off	-	37,204
Loss on goodwill write-off	-	49,536
Gain on debt settlement	-	(585,413)
Change in non-cash operating working capital items (Note 23)	(54,367)	(219,496)
Net cash flow used in operating activities	(1,078,642)	(1,198,886)
Acquisition of Property, Plant and Equipment	(4,816)	(13,917)
Acquisition of other intangible assets	-	(39,954)
Non-current deposit	-	(8,825)
Deposit in the redemption value of life insurance	-	(9,000)
Proceeds of value of life insurance	23,434	-
Net cash flow from (used in) investing activities	18,618	(71,696)
Advance to an officer	2,578	(14,163)
Short-term debt	285,000	(37,500)
Long-term debt	40,000	-
Repayment of lease liability	(20,354)	(3,090)
Issue of Shares Capital	600,000	1,865,000
Cost of issuance of capital stock	(46,387)	(50,875)
Cost of issuance of warrants	(1,613)	-
Net cash flow from financing activities	859,224	1,759,372
Net decrease (increase) in cash and equivalents	(200,800)	488,790
Cash and cash equivalents at beginning of year	501,887	13,097
Cash and cash equivalents at end of year (Note 10)	301,087	501,887
Additional information		
Interest paid	11,252	1,110

The accompanying notes are an integral part of the Financial Statements.

Note 1. Governing Statutes, Nature of Operations and Going Concern

Intema Solutions Inc., incorporated under the Canada Business Corporation Act, is a Company which provides mainly email campaign deployment services to companies and Web services. The Company's registered office is located at 15 Marie-Anne St W., Suite 200, Montreal, Quebec, Canada, H2W 1B6. The Company is traded publicly on the TSX Venture Exchange under the symbol «ITM» and has no controlling shareholders.

Going concern

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In light of the operating losses and unfulfilled financial ratios, those material uncertainties raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities depends on the continued support of its lenders and shareholders. As at December 31, 2020 the Company has accumulated a deficit of $10,207,531 ($9,101,764 as at December 31, 2019) and a net loss of $1,105,767 during the year 2020 (net loss of $584,586 in 2019). The net loss in 2019 includes a gain on debt settlement of $585,413. Going concern of the Company depends on, among other things, its ability to achieve a satisfactory level of revenue, the support of its customers, the conclusion of new financial agreements and its ability to raise new sources of funds.

Management believes that obtaining additional financing, reorienting its activities, and relying on the continued support of its existing customers and its shareholders, will help the Company to operate normally. However, there is no certainty that those measures will be sufficient to allow the continuation of the Company in the normal course of business.

The carrying amounts of assets, liabilities, revenues, and expenses presented in the financial statements and the statements of financial position classification have not been adjusted as would be required if the going concern assumption was not appropriate.

Note 2. Statement of compliance with IFRS

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations currently issued and outstanding.

These financial statements were approved by the Board of Directors on May 21 , 2021.

Presentation of Financial Statements

Financial Statements are disclosed according to IAS 1 Presentation of Financial Statements. The Company discloses Income Statements and Statements of Comprehensive Income together.

Note 3. Adoption of new and revised standards and interpretations

3.1 Accounting Standard Adopted in the Current Year

IFRS 3 Definition of a business

Amendments were made to IFRS 3 on the definition of a business. The new definition clarifies that to constitute a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The amendments apply to asset acquisitions and business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The application of this amendments had no impact on the Company's profit loss or financial position.

COVID-19-Related Rent Concessions (Amendment to IFRS 16)

IFRS 16 Leases has been revised to incorporate an amendment issued by the International Accounting Standards Board (IASB) in May 2020. The amendment permits lessees not to assess whether particular COVID-19-related rent concessions are lease modifications and, instead, account for those rent concessions as if they were not lease modifications. In addition, the amendment to IFRS 16 provides specific disclosure requirements regarding COVID-19-related rent concessions.

The amendment in April 2021 extends the availability of the exemption for COVID-19-related rent concessions by one year to June 30, 2022. This means that the exemption applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022, provided the other conditions in IFRS 16 for applying the exemption are met. The amendment is effective for annual reporting periods beginning on or after April 1, 2021. The Company used the earlier application permitted.

3.2 Accounting Standard Issued but not yet applied

At the date of authorization of these financial statements, certain new standards, interpretations and amendments to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates adopting these new standards as of its effective date. The Company is currently analysing the possible impact of this standard on its financial statements.

Annual Improvements to IFRS Standards 2018-2020

The standard IFRS 9 Financial Instrument have been revised to incorporate amendments issued by the IASB in May 2020. The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

IAS 1 Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

Note 4. Significant accounting policies

4.1 Base of measurement

The financial statements as at December 31, 2020 and 2019 have been prepared on a going concern assumption and on the historical cost basis, except for the revaluation of certain financial instruments at fair value. In addition, these financial statements are on an accrual basis, except for cash flow information, and have been prepared according to significant accounting policies as described below.

4.2 Functional and presentation currency

The financial statements are presented in Canadian dollars (CDN), which is the functional currency.

4.3 Foreign currency translation of transaction

Transactions in foreign currency other than the entity's functional currency (foreign currencies) are recorded in functional currency at the rates of exchange prevailing at the dates of the transactions.

4.4 Financial Instruments

(i) Recognition and initial measurement

The Company initially recognizes a financial asset or a financial liability on the date it becomes a party to the contractual provisions of the instrument. Except for trade receivables that do not contain a significant financing component, a financial asset or financial liability is initially measured at fair value. If a financial asset or financial liability is not subsequently recognized at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component are initially recognized at their transaction price.

(ii) Classification and subsequent measurement – Non-derivative financial assets

On initial recognition, the Company classifies its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are reclassified subsequently to their initial recognition when, and only when, the Company changes its business model for managing financial assets.

4.4 Financial instruments (cont'd)

Financial assets measured at amortized cost

The Company classifies cash and cash equivalents as well as trade and other receivables as financial assets measured at amortized cost. A financial asset is subsequently measured at amortized cost using the effective interest method, less impairment losses, if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss. Upon derecognition, all gains or losses are also recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income.

The Company do not have financial asset in this category. A financial asset is subsequently measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

The Company may make an irrevocable election at initial recognition for investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. This election is made for each separate investment.

These assets are subsequently measured at fair value. For debt instruments measured at fair value through other comprehensive income, interest calculated using the effective interest method, foreign exchange gains and losses, and impairment gains or losses are recognized in profit or loss. Other gains or losses are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

For equity instruments measured at fair value through other comprehensive income, dividends are recognized in profit or loss, unless the dividend represents a recovery of part of the cost of the investment. Gains or losses are recognized in other comprehensive income and are never reclassified to profit or loss.

4.4 Financial Instruments (cont'd)

Financial assets measured at fair value through profit or loss

The Company classifies investment in this category. All financial assets not classified as measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes all derivative financial assets. The Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

These assets are subsequently measured at fair value, and gains or losses, including interest income or dividend income, are recognized in profit or loss.

(iii) Classification and subsequent measurement – Non-derivative financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost or as financial liabilities measured at fair value.

Financial liabilities measured at amortized cost

The Company currently classifies trade and other payables, short-term debt and long-term debt as financial liabilities measured at amortized cost. A financial liability is subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Upon de-recognition, all gains or losses are also recognized in profit or loss.

4.4 Financial Instruments (cont'd)

Financial liabilities measured at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, are derivative financial liabilities or are designated as such on initial recognition. Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and gains or losses, including interest expense, are recognized in profit or loss. The Company don't have financial liabilities in this category.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets when the contractual rights to the cash flows from the financial asset expire or when the Company transfers contractual rights to receive the cash flows of the financial asset in a transaction where substantially all the risks and rewards of ownership of the financial asset have been transferred or in a transaction where the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control of the asset. Any rights and obligations created or retained in the transfer by the Company are recognized as separate assets or liabilities.

Financial liabilities

The Company derecognizes a financial liability when the obligation specified in the contract is discharged or cancelled or expires.

The Company also derecognizes a financial liability when there is a substantial modification of the terms of an existing financial liability or a part of it. In this situation, a new financial liability under the new terms is recognized at fair value, and the difference between the carrying amount of the financial liability or apart of the financial liability extinguished and the new financial liability under the new terms is recognized in profit or loss.

(iv) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost or fair value through other comprehensive income. The Company uses a matrix to determine the lifetime expected credit losses for trade receivables.

The Company uses historical patterns for the probability of default, the timing of collection, and the amount of the incurred credit loss, which is adjusted based on management's judgment about whether current economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

The amount of the impairment loss on a financial asset measured at amortized cost is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss, and applied against trade and other receivables through a loss allowance account.

Compounds financial instruments

Compound financial instruments issued by the Company are classified separately as financial liabilities and equity based on the substance of the contractual agreement. On the date of issue, the fair value of the liability component is measured using the effective market rate of interest for a similar non-convertible instrument. This amount is accounted for as a liability at amortized cost using the effective interest method until the instrument is extinguished or reaches maturity. The equity component is determined by deducting the amount of the liability component from the total fair value of the compound instrument. This amount is recognized in equity, net of any tax effects, and is not subsequently re-measured.

Note 4. Significant accounting policies (cont'd)

4.5 Other Comprehensive Income

Other comprehensive income is the change in the Company's net assets that results from translations, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the net earnings such as foreign currency gains or losses on the translation of the financial statements of foreign operations. The Company's other comprehensive income, components of other comprehensive income and cumulative translation adjustments are presented in the statements of net earnings and comprehensive income and the statements of changes in shareholder's equity.

4.6 Revenue Recognition

Revenue from continuing operations

The Company's revenue comes mainly from deployment of email marketing campaigns and web services.

Email marketing campaigns deployment are recognized when there is persuasive evidence of an agreement, as the services are rendered, the price is determinable and collectability is reasonably assured.

The license revenue comes from licenses granted to permanent use of the Company's software products.

Hosting drawn products spanning a period of over a month are amortized over the term of the contract. The unrecognized portion is presented in liabilities as deferred revenue.

4.7 Government assistance

The income tax credits related to scientific research and development activities are accounted for in reduction of the related expenses incurred during the year. Government assistance is recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program or, with regards to tax credits, when there is reasonable assurance that they will be realized.

In the course of the Covid-19 pandemic, the Company receive government assistance to maintain its operations. This assistance was recognized when there is reasonable assurance that the Company will comply with the conditions attaching to it, and that assistance will be received. Government assistance was applied against the qualifying expense to which the grants relate or recorded to other income (Covid loan subsidies, Covid rent concessions). When government assistance is repayable, a liability is created except when there is reasonable assurance that the entity will meet the conditions prescribed for not repaying the amounts received. This liability is recorded at the discounted value of the repayments due.

Accounted income tax credits and subsidies must be reviewed and approved by Government Tax Authority, and tax credit and subsidies allowed could differ from tax credit accounted.

4.8 Research and Development Costs

Research and development costs are recorded as expenses in the year in which they are incurred. Development costs of new products are accounted for capitalization in accordance with criteria generally accepted, to the amount which recovery may be considered as certain. Deferred development costs are amortized on a useful life basis, beginning in the first year of the commercialization.

4.9 Share-based payment

The Company applies IFRS 2 Share based Payment to transactions whose award and settlement are share-based and to cash-settled share-based transactions. In applying this standard, stock options and bonus shares granted to employees are measured at fair value. The amount of such fair value is recognized in profit or loss over the vesting period, with a corresponding increase in equity.

Share appreciation rights, which will be settled in cash, are measured at fair value and recognized loss with a corresponding entry to the liability incurred. The liability is re-measured at each reporting date until settlement. The fair value of options and rights is determined using the Black-Scholes valuation model taking into account the features of the plan and market data as at the grant date and on the basis of the Company's management assumptions.

The Company offers an incentive stock option plan. This plan is considered as equity.

Any consideration paid on the exercise of stock options is credited to common share capital and no compensation expense is recognized for this plan when stock and stock options are exercised.

The Company uses the fair value method of accounting for all stock options granted to its employees and to continued services providers to the Company, whereby a compensation expense is recognized over the vesting period of the options, with a corresponding increase to contributed surplus. When stock options are exercised, capital stock is credited by the sum of the consideration paid together with the related portion previously recorded to contributed surplus. The fair value of stock options at the grant date is determined according to the Black & Scholes options pricing model. Compensation expense is recognized over the vesting period of the stock options.

4.10 Income taxes

The Company accounts for its tax expense using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the periods in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation was made using tax rates and laws enacted or substantively enacted at the end of the reporting period.

The Company recognizes a deferred tax asset or liability for all deductible temporary differences arising from equity securities of subsidiaries, unless it is probable that the temporary difference will reverse in the foreseeable future and the Company is able to control the timing of the reversal.

Note 4. Significant accounting policies (cont'd)

4.11 Basic and diluted net earnings per share

Basic and diluted net earnings per share are calculated using the weighted average number of outstanding shares. The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments (such as stock options and convertible bonds, etc.). When funds are obtained at the date of exercise of the dilutive instruments, the "treasury stock" method is used to determine the theoretical number of shares to be taken into account. If necessary, net profit is also adjusted for the finance cost, net of tax, relating to these instruments.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and short-term, highly liquid investments with original maturities of three months or less, and that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.13 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, less any income tax credits, any accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition.

Depreciation of property and equipment is calculated based on useful lives, beginning at operating, deducting the residual value of property and equipment by using the following methods as described below:

Assets	Methods	Rate or period
Computer's hardware	Diminishing balance	30%
Furniture	Diminishing balance	20%
Lease asset-rental office	Straight-line	Duration of rent

Useful lives, residual values and depreciation methods are reviewed annually. Such a review takes into consideration the nature of the assets, their intended use and technological changes.

Gains or losses on disposals of property and equipment, are determined as the difference between the disposal proceeds and the carrying amount of the assets and are presented distinctly in net income.

4.14 Lease

The Company leases some items of property, plant and equipment

As is permitted under IFRS 16, the Company elected to expense its short-term leases (term of 12 months or less) and leases of low-value assets, on a straight-line basis over the lease term.

For its other contracts, the Company assesses whether its new or amended contracts contain a lease.

A lease represents the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset, the Company assesses the following:

- Is the identified asset directly or indirectly specified in the contract, or does it represent substantially all of the capacity of an asset that is physically distinct?
- Does the right of use cover substantially all of the economic benefits from use of the identified asset for a period of time?
- Does the Company have the right to direct the use of the identified asset? In cases where the use is predetermined, does the Company operate the asset or did the Company design the asset in a way that predetermines how and for what purpose the asset will be used?

When a lease is identified, the Company allocates the consideration in the contract to each of the lease components, separately from the non-lease components, on the basis of their relative stand-alone price. However, as is permitted under IFRS 16, the Company elected to account for all contracts of land and buildings it occupies as leases.

A right-of-use asset (a "lease asset") and a lease liability are recognized in the statement of financial position at the lease commencement date.

4.14 Lease (cont'd)

Lease asset

A lease asset is initially recognized at cost, which comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made or any lease incentives received at or before the commencement date, plus any initial direct costs incurred by the Company and an estimate of costs to be incurred in dismantling, removing or restoring the asset or site, as required by the terms and conditions of the lease.

The lease asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the lease asset or the end of the lease term. The useful life of a lease asset is measured on the same basis as the Company's other property, plant and equipment.

The Company presents its lease asset distinctly in statements of financial position.

Lease liability

A lease liability is initially measured at the present value of the lease payments that are not paid at that date using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses its incremental borrowing rate, which is generally the case. The lease payments comprise the following: fixed payments; variable lease payments that depend on an index or a rate, using the index or rate as at the commencement date; an estimate of the amounts to be payable under residual value guarantees; as well as amounts the Company is reasonably certain to pay as the exercise price of a purchase or extension option, or as a penalty to exercise a termination option.

The lease liability is subsequently re-measured at amortized cost using the effective interest method.

When there is a change in lease payments resulting from a change in an index or a rate or a change in an estimated amount, the amount of such an adjustment is offset in the unamortized cost of the lease asset or reported in the statement of profit or loss when the lease asset is fully impaired.

The Company presents its lease liability with its other long-term debt (see Note 20) and the interest on its lease liability (calculated at the effective interest rate) with its other financial expenses in the statement of profit or loss.

4.15 Intangible Assets

Patents

Patents are accounted for at cost. Patents are amortized on their useful life on a straight-line basis over 20 years beginning from when the product is marketed.

4.15 Intangible Assets (cont'd)

Software

Software is accounted for at cost. Software is amortized on the basis of their useful life using the straight-line method over a period of three years.

Intangible assets generated internally by incurring research and development expenditures

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) its intention to complete the intangible asset and use or sell it;

(c) its ability to use or sell the intangible asset;

(d) how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as an asset as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

Domain names

Domain names purchased by the Company are accounted for at cost. Domain names are not amortized since their useful life is unlimited.

4.16 Business combinations and goodwill

The Company applies the acquisition method of accounting for all business combinations. The consideration transferred in connection with a business combination consists of the sum of the fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquired business and equity interests issued by the acquirer. The consideration transferred includes any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities, and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

Note 4. Significant accounting policies (cont'd)

4.16 Business combinations and goodwill (cont'd)

The acquisition-related costs are expensed in the periods in which the costs are incurred and the services received.

All potential counterparties are recognized at fair value at the acquisition date. Changes in the fair value of contingent consideration resulting from events after the acquisition date which are classified as an asset or liability are recognized in accordance with IAS 39 Financial Instruments: Recognition and Measurement, either in net income or in other comprehensive income. Contingent considerations classified as equity are not re-measured and subsequent settlement is recognized in equity.

Goodwill with indefinite useful life is initially measured as the excess of the consideration transferred over the net of the amounts, at the acquisition date, the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is subject to a systematic annual impairment test during the fourth quarter or whenever there is an indication of impairment. Rising interest rates, lower turnover, and operating income include loss ratios that management monitors.

4.17 Impairment of assets

Non-current assets that have indefinite useful lives, for example goodwill, are not subject to amortization and are tested annually for impairment. Non-current assets with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

If at the end of each period there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or has decreased, the loss is reversed up to the asset's recoverable amount. However, the carrying amount after the reversal must not exceed the carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior periods.

For purposes of impairment testing, if an asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, it is grouped with other assets to create a cash generating unit (CGU), which correspond to the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs relate to the Company's brand assets and are allocated on the basis of the three geographic segments that are subject to internal monitoring.

If the recoverable amount of a CGU exceeds its carrying amount, the unit and the goodwill allocated to it are regarded as not impaired. If the carrying amount of the unit exceeds its recoverable amount, the Company first allocates the impairment loss to reduce the carrying amount of any goodwill allocated to the CGU and secondly to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Moreover, when goodwill and another asset (or asset group) of a CGU are tested for impairment at the same time, the other asset (or asset group) is tested for impairment before goodwill. When the other asset (or asset group) is impaired, the impairment loss is recognized prior to goodwill being tested for impairment.

Note 4. Significant accounting policies (cont'd)

4.17 Impairment of assets (cont'd)

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over the useful life of the asset or CGU using management's forecast tools (for the 3 first years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss recognized in prior periods for an asset or a CGU other than goodwill is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior periods. An impairment loss recognized for goodwill cannot be reversed.

4.18 Nature of provisioned liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets, provisions for risks and expenses are recognized to cover probable outflows of resources that can be estimated and that result from present obligations resulting from past events.

In the case where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or the estimate is not reliable, these contingent liabilities are disclosed in unrecognized commitments and litigation. The provisions are measured based on management's best estimate of the outcome based on facts known at the reporting date. The provisions include provisions for litigation (legal, employee-related), for the environment and others.

A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources that can be reliably estimated. The amount of the provision is the best estimate of the outflow of resources required to settle this obligation.

4.19 Employee benefits

Wages, contributions to government pension plans, paid annual leave, paid sick leave, bonuses and non-monetary benefits are short-term employee benefits, which are recognized in the period during which the Company's employees render the related services.

Note 4. Significant accounting policies (cont'd)

4.20 Convertible Debentures

Convertible debentures are classified according to their components. The financial liability representing the obligation to make the interest payments is classified as a long-term liability, and the equity component representing the conversion option and warrants held by the holder is disclosed in shareholders' equity under "Portion of Convertible Debentures included in Equity".

The value of the liability component of convertible debentures is obtained by discounting future interest and principal payments by using a rate equal to the rate of similar debentures having no conversion right. The book value of the equity component of the convertible debentures is obtained by deducting the liability component value from the consideration received for the convertible debentures.

4.21 Equity

The share capital is presented at the value at which the shares were issued. Costs related to the issuance of shares, share purchase warrants or options are shown in equity as a deduction from the issue proceeds allocated in proportion of units issued.

Share capital and warrants

The common shares and warrants are classified to equity. The issue proceeds are allocated between shares and warrants issued using the relative fair value method. The issued proceeds are allocated in proportion to the fair value of shares based on the stock prices at the time of issue and the fair value of the warrants.

The fair value of the warrants is determined using the Black & Scholes valuation model based on the characteristics of market data at the grant date and on assumptions determined by management of the Company.

Contributed Surplus

Contributed surplus includes, among others, expenses related to stock options until exercise of the options, amounts related to cancellations of warrants and options to purchase shares recorded as a reduction of contributed surplus during the expiration period.

Contributed surplus includes the difference between the share price and the fair value at a share issue given the valuation of financial instruments related.

The fair value of stock options is determined using the Black & Scholes valuation model based on the characteristics of market data at the grant date and on the basis of a hypothesis determined by the direction of the Company.

Note 5. Main sources of estimation uncertainty and critical judgments by management

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements, and the carrying amount of revenues and expenses for the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The significant accounting policies subject to such judgment and the key sources of estimation uncertainty that, in the Company's opinion, could significantly affect the reported results or financial position, are as follows:

5.1 Research and development tax credit

Management has made a number of estimates and assumptions in determining the expenditures eligible for the research and development investment tax credit claim. Tax credits are available based on eligible research and development expenses consisting of direct expenditures and including a reasonable allocation of overhead expenses. It is possible that the allowed amount of the research and development investment tax credit claim could be materially different from the recorded amount upon assessment by the Canada Revenue Agency and Revenue Québec. Tax credits are recognized when there is reasonable assurance that they will be realized.

5.2 Stock-based compensation and other stock-based payments

The Company has a stock option plan which is described in Note 22 to the financial statements. As regards stock options granted, the Company uses the fair value based method of accounting. The fair value of stock options is determined using the Black & Scholes option pricing model, which requires the use of certain assumptions, including future stock price volatility and expected life of the instruments.

The expected life is estimated using historical data and current expectations. The expected volatility is estimated using the historical volatility of the Company's stock over the same period as the expected life.

The expected life and future volatility are uncertain and the option pricing model has limitations.

5.3 Lease

In determining lease terms, the Company used its judgment to determine that the extension options were not significant. Furthermore, the Company does not believe the interest rate implicit in its leases can be readily determined. It therefore used its judgment to determine the incremental borrowing rate and use it as the discount rate to establish its lease liability.

For every lease, management makes a judgment to determine the appropriate lease term. Management considers all relevant facts and circumstances that create an economic incentive for the Company to exercise a renewal option or not to exercise a termination option, including, for example, investments in extensive leasehold improvements. The periods covered by the renewal options are included in the lease term only if management deems them reasonable.

5.3 Lease (cont'd)

Management considers reasonable certainty to be a high threshold. Changes in the economic environment can have an impact on management's lease term assessments, and any changes in the estimates that management makes for lease terms could have a significant impact on the Company's statement of financial position and statement of profit or loss.

To determine the carrying amount of right-of-use asset and lease liability, the Company must estimate the incremental borrowing rate for each leased asset if the interest rate implicit in the lease cannot be readily determined. Management determines the incremental borrowing rate for each leased asset by taking into account the Company's credit standing, the guarantee, the term and the value of the underlying leased asset, as well as the economic environment in which the leased asset is operated. Incremental borrowing rates can be changed due to macroeconomic changes in the environment.

Note 5. Main sources of estimation uncertainty and critical judgments by management (cont'd)

5.4 Income taxes

Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as un-deducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of un-deducted tax losses are based on the applicable income tax legislation, regulations, and interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of the financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income, in which case deferred tax assets are recognized for all deductible temporary differences.

The assessment is based upon enacted or substantively enacted tax laws and estimates of future taxable income. Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments. To the extent that forecasts differ from actual results, adjustments are recognized in subsequent periods.

5.5 Useful lives of non-current assets

Management estimates the useful life of each component of an asset. Management relies on an analysis of all relevant factors including, without limitation, the expected use of its fixed assets, contractual terms allowing the renewal or extension of the legal or contractual useful life of an asset without substantial cost, as well as the history of renewals when it comes to intangible assets.

If the estimated useful life is revised, an increase or decrease of the annual depreciation charge will result.

5.6 Impairment losses

An impairment loss is recorded for the amount by which an asset's or cash-generating unit's (CGU) carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and value in use. Management determines value in use by estimating the expected future cash flows from each asset or CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. On measurement of expected future cash flows, management uses assumptions pertaining to future operating results, such as obtaining new contracts and their profitability. Those assumptions relate to future events and circumstances.

5.7 Business combinations and goodwill

For business combinations, the Company must make assumptions and estimates to determine the purchase price allocation of the business being acquired. To do so, the Company must determine the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. Goodwill is the difference between the identified items acquired and the fair value of the consideration transferred on the acquisition date. These assumptions and estimates have an impact on the asset and liability amounts recorded in the statement of financial position on the acquisition date. In addition, the estimated useful lives of the acquired property, plant and equipment, the identification of other intangible assets, and the determination of indefinite or finite useful lives of other intangible assets acquired will have an impact on the Company's profit or loss.

5.8 Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement of these instruments is at amortized cost or at fair value depending on their classification.

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Company has immediate access. In the absence of an active market, fair value is determined on the basis of internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models, requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as number of variables. In determining these assumptions, external readily observable market inputs are considered, as applicable. When such data is unavailable, the Company uses the best possible estimate. Since they are based on estimates, these fair values may not be realized in an actual sale or immediate settlement of the instruments.

Note 26 provides details on these bases of calculation and on the estimates used.

5.9 Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are sources of estimation and uncertainty.

5.10 Convertible Debentures

The Company reports separately in the statement of financial position liability component and the equity component of convertible debentures. The fair value of the compound instrument at issuance is split between the liability component and the equity component and is determined using an interest rate for a similar debt instrument devoid of equity component. The company must first establish the fair value of the conversion option and warrants that are presented in equity which is then deducted from the fair value of the compound instrument of the liability component. Thus, the estimates used to determine the fair value of the liability component included in the convertible debentures could affect the performance of the interest expense recognized in the financial statements if it were inadequate.

(all amounts are in Canadian dollars, until indication)

Note 6. Operating expenses

Operating expenses include:	2020 $	2019 $
Employee benefits	747,410	838,435
Canadian emergency wage subsidy	(164,473)	-
Production expenses	48,277	87,066
Research and development tax credit	(30,653)	(84,511)
Rent	36,787	48,677
Office expenses	180,987	219,888
Professional fees	364,234	353,713
Bad debts	-	10,566
Depreciation of property, plant and equipment	11,750	12,670
Depreciation of lease asset-rental office	44,408	3,701
Depreciation of other intangible assets	44,234	81,387
	1,282,961	1,571,592

Note 7. Financial income and expenses and gain on debt settlement

Financial income and expenses are detailed as follows:	2020 $	2019 $
Financial Income Interest	30	15
Bank fees and interest on current liabilities	6,271	19,964
Loss (gain) on foreign exchange	-	(303)
Interest expense on the lease liability	11,252	1,110
Financial expenses	17,523	20,771

Gain on debt settlement

In May 2019, the Company wrote off some Trade and other payables, Loan and Debentures, in accordance with the creditor's approval of the proposal under the Bankruptcy and Insolvency Act., totalling $658,873 by a cash payment of $73,460, and recording Gain on Debt settlement of $585,413.

(all amounts are in Canadian dollars, until indication)

Note 8. Earnings (Loss) per share

Dilutive potential instruments (convertible debentures, warrants, stock option) have not been included in the calculation of dilutive earnings per share because of their anti-dilutive effect.

Note 9. Income taxes

The effective tax rate of the company is established as follows:	2020	2019
Combines Statutory Rates	26.50%	26.60%
Research and Development tax credit	5.70%	6.00%

Total income tax is distributed as follows:	2020	2019
	$	$
Taxes Exigibles:	-	-
Carry forward losses	-	-
	-	-

a) The income tax expense (benefit) attributable to income differs from the amounts calculated by applying the combined federal and provincial tax rates 26.50% (26.60% in 2019) to the profit before tax due to following elements:

	2020	2019
	$	$
Net loss before taxes	(1,105,767)	(584,586)
Income taxes (Expected Recovery)	(293,028)	(155,500)
Increase (decrease) in income taxes resulting from:		
Excess of accounting depreciation on tax depreciation	26,604	26,004
Research and development expenses	43,495	64,704
Gain on debt settlement	-	(155,720)
Directors life insurances	-	3,451
Issuance cost of debentures and Share Capital	(13,937)	(15,994)
Repayment of lease liability	(8,376)	(1,117)
Non-deductible expenses	5,687	8,240
Loss on assets write-off	-	23,073
Income taxes (recovered)	(239,555)	(202,809)
Unrecognized tax benefits	239,555	202,809
Current income taxes	-	-
Effective tax rate	21.66%	34.69%

(all amounts are in Canadian dollars, until indication)

Note 9. Income taxes (cont'd)

Given the federal and provincial tax rates of 26.50% in 2020 and 2019 the important elements of assets and tax liabilities deferred in the statement of financial position are as follows:

	2020 $	2019 $
Deferred tax assets:		
Research and development expenses	1,190,300	1,159,215
Tangible and intangible assets	325,612	299,008
Issuance cost	18,956	20,174
Unused tax credit	168,969	163,954
Unused fiscal losses	922,259	682,705
	2,626,096	2,325,056
Deferred tax liability	-	-
Net deferred tax assets	2,626,096	2,325,056
Unrecognized tax benefits	(2,626,096)	(2,325,056)
Net deferred tax assets presented in the financial statement	-	-

The non-capital losses represent tax savings of $ 869,698 as December 31, 2020 and $630,144 at December 31, 2019. As at December 31, 2020 unused non-capital losses have the following maturities.

Year Incurred	Federal $	Provincial $	Expiry Year
2015	439,904	_	2035
2016	683,691	662,705	2036
2017	690,740	693,293	2037
2019	766,985	756,572	2039
2020	908,785	897,707	2040
	3,490,105	3,010,277	

The undepreciated capital cost exceeding accounted net value as at December 31, 2020 is $1,228,724 ($1,128,332 in 2019) in federal and provincial. The capital loss carried forward is $396,687 as at December 31st, 2020 and 2019.

Tax Credit

Non-refundable tax credits of the amount of $1,126,459 ($1,093,027 in 2019) arising from the eligible expenses. During the year ended December 31, 2020, the Company recognized tax credits recoverable for research and development amounting to $30,653 ($84,511 in 2019). These credits were recorded as a reduction of salary expense related and have not been subject of assessment by tax authorities.

(all amounts are in Canadian dollars, until indication)

Note 10. Cash and cash equivalents

	2020	2019
Cash	$	$
$ CAN	300,437	494,590
$ U.S.	650	7,297
Net cash and cash equivalent as of cash flows	301,087	501,887

Note 11. Trade and other receivables

	2020	2019
	$	$
Trade accounts receivable	24,272	44,469
Advance to an officer without interest	11,585	14,163
CEWS Subsidy Receivable	35,720	-
Subscriptions Receivables held in trust	434,985	-
Sales Tax receivable	48,880	-
Trade and other receivables	555,442	58,632

All amounts are due in short term. The net carrying amounts represent a reasonable approximation of their fair value.

The net book value of outstanding receivables of the company is $24,272 ($44,469 in 2019) at the end of the year. The aging of these receivables is detailed in the following table:

Aging of receivables that are past due but not impaired.	2020	2019
	$	$
Not impaired and past due by:		
0 to 30 days	22,675	20,320
31 to 60 days	-	12,168
61 to 90 days	-	6,170
Over 90 days	1,597	5,811
Total	24,272	44,469

(all amounts are in Canadian dollars, until indication)

Note 11. Trade and other receivables (cont'd)

Before accepting a new customer, the Company evaluates the credit quality of the potential customer and sets credit limits for that customer. Credit limits and credit quality assessments are reviewed each year. To determine the collectability of a trade receivable, the Company considers any change in credit quality from the date the credit was initially granted to the reporting date.

The Company has not set up any allowance for the accounts presented in the preceding table since the credit quality of these receivables has not changed significantly and they are still considered collectible. Trade receivables are normally recovered in 62 days (39 days in 2019).

The Company does not hold any collateral in respect of these receivables.

The following table discloses a reconciliation of changes in the allowance for doubtful accounts:

	2020	2019
	$	$
Balance, beginning of period	_	36,008
Write-off	_	(36,008)
Balance, end of period	_	_

Receivables are written off when the Company estimates it will not collect the amount provided for.

Note 12. Investment

As at December 31, 2020, the Company has an investment of nil ($23,434 in 2019) as cash surrender value of life insurance on a member of management. In 2020, the Company cashed the Life insurance for $23,434.

In 2019, changes in Investment consists of deposits totaling $9,000, net of fees and taxes on life insurance premiums of $6,111.

(all amounts are in Canadian dollars, until indication)

Note 13. Property, Plant and Equipment

13.1 Net value	2020	2019
	$	$
Cost	203,144	198,328
Accumulated depreciation and loss value	170,910	159,160
Net value	32,234	39,168

13.2 Reconciliation table	Computer	Furniture	Leasehold improvements	Total
Cost	$	$	$	$
Balance as at January 1st, 2019	33,352	98,286	4,546	136,184
Additions	10,166	3,751	-	13,917
Reclassification from finance leases equipment	133,290	-	-	133,290
Write-off	-	(80,517)	(4,546)	(85,063)
Balance December 31, 2019	176,808	21,520	-	198,328
Additions	4,816	-	-	4,816
Balance as at December 31, 2020	181,624	21,520	-	203,144
Accumulated depreciation and loss value				
Balance as at January 1st, 2019	31,295	55,985	3,587	90,867
Depreciation	11,083	1,587	-	12,670
Reclassification from finance leases equipment	103,482	-	-	103,482
Write-off	-	(44,272)	(3,587)	(47,859)
Balance as at December 31, 2019	145,860	13,300	-	159,160
Depreciation	10,107	1,643	-	11,750
Balance as at December 31, 2020	155,967	14,943	-	170,910

Depreciation of $11,750 has been accounted for as direct costs in the income statement ($12,670 in 2019).

(all amounts are in Canadian dollars, until indication)

Note 13. Property, Plant and Equipment (Cont'd)

13.3 Lease asset-rental office

During the year 2019, the Company proceeded to an addition of $133,226 in this category of asset. There is no acquisition during 2020. Consequently, as at December 31, 2020 the cost of Lease asset-rental office is $133,226 ($133,226 in 2019) less an accumulated depreciation of $48,109 ($3,701 in 2019), for a net value of $85,117 ($129,525 in 2019). Depreciation of $44,408 has been accounted for as administrative and sales expenses in the income statement ($3,701 in 2019).

Note 14. Finance Leases Equipment

14.1 Net value

	2020	2019
	$	$
Cost	-	-
Accumulated depreciation and loss value	-	-
Net value	-	-

14.2 Reconciliation table	Computer Hardware
	$
Cost	
Balance as at January 1st, 2019	133,290
Reclassification to Property, Plant and Equipment	(133,290)
Balance as at December 31, 2019 and 2020	-
Accumulated depreciation and loss value	
Balance as at January 1, 2019	103,482
Reclassification to Property, Plant and Equipment	(103,482)
Balance as at December 31, 2019 and 2020	-

Computer hardware cost of $133,290 and the accumulated depreciation of $103,482 has been reclassified to Property, Plant and Equipment as computer hardware in 2019.

(all amounts are in Canadian dollars, until indication)

Note 15. Other Intangible Assets

15.1 Net value

	2020	2019
	$	$
Cost	1,249,752	1,249,752
Accumulated depreciation and loss value	1,174,632	1,130,398
Net value	75,120	119,354

15.2 Reconciliation table	Patents	Software	Domain names	Total
Cost	$	$	$	$
Balance as at January 1st, 2019	42,004	1,163,865	3,928	1,209,797
Additions	10,198	29,757	-	39,955
Balance as at December 31, 2019	52,202	1,193,622	3,928	1,249,752
Additions	-	-	-	-
Balance as at December 31, 2020	52,202	1,193,622	3,928	1,249,752
Accumulated depreciation and loss value				
Balance as at January 1st, 2019	5,548	1,043,462	-	1,049,010
Depreciation	2,325	79,063	-	81,388
Balance as at December 31, 2019	7,873	1,122,525	-	1,130,398
Depreciation	2,425	41,809	-	44,234
Balance as at December 31, 2020	10,298	1,164,334	-	1,174,632

Depreciation of $44,234 has been accounted for as direct costs in the income statement for 2020 ($81,388 in 2019).

(all amounts are in Canadian dollars, until indication)

Note 16. Goodwill

16.1 Net value

	2020	2019
	$	$
Cost	-	-
Accumulated impairment losses	-	-
Net value	-	-

16.2 Reconciliation table

		Goodwill
Cost		$
Balance as at January 1st. 2019	-	49,536
Write off	-	(49,536)
Balance as at December 31st, 2019 and 2020	-	-

In 2019, the Company wrote-off goodwill related to obsolete software.

Note 17. Bank indebtedness

The Company has no credit loan or bank loan as at December 31, 2020 and 2019.

Note 18. Trade and other payables

	2020	2019
	$	$
Trade and accrued payable	191,564	166,977
Sales tax	1,498	997
Trade and other payables	193,062	167,974

On November 6, 2020 according to debt settlement agreement with a creditor, the Company issued 4,599,000 shares at a price of $0.025 per common share for a value of $114,975.

(all amounts are in Canadian dollars, until indication)

Note 19. Short-term debt

	2020 $	2019 $
Loans from private companies, bearing interest at 14%, without guarantee	125,000	-

Note 20. Long-term debt

	2020	2019
	$	$
Loan from a previous officer (1)	161,723	161,723
Lease liability (2)	90,882	130,136
Covid Loan (3)	40,000	-
	292,605	291,859
Current portion	206,409	39,253
Long-term debt	86,196	252,606

(1) The loan without interest from a previous officer, whose repayment conditions are to be renegotiated, (formerly, will be payable at $5,000 per month once the following conditions have been fulfilled: 1) relisting of the common shares of the Company on the TSX Venture Exchange and, 2) the warrants included in the March 2019 special warrants financing are exercised). The loan was previously secured by a $500,000 mortgage, which has been cancelled on November 12, 2019.

(2) Lease liability is related to Lease asset – rental office. The interest expense in the income statement includes an amount of $11,252 ($1,110 in 2019) in interest on the lease liability. The Company's total cash payment for its leases is $50,506 ($4,200 in 2019). Maturities on borrowings are as $44,686 due in 2021 and $46,196 due in 2022.

(3) Canada Emergency Business Account (CEBA) is intended to provide financial support to businesses struggling to cover their expenses that are not able to defer through this pandemic. The loan is for $60,000 and is interest-free with the potential of up to $20,000 of loan forgiveness, if the balance of the loan is repaid on or before December 31, 2022. If the loan is not repaid by this date, it will be converted into a three-year term loan at an annual interest rate of 5% with the entire loan to be repaid. The Company intends to reimburse the $40,000 in December 2022.

Note 21. Debentures

Under the terms negotiated in April 19, 2016, the Company issued debentures with a nominal value of $100,000, maturing in April 19, 2018, bearing interest at 10%, convertible into common shares at $0,05 per share during the first year and $0,10 during the second year. Following the maturity date, the balance of $85,000 became due, without the conversion possibility. In May 2019, the Company wrote off these debentures in accordance with the creditors' approval of the proposal under the Bankruptcy and Insolvency Act.

(all amounts are in Canadian dollars, until indication)

Share Capital

Authorized:

The Company's authorized capital stock consists of an unlimited number of voting and participating common without par value.

Issued:	2020	2019
Amount	$	$
Opening balance	7,625,161	6,467,687
Private placement (a)	308,973	1,024,563
Warrants exercised (b)	-	132,911
Debt conversion (c)	274,975	-
	8,209,109	7,625,161
Share to be issued:		
Private placement (a)	200,000	-
Ending balance	8,409,109	7,625,161

Number of shares	2020	2019
Issued:	(in units)	(in units)
Opening balance	68,754,789	85,209,577
Private placement (a)	8,000,000	25,000,000
Warrants exercised (b)	-	1,550,000
Debt conversion (c)	10,999,000	-
Consolidation (d)	-	(43,004,788)
	87,753,789	68,754,789
Share to be issued:		
Private placement (a)	4,000,000	-
Ending balance	91,753,789	68,754,789

(a) Private placement

On December 18, 2020, in connection with a non-brokered private placement the Company issued 12,000,000 common shares at $0.05 per share and 12,000,000 warrants for a total of $ 600,000. The amount accounted for is net of warrants value of $12,000. A share issue expense totaling $79,027, including warrants issued as finder's fees valued at $32,640, was recorded as a reduction of the value of the private placement.

On October 4, 2019, in connection with a private placement, the Company issued 10,000,000 common shares at a price of $0,10 per share for a total amount of $1,000,000 together with 10,000,000 warrants. The amount accounted for is net of warrants value of $340,000. A share issue expense totaling $25,437 was recorded as a reduction of the value of the private placement.

On September 4, 2019, in connection with a private placement of special warrants on March 2019, after the share capital consolidation the Company issued 15,000,000 common shares at a price of $0.05 per share for a total amount of $750,000. The amount accounted for is net of warrants valued at $360,000.

(all amounts are in Canadian dollars, until indication)

Shares capital (cont'd)

(b) Warrants exercised

On September 4, 2019 the Company issued 750,000 common shares (post-consolidation) at a price of $0.10 per share to holders of warrants who exercised its rights to convert into shares for $75,000. The subscription amount was increased by the fair value that was attributed to this equity component of the warrants of $11,681.

On June 6, 2019 the Company issued 800,000 common shares at a price of $0.05 per share to a holder of warrants who exercised its right to convert the warrants into shares for $40,000. The subscription amount was increased by the fair value that was attributed to this equity component of the warrants of $6,230

(c) Debt conversion

On November 6, 2020, as debt settlement agreements, the Company issued, at a price of $0.025 per common share: 4,599,000 common shares to a creditor and 6,400,000 common shares to two borrowers, for a total value of $274,975.

(d) Consolidation

On September 4, 2019, the Company proceeded with the consolidation of its outstanding common shares on the basis of one (1) post-consolidation common share for each two (2) pre-consolidation common shares.

Warrants issued to shareholders

Changes in the outstanding warrants issued to shareholders are detailed as follows:

	Number	Weighted average exercise price
Outstanding as at January 1, 2019	15,327,334	$0.073
Issued (a)	40,000,000	$0.113
Exercised b)	(2,300,000)	$0.05
Expired warrants of shareholders (c)	(7,640,000)	$0.05
Consolidation (e)	(17,693,667)	$0.121
Outstanding as at December 31, 2019	27,693,667	$0.132
Issued (a)	12,000,000	$0.12
Expired warrants of shareholders (c)	(27,693,667)	$0.132
Outstanding as at December 31, 2020	12,000,000	$0.12

(a) Issued

On December 18, 2020, 12,000,000 warrants were issued pursuant to a private placement. They are recorded as a reduction of the share capital in the amount of $12,000. A warrant issue expense totaling $1,613 was recorded as a reduction of the value of the private placement. Each whole warrant entitles its holder to purchase an additional common share at $0.12 per share for a period of 12 months following the closing of the private placement. The Warrants may be accelerated by the Company, at its sole option. at any time in the event that the closing volume-weighted average price of the Company's common shares on the TSX Venture Exchange, or such other exchange on which the common shares may primarily trade from time to time is greater than or equal to $0.14.

(all amounts are in Canadian dollars, until indication)

Warrants issued to shareholders (cont'd)

(a) Issued (cont'd)

On October 4, 2019, 10,000,000 warrants were issued pursuant to a private placement. They are recorded as a reduction of the share capital in the amount of $340,000. A warrant issue expense totaling $25,438 was recorded as a reduction of the value of the private placement. Each warrant allows to subscribe to one common share at an exercise price of $0.15 for one-year period.

On March 29, 2019, the Company has completed a non-brokered private placement of 30,000,000 special warrants at a purchase price of $0.025 per special warrant for gross proceeds of $750,000. Each special warrant will be converted into one unit on a pre-consolidation basis, subject to the completion of a share consolidation of the Company on the basis of one new common share for two old common shares. Should the consolidation not be completed, the special warrants will be converted into units at a price of $0.05 per unit. Each unit includes one common share and one underlying warrant. The 30,000,000 special warrants will be converted into 15,000,000 units. Each warrant allows to subscribe to one common share at an exercise price of $0.10 for one-year period. A fair value of $360,000 attributed to the 15,000,000 warrants has been recorded.

(b) Exercised

On September 4, 2019, 1,500,000 warrants pre-consolidation were exercised and converted into 1,500,000 common shares pre-consolidation at a price of $0.05 per share. The fair value of $11,681 allocated to these warrants has been recorded as an addition to the share value.

On June 6, 2019, 800,000 warrants were exercised and converted into 800,000 common shares at a price of $0.05 per share. The fair value of $6,230 allocated to these warrants has been recorded as an addition to the share value.

(c) Expired warrants of shareholders

On March 15, 2020, 2,693,667 warrants expired without being exercised. The fair value of $154,203 allocated to these warrants has been reclassified to contributed surplus.

On March 26, 2020, 15,000,000 warrants expired without being exercised. The fair value of $360,000 allocated to these warrants has been reclassified to contributed surplus.

On October 3, 2020, 10,000,000 warrants expired without being exercised. The fair value of $316,676 allocated to these warrants has been reclassified to contributed surplus.

On August 26, 2019, 7,640,000 warrants expired without being exercised. The fair value of $59,495 allocated to these warrants has been reclassified to contributed surplus.

(d) Consolidation

On September 4, 2019, the Company proceeded with the consolidation of its outstanding warrants on the basis of one (1) post-consolidation warrant for each two (2) pre-consolidation warrants. Expired warrants of shareholders

The fair value of the warrants granted was estimated using the Black-Scholes pricing model using the following assumptions:

	2020	2019
Share price at grant date	$0.14	$0.04 and $0.14
Exercise price	$0.12	$0.05 and $0.15
Expected life of the warrants	1 year	1 year
Expected volatility	211%	138.5% and 145%
Risk-free interest rate	0.22%	2.14%
Expected dividends	0.0%	0.0%

(all amounts are in Canadian dollars, until indication)

Note 22. Equity (cont'd)

Warrants issued to shareholders (cont'd)

The expected volatility was determined by calculating the historical volatility of the Company's common share price back from the date of the grant and for a period corresponding to the expected life of the warrants. When computing historical volatility, management may disregard an identifiable period of time in which it considers that the share price was extraordinary volatile because of a specific event that is not expected to recur during the expected life of warrants. In addition, if the share price of the Company was extremely volatile for a period of identifiable time, for example as a result of a general market decline, management may put less emphasis on volatility during this period.

Summary table of outstanding and exercisable warrants as at December 31, 2020:

Expiring date	Number of warrants	Average remaining term (year)	Weighted average exercise price
December 2021	12,000,000	1.0	$0.12
	12,000,000	1.0	$0.12

Summary table of outstanding and exercisable warrants as at December 31, 2019 (post-consolidation).

Expiring date	Number of warrants	Average remaining term (year)	Weighted average exercise price
March 2020	2,693,667	0.21	$0.24
March 2020	15,000,000	0.24	$0.10
October 2020	10,000,000	0.76	$0.15
	27,693,667		$0.132

Warrants issued to brokers and finders

Change in the outstanding warrants issued to brokers are detailed as follows:

	Number	Weighted average exercise price
Outstanding as at January 1st 2020	-	-
Issued	320,000	$0.12
Outstanding as at December 31st, 2020	320,000	$0.12

On December 18, 2020, 320,000 warrants are issued as finder's fees pursuant to a private placement. The fair value of $32,640 allocated to these warrants has been reclassified to Cost of issuance of capital stock.

The fair value of the warrants granted was estimated using the Black-Scholes pricing model using the same assumptions using for warrants issued to shareholders.

(all amounts are in Canadian dollars, until indication)

Incentive stock option plan

The shareholders of the Company have adopted stock option plan under which members of the Board of Directors may award stock options for common shares to directors, officers, employees and consultants. The conditions and the exercise price of each option are determined by the Board of Directors.

The maximum number of shares issuable under the plan is 2,600,000.

The total number of common shares reserved for stock option plan to directors, officers and employees shall not represent, over a 12-month period, more than 5% of the Company's common shares issued and outstanding, that number being calculated on the granted date.

The total number of common shares reserved for stock option plan to consultants and investor relationship services providers shall not represent, over a 12-month period, more than 2% of the Company's common shares issued and outstanding, that number being calculated on the granted date.

The purchase price of the common shares upon the exercise of each option granted under the stock option plan will be the price determined by the Board of Directors or the Compensation Committee at the time of each option granted, but that price may not be less than the "Expected price" which means the market price at the time of each option granted less a discount according to the accepted rules by TSX Venture Exchange, subject to a minimum price of $0.10. The market price at the time of each option granted means the TSX Venture Exchange market closing price on the day before they are granted. If there is no trading on the day before, the closing price is replaced by the average of the bid-and-offered.

The stock options are exercisable at any time and expire 90 days after the departure date of the holder for directors and officers, and 30 days for consultants.

Changes in the stock options are detailed as follows:	Number of options	Weighted average exercise price
Outstanding as at January 1st, 2019	625,000	$0.105
Expired	(625,000)	$0.105
Outstanding as at December 31, 2019	-	-
Granted on December 17, 2020	2,600,000	$0.2325
Outstanding and vested as at December 31, 2020	-	-

On December 17, 2020, 2,600,000 stock options were granted to employees and directors at an exercise price of $0.2325, expiring five years from the granting date. These stock options are vesting over a four years period on a basis of 25 % per year. As at December 31, 2020 no stock options are vested. A fair value of $269,800 was attributed to these stock options and will be recognized gradually at their vesting date. The fair value was estimated using the Black-Scholes pricing model using the following assumptions

	2020
Share price at grant date	$0.13
Exercise price	$0.2325
Expected life of the stock options	2.5 years
Expected volatility	161%
Risk-free interest rate	0.22%
Expected dividends	0.0%

The expected volatility was determined by calculating the historical volatility of the Company's common share price back from the date of the grant and for a period corresponding to the expected life of the stock options. When computing historical volatility, management may disregard an identifiable period of time in which it considers that the share price was extraordinary volatile because of a specific event that is not expected to recur during the expected life of stock options. In addition, if the share price of the Company was extremely volatile for a period of identifiable time, for example as a result of a general market decline, management may put less emphasis on volatility during this period.

(all amounts are in Canadian dollars, until indication)

Note 23. Information on Cash Flows

Change in non-cash operating working capital items are detailed as follows:

	2020	2019
	$	$
Trade and other receivables	(499,388)	7,977
Prepaid expenses	4,682	1,865
Research and Development Tax Credit recoverable	53,858	(31,381)
Employee Benefits	250,272	(14,258)
Trade and other payables	140,063	(169,097)
Deferred revenue	(3,854)	(14,602)
	(54,367)	(219,496)

Items not affecting cash:

Value of issued warrants attributed to private placement	12,000	700,000
Value of issued warrants attributed to cost of issuance of capital stock	32,640	-
Lease liability undertaken by landlord according to covid rent concessions	18,900	-
Short-term debt conversion into shares	160,000	-
Trade payables conversion into shares	114,975	-
Attributed value to expired warrants	830,879	59,495
Reclassification of deposit from non-current to current asset	6,000	-
Attributed value to exercised warrants	-	17,911
Net book value transfer of Finance lease Equipment to Property, Plant and Equipment	-	29,808
Recognize Lease asset and Lease liability of rental office	-	133,226
Conversion of Employees benefits to a Long-term debt	-	161,723
Gain on Employee benefits settlement	-	94,663
Gain on Trade and other payables settlement	-	392,355
Gain on Long-term debt settlement	-	13,395
Gain on Debentures settlement	-	85,000
Attributed value to Equity component of the convertible debentures reverse to Contributed Surplus	-	20,060

Note 24. Commitments

The Company is committed to pay under long-term leases agreements, an amount of $53,200 before November 2024. The payments are as follows over the next five years 2021 - $29,400; 2022 - $8,400; 2023 - $8,400 and 2024 - $7,000.

The rent of the office of the Company is guaranteed by a previous officer for $136,500.

(all amounts are in Canadian dollars, until indication)

Note 25. Related Party Transactions

During the years ended December 31, 2020, and December 31, 2019, the Company made transactions with officer, directors and companies controlled by officers or directors of Intema Solutions Inc.

The Company's key management personnel are members of the Board of directors, President and Chief Executive Officer, the Chief Operating Officer, the Chief Technology Officer, and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

	2020	2019
	$	$
Salaries and benefits	228,125	388,542
Professional fees	46,680	63,900
	274,805	452,442

Salaries and benefits include the remuneration of the President and Chief Executive Officer and the Chief Operating Officer and various indirect benefits as of car allowances.

Trade payable to officer and former officer totaled $70,575 (nil in 2019).

The remuneration payable to directors totaled $56,274, as at December 31, 2020, ($30,391 as at December 31, 2019) are secured by a mortgage of $500,000 until November 12, 2019.

Note 26. Financial risks and financial instruments.

26.1 Fair value

Financial instruments carried at fair value in the statement of financial position are classified using a hierarchy that reflects the significance of the inputs used in making the measurements. Hierarchy for fair value consists of the following levels:

Level 1 – fair value based on the quoted price within the bid-ask spread that is most representative of fair value in the circumstance;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices);

Level 3 – valuations techniques based on a significant part of data for the asset or liability that are not based on observable market data (unobservable inputs).

(all amounts are in Canadian dollars, until indication)

Note 26. Financial risks and Financial instruments (cont'd)

26.1 Fair value (cont'd)

The hierarchy that applies as part of the determination of fair value requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of current financials assets and liabilities approximate their fair value due to their expected realization in short term.

The fair value of the investment is classified according to level 2 of the hierarchy for fair value.

The fair value of short-term debt and long-term debt is determined based on future cash flows.

The following tables show the classification of financial instruments as well as their carrying amount and fair value at December 31:

	2020				
	Financial assets at amortized cost	Assets and liabilities at fair value	Financial liabilities at amortized cost	Total carrying value	Fair value
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	301,087	-	-	301,087	301,087
Trade and other receivables	506,562	-	-	506,562	506,562
	807,649	-	-	807,649	807,649
Financial liabilities					
Trade and other payables	-	-	191,564	191,564	191,564
Short-term debt	-	-	125,000	125,000	125,000
Long-term debt	-	-	292,605	292,605	292,605
	-	-	609,169	609,169	609,169

(all amounts are in Canadian dollars, until indication)

	2019				
	Financial assets at amortized cost	Assets and liabilities at fair value through net profit and loss	Financial liabilities at amortized cost	Total carrying value	Fair value
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	501,887	—	—	501,887	501,887
Trade and other receivables	58,632	—	—	58,632	58,632
Investment	—	23,434	—	23,434	23,434
	560,519	23,434	—	583,953	583,953
Financial liabilities					
Trade and other payables	—	—	167,974	167,974	167,974
Long-term debt	—	—	291,859	291,859	291,859
	—	—	459,833	459,833	459,833

The Company operates in an industry with a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks. The Company does not enter into contracts for financial instruments including financial derivatives for speculative purposes.

The following analysis assesses the nature and extent of the risks to the balance sheet date, ie December 31, 2020.

(all amounts are in Canadian dollars, until indication)

Note 26. Financial risks and Financial instruments (cont'd)

26.2 Financial risks management policy

A) Market risk

Currency risk

The Company makes most of its revenues and expenses in local currency, which minimizes market risks associated with fluctuations in foreign currencies. Therefore, the Company does not use derivative financial instruments to minimize its foreign exchange risk.

Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. Those assets and liabilities denominated in foreign currency and converted into Canadian dollars are the following:

As at December 31, 2020	CA$	US$	EURO
	$	$	$
Cash	300,437	650	—

As at December 31, 2019	CA$	US$	EURO
	$	$	$
Cash	494,590	7,297	—

Interest rate risk

Interest rate risk to which the Company is exposed arises from its short and long-term debts. Borrowing at floating interest rates exposes the Company to fluctuations in cash flows due to changes in interest rates, while borrowing at fixed interest rates exposes the Company to the risk of changes in fair value.

The short and long-term debt bears interest at fixed rates and therefore exposes the Company risk of changes in fair value.

An increase / decrease of 50 basis points in interest rates would have increased / decreased the net income and comprehensive income by $nil.

The Company continuously analyzes its exposure to interest rate risk and examines the renewal and refinancing options that are available to minimize that risk.

26.2 Financial risks management policy (cont'd)

Price risk

The Company is exposed to limited price risk given the nature of its activities.

B) Credit risk

Cash and cash equivalents are held or issued by Canadian chartered financial institutions. Thus, the Company considers the risk of non-performance of those instruments to be negligible.

The Company's credit risk is primarily attributable to its trade and other receivables.
The Company provides credit to its customers in the normal course of business. It carries out ongoing credit evaluations with regard to its customers and closely monitors outstanding balances. As at December 31, 2020 there were no doubtful accounts receivable.

Accounts receivable are recognized in the statement of financial position net of allowance for doubtful accounts. This provision is based on the best estimates of the Company with regard to the ultimate recovery of balances for which collection is uncertain. The uncertainty about the probability of perception can arise from various indicators such as deterioration in the creditworthiness of a customer or deferral of perception when the aging of invoices exceeds the normal payment terms. Management regularly reviews accounts receivable, monitors past due balances and assesses the appropriateness of the allowance for doubtful accounts. Given the above, the Company believes that the credit risk is not significant.

For other receivables, the Company continuously evaluates the probable losses and establishes a provision for losses based on their estimated realizable value.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they come due. Management reviews the level of liquidity of the Company to continuously ensure they have sufficient cash to meet its commitments. To ensure sufficient liquidity to meet its current obligations, the Company maintains payment terms with its customers similar to those it has with its suppliers. In addition, the financing of the Company is ensured by short-term and long-term borrowings and short-term credit facilities to ensure adequate financial resources to meet its obligations as they come due.

The Company is renewing its credit facilities. The following table summarizes the contractual maturities of financial liabilities.

(all amounts are in Canadian dollars, until indication)

Note 26. Financial risks and Financial instruments (cont'd)

26.2 Financial risks management policy (cont'd)

December 31, 2020	Carrying Value	Contractual Cash Flow	0 to 6 months	6 to 12 months	12 to 24 months
Trade and accrue payable	191,564	191,564	191,564	-	-
Short-term debt	125,000	125,000	-	125,000	-
Long-term debt	292,605	302,030	187,553	25,938	88,539
	609,169	618,594	379,117	150,938	88,539

December 31, 2019	Carrying Value	Contractual Cash Flow	0 to 6 months	6 to 12 months	12 to 24 months
	$	$	$	$	$
Trade, accrued payable and interest	167,974	167,974	167,974	—	—
Long-term debt	291,859	312,534	25,200	25,305	213,491
	459,833	480,508	193,174	25,305	213,491

Note 27. Information on the management of the Capital

As part of managing its capital, the Company's objectives are to ensure that sufficient liquidity is available to pursue its organic growth or to make strategic acquisitions, to ensure that the external requirements imposed by under its credit facilities are complied with, provide services to its clients and provide a satisfactory return to shareholders. The Company defines capital as the sum of its equity.

On December 31, 2020, the total capital managed totaled an amount of $188,739 ($467,531 in 2019).

The change in total capital during the year ended December 2020 was $278,792 ($1,229,539 in 2019).

Note 27. Information on the management of the Capital (cont'd)

The Company manages its capital structure to ensure that the cash flows of its operations and cash flows in the statement of financial position are greater than the interest expense and principal payments to be paid. The Board of Directors reviews and approves all significant transactions outside the ordinary course of business, including proposals on acquisitions or other major investments or provisions, the long-term debt payments and operating budgets and capital expenditure.

Note 28. Economic Dependence

During the year ended December 31, 2019, the Company realized sales to one major customer for an amount totaling $72,017 ($270,385 in 2019).

The management of the Company assesses the degree of dependence associated with this client as important given the recurrence of contracts from this customer. In November 2019, the contract was not renewed with the major customer at the year end.

Note 29. Contingencies

The Company has contention with three former employees: they are threatening actions before the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) in connection with their termination of employment and their employment contract. The Company has contested these claims and, in management's opinion, they are groundless. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

The Company is facing legal procedures from a former client claiming for non-performance. The Company has contested this claim and, in management's opinion, the lawsuit is groundless. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

Note 30. Segment Reporting

The Company has reviewed its activities and determined that it leads them in a single reportable operating segment. This single reportable operating segment derives its revenues from the deployment of e-mailing campaign to large companies and web services. Almost all activities are carried out in Canada.

The assets of the Company are located in Canada.

Note 31. Event after the reporting period

On January 19, 2021, Intema announced it has entered into a binding letter of intent to acquire (the "Acquisition") all of the issued and outstanding shares of HypeX.gg Plateforme de Jeux Sociaux Inc. ("HypeX").

On January 19, 2021, Intema decided to amend its fixed stock option plan into a rolling stock option plan pursuant to which the Company shall grant a maximum of 10 % of outstanding shares as stock option. The rolling stock option plan is subject to regulatory and shareholder approval. On May 7, TSX Venture accepted amendments to the stock option plan concerning 10 % rolling limit.

On February 9, 2021, Intema completed the acquisition of all issued and outstanding shares of HypeX by a cash payment of $75,000 and issued 1,625,000 common shares of Intema. Intema also granted a total of 2,500,000 stock options to HypeX's employees and management pursuant to the Company's stock option plan. The stock options have an exercise price of $0.255 per share, and will vest over a period of four (4) years. The stock option grant is subject to regulatory and shareholder approval with respect to the expansion of the Company's stock option plan.

On, March 8, 2021 Intema closed a non-brokered private placement of unit for a proceed of $5 000, 000. The Offering consists of 25,000,000 units (the"Units") for issuance at a price of $0.20 per Unit, with each Unit made up of one common share of the Company and one warrant, each warrant entitling its holder to acquire one common share of the Company at a price of $0.265 for a period of 18 months following the closing of the Offering. In connection with the Offering, the Company paid finder's fees in cash equal to 8% of the gross proceeds and issued finder's warrants equal to 8% of the Units sold on certain subscriptions to finders who are at arm's length with the Company. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.265 for a period of 18 months following the closing.

On April 14, 2021 Intema signs a letter of intent to acquire Advertise Technologies. To acquire Advertiise on a cash-free, debt-free basis, Intema will: (i) issue 2,000,000 common shares (each a "Share") of the Company (the "Consideration Shares"), and (ii) pay a maximum earnout of $ 2,000,000, in cash or Shares at a price equal to the higher of the Market Price (as defined in the policies of the TSX Venture Exchange) and the 5-day volume weighted average price on the date preceding the payment at the option of Intema, subject to prior approval of the TSX Venture Exchange, based on Advertiise achieving the following revenue projections:

a. in excess of $7,500,000 during the 12-month period following the closing of the Acquisition (the "Closing Date"), the vendors will receive an earnout amount of $1,000,000;

b. in excess of $1,000,000 during the 12 to 24-month period following the Closing Date, the vendors will receive an additional earnout amount of $1,000,000.

The Consideration Shares to be issued to the vendors of Advertiise will be subject to a voluntary escrow pursuant to the following terms: (i) 25% may be sold four (4) months plus one (1) day from the Closing Date, (ii) 25% six (6) months following the Closing Date, and (iii) 25% on the nine (9) and twelve (12) months following the Closing Date.

The letter of intent terminates in the event the parties fail to complete the Acquisition on or prior to April 30, 2021, unless extended in writing by the parties.

The acquisition is at arm's length and is subject to due diligence by Intema, the signing of a definitive agreement and approval by the regulatory authorities, including the TSX Venture Exchange.

On April 20, 2021 Intema has signed a Letter of Agreement to acquire all the shares of TheSMACK.gg in exchange for $35,000 in cash. This transaction was negotiated at arm's length and is subject to the signing of a definitive agreement and the approval of the TSX Venture Exchange.

On April 21, 2021, Intema announced that it has launched a marketing campaign through Agora Internet Relations Corp. ("Agora"). The marketing campaign is planned for 12 months at an annual cost of $100,000 plus HST, paid entirely in common shares (each a "Share") of Intema, with an initial $20,000 to be issued at the closing price of the Share after the initial 30 days and then in four equal tranches over the term. The issuance of all Shares related to the marketing campaign agreement will be subject to a four-month-and-one-day statutory hold period from the date of issuance. This transaction was negotiated at arm's length and is subject to approval of the TSX Venture Exchange.

Note 31. Event after the reporting period (cont'd)

On April 30, 2021, Intema announced that in connection with the $5,000,000 private placement closing on March 8, 2021, the Company paid finder's fees in cash of $92,000, issued 1,012,120 finder's shares at a deemed price of $0.20 per share and issued 1,397,796 finder's warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.265 for a period of 18 months following the closing.

On April 30, 2021, Intema announced that the Company awarded a bonus to the President and CEO relating to work completed in Q1 2021. Subject to TSXV approval, the bonus will be paid by the issuance of 283,018 common shares at a deemed value of $0.53 per share.

On April 30, 2021, Intema entered into an arm's length binding letter of intent (the "LOI") with Livestream Gaming Ltd, Belize ("Livestream") with respect to a proposed transaction (the "Proposed Transaction"), whereby Intema will acquire all of the issued and outstanding securities of in the capital of Livestream (the "Livestream Securities"). The LOI provides that the Company and Livestream will negotiate and enter into a definitive agreement respecting the Proposed Transaction (the "Definitive Agreement"), according to which Intema will acquire all of the issued and outstanding Livestream Securities for a consideration of $14,750,000 to the Livestream securities holders on the closing date as follows:

(i) $8,000,000 in cash,

(ii) $4,000,000 by the issuance of a secured vendor take back note of Intema bearing 12% interest from the date of any default (a first tranche of $2,000,000 maturing on the ninth month following the closing date, and the balance on the eighteenth month following the closing date), and

(iii) $2,750,000 payable by the issuance of Intema common shares (each a "Share"), issued at a per-share price equal to the five-day volume-weighted average trading price of the Shares on the TSX Venture Exchange (the "TSXV"), as of the date of signing of the definitive agreement.

In addition, Intema will pay the Livestream securities holders up to an additional $3,000,000 in cash, subject to the achievement of the following milestones (the "Milestone Payments"):

(i) $1,500,000, if Livestream generates minimum gross gaming revenue of $7,500,000 during the 12-month period following the closing date, and

(ii) an additional $1,500,000, if Livestream generates minimum gross gaming revenue of $11,250,000 during the 13- to 24-month period following the closing date.

It is anticipated that prior to the closing of the Proposed Transaction, Intema will complete a private placement (the "Concurrent Financing") of subscription receipts of Intema (each, a "Subscription Receipt") for aggregate gross proceeds of a minimum of $10,000,000, at a price per Subscription Receipt to be determined in the context of the market.

Note 32. Covid-19

In order to limit its financial losses related to disruption caused by the Covid-19 pandemic, the Company decided to furlough some employees during a variable period. Also, during the year the Company as benefit of governmental program, Canada Emergency Wage Subsidy (CEWS), Canada Emergency Business Account (CEBA) and Canada Emergency Rent Subsidy (CERS). Following these events, the Company has taken and will continue to take action to minimize the impact. However, it is impossible to determine the financial implications of these events for the moment.

INTEMA

INTEMA SOLUTIONS INC.

Unaudited Interim Consolidated Financial Statements

For the three months and nine months ending September 30, 2021, and September 30, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The interim financial statements of Intema Solutions inc. are the responsibility of management and have been approved by the Board of Directors on March 28, 2022. The management responsibility in this respect includes the selection of appropriate accounting policies as well as the exercise of some judgment in establishing reasonable and fair estimates in accordance with International Financial Reporting Standards (IFRS) appropriate in the circumstances.

The Company, through its President and CEO during his tenure has maintained accounting systems and internal controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that we can rely on the accounting records for the preparation of annual financial statements.

The Board of Directors assumes its responsibilities for the interim financial statements principally through its Audit Committee. The Audit Committee reviews the interim financial statements and recommends their approval to the Board of Directors.

"*Laurent Benezra*"	*"Scott Meyers"*
Laurent Benezra Chef Executive Officer	Scott Meyers Chief Financial Officer

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ACCOUNTANT'S REVIEW REPORT

Ms. Jessica Di Rito, CPA, CA
Audit Committee Chair
Intema Solutions Inc.

In accordance with our engagement letter dated March 3, 2022, we have performed interim review of the consolidated statement of financial position of Intema Solutions Inc. (the "Company") as at September 30, 2021, the consolidated statements of loss and comprehensive loss for the three-month and nine-month periods ended September 30, 2020 and 2021, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods then ended. These consolidated financial statements are the responsibility of the Company's management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with the International Financial Reporting Standards.

This report is solely for the use of the Audit Committee of the Company to assist it in discharging its regulatory obligation to review these consolidated financial statements, and should not be used for any other purpose.

"Macias Gini & O'Connell LLP"

New York, NY
March 29, 2022

INTEMA SOLUTIONS Inc.
Unaudited Consolidated Interim Statements of Financial Position
(in Canadian dollars)

Assets	Note	September 30 2021	December 31 2020
Cash and cash equivalents	9	$ 2,423,850	$ 301,087
Restricted cash	18	6,653,561	-
Trade and other receivables	10	876,447	555,442
Prepaid expenses		97,088	11,103
Research and Development Tax Credit Recoverable		30,653	30,653
Current assets		**$ 10,081,599**	**$ 898,285**
Deposit		8,825	8,825
Property, plant, and equipment	11	30,379	32,234
Lease asset - rental office	12	51,810	85,117
Other intangible assets	13	391,346	75,120
Goodwill	14	525,305	-
Non-current assets		**$ 1,007,665**	**$ 201,296**
Total assets		**$ 11,089,264**	**$ 1,099,581**

Liabilities	Note	September 30 2021	December 31 2020
Employee benefits		$ 145,672	$ 300,175
Trade and other payables	15	514,376	193,062
Subscription receipt liability	18	6,653,561	-
Short-term debt	16	125,000	125,000
Current portion of long-term debt	17	206,409	206,409
Current liabilities		**$ 7,645,018**	**$ 824,646**
Long-term debt	17	53,183	86,196
Long-term liabilities		**$ 53,183**	**$ 86,196**
Total liabilities		**$ 7,698,201**	**$ 910,842**
Shareholders' equity			
Share capital	18	12,150,121	8,409,109
Contributed surplus		2,345,585	1,944,134
Warrants' reserve	18	1,988,232	43,027
Accumulated deficit		(13,092,875)	(10,207,531)
Total shareholders' equity		**$ 3,391,063**	**$ 188,739**
Total liabilities and shareholders' equity		**$ 11,089,264**	**$ 1,099,581**

INTEMA SOLUTIONS Inc.
Unaudited Consolidated Interim Statements of Loss and Comprehensive Loss
(in Canadian dollars)

	Note	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Revenue		$ 32,918	$ 38,970	$ 95,925	$ 100,892
Direct costs	**6**	9,236	38,787	37,732	131,546
Direct labour	**6**	-	-	-	84,371
Gross profit		**$ 23,682**	**$ 183**	**$ 58,193**	**$ (115,025)**
Administration and sales	**6**	1,387,022	129,664	2,680,387	741,047
Research and development	**6**	133,534	(6,948)	218,419	106,751
Operating loss		**$ (1,496,874)**	**$ (122,533)**	**$ (2,840,613)**	**$ (962,823)**
Financial expenses	**7**	21,952	2,659	44,731	11,124
Net loss		**$ (1,518,826)**	**$ (125,192)**	**$ (2,885,344)**	**$ (973,947)**
Weighted average number of shares – basic and diluted	**8**	120,284,335	68,754,789	112,849,888	68,754,789
Net loss per share – basic and diluted	**8**	(0.013)	(0.002)	(0.026)	(0.014)

INTEMA SOLUTIONS Inc.
Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity
(in Canadian dollars)

	Note	Number of Common shares	Share capital	Contributed surplus	Warrant reserve	Accumulated deficit	Total shareholders' equity
Balance as at December 31, 2019		**68,754,790**	**$ 7,625,161**	**$ 1,113,255**	**$ 830,879**	**$ (9,101,764)**	**$ 467,531**
Issuance of capital stock	**18**	22,999,000	862,975	-	44,640	-	907,615
Cost of capital stock issuance	**18**	-	(79,027)	-	(1,613)	-	(80,640)
Expired warrants	**18**	-	-	830,879	(830,879)	-	-
Net loss		-	-	-	-	(1,105,767)	(1,105,767)
Balance as at December 31, 2020		**91,753,790**	**$ 8,409,109**	**$ 1,944,134**	**$ 43,027**	**$ (10,207,531)**	**$ 188,739**
Issuance of capital stock	**18**	28,580,516	3,962,974	-	2,119,757	-	6,082,731
Cost of capital stock issuance	**18**	-	(248,462)	-	(166,683)	-	(415,145)
Exercised warrants	**18**	100,000	26,500	7,869	(7,869)	-	26,500
Issuance of stock options	**18**	-	-	393,582	-	-	393,582
Net loss		-	-	-	-	(2,885,344)	(2,885,344)
Balance as at September 30, 2021		**120,434,306**	**$ 12,150,121**	**$ 2,345,585**	**$ 1,988,232**	**$ (13,092,875)**	**$ 3,391,063**

INTEMA SOLUTIONS Inc.
Unaudited Consolidated Interim Statements of Cash Flows
(in Canadian dollars)

	Note	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Net loss		**$ (2,885,344)**	**$ (973,947)**
Adjustments for:			
Depreciation		6,610	41,351
Amortization		104,969	39,941
Variation of the cash surrender value of life insurance		-	23,434
Loss on assets write-off		53,909	-
Share-based compensation expense		393,582	-
Changes in non-cash working capital items	**19**	(300,679)	233,818
Net cash flow used in operating activities		**$ (2,626,953)**	**$ (635,403)**
Acquisition of businesses		(148,142)	-
Acquisition of Property, Plant and Equipment		(23,664)	(4,344)
Acquisition of intangible assets and goodwill		(4,795)	-
Net cash flow used in investing activities		**$ (176,601)**	**$ (4,344)**
Short term debt		-	40,000
Long term debt		294	127,901
Issuance of share capital		3,194,911	-
Issuance of warrants		2,119,757	-
Cost of issuance of shares		(248,462)	-
Cost of issuance of warrants		(166,683)	-
Exercise of warrants		26,500	-
Net cash flow from financing activities		**$ 4,926,317**	**$ 167,901**
Net increase (decrease) in cash and cash equivalents		**$ 2,122,763**	**$ (471,846)**
Cash and cash equivalents at beginning of period		301,087	501,887
Cash and cash equivalents at end of period	**9**	**$ 2,423,850**	**$ 30,041**

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Intema Solutions Inc., incorporated under the Canada Business Corporation Act, is a Company which provides mainly email campaign deployment services to companies and Web services. The Company's registered office is located at 15 Marie-Anne St W., Suite 200, Montreal, Quebec, Canada, H2W 1B6. The Company is traded publicly on the TSX Venture Exchange under the symbol «ITM» and has no controlling shareholders.

Going concern

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and based on the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. Considering the operating losses and unfulfilled financial ratios, those material uncertainties raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities depends on the continued support of its lenders and shareholders. As at September 30, 2021, the Company has accumulated a deficit of $13,092,875 and a net loss of $2,885,344, and net cash used in operations of $2,626,953. Going concern of the Company depends on, among other things, its ability to achieve a satisfactory level of revenue, the support of its customers, the conclusion of new financial agreements and its ability to raise new sources of funds.

Management believes that obtaining additional financing, reorienting its activities, and relying on the continued support of its existing customers and its shareholders, will help the Company to operate normally. However, there is no certainty that those measures will be sufficient to allow the continuation of the Company in the normal course of business.

The carrying amounts of assets, liabilities, revenues, and expenses presented in the financial statements and the statements of financial position classification have not been adjusted as would be required if the going concern assumption was not appropriate.

NOTE 2 – STATEMENT OF COMPLIANCE WITH IFRS

The Company's consolidated financial statements have been prepared in accordance with IFRS and interpretations currently issued and outstanding. These financial statements were approved by the Board of Directors on March 28, 2022.

Presentation of financial statements

The Consolidated Financial Statements are disclosed according to IAS 1 Presentation of Financial Statements. The Company discloses its Statements of Income (loss) and Statements of Comprehensive Income (loss) together.

NOTE 3 – ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Accounting standards adopted in the current year

IFRS 3 Definition of a business

Amendments were made to IFRS 3 on the definition of a business. The new definition clarifies that to constitute a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The amendments apply to asset acquisitions and business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The application of these amendments had no impact on the Company's consolidated profit, loss, or financial position.

COVID-19-Related Rent Concessions (Amendment to IFRS 16)

IFRS 16 Leases has been revised to incorporate an amendment issued by the International Accounting Standards Board (IASB) in May 2020. The amendment permits lessees not to assess whether COVID-19-related rent concessions are lease modifications and, instead, account for those rent concessions as if they were not lease modifications. In addition, the amendment to IFRS 16 provides specific disclosure requirements regarding COVID-19-related rent concessions.

The amendment in April 2021 extends the availability of the exemption for COVID-19-related rent concessions by one year to June 30, 2022. This means that the exemption applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022, provided the other conditions in IFRS 16 for applying the exemption are met. The amendment is effective for annual reporting periods beginning on or after April 1, 2021. The Company used the earlier application permitted.

Accounting standards issued but not yet applied

At the date of authorization of these consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates adopting these new standards as of its effective date. The Company is currently analyzing the possible impact of this standard on its consolidated financial statements.

Annual Improvements to IFRS Standards 2018-2020

The standard IFRS 9 Financial Instrument has been revised to incorporate amendments issued by the IASB in May 2020. The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

IAS 1 Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement

The financial statements as at September 30, 2021, and December 31, 2020, have been prepared on a going concern assumption and on the historical cost basis, except for the revaluation of certain financial instruments at fair value. In addition, these financial statements are on an accrual basis, except for cash flow information, and have been prepared according to significant accounting policies as described below.

Basis of consolidation

The Company's financial statements consolidate those of the parent company and all of its subsidiaries as of September 30, 2021. All subsidiaries have a year-end reporting date of December 31.

All transactions and balances between the Company's subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Company perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Functional and presentation currency

The financial statements are presented in Canadian dollars (CDN), which is the functional currency.

Foreign currency translation of transactions

Transactions in foreign currency other than the Company's functional currency (foreign currencies) are recorded in functional currency at the rates of exchange prevailing at the dates of the transactions.

Financial instruments

Recognition and initial measurement

The Company initially recognizes a financial asset or a financial liability on the date it becomes a party to the contractual provisions of the instrument. Except for trade receivables that do not contain a significant financing component, a financial asset or financial liability is initially measured at fair value. If a financial asset or financial liability is not subsequently recognized at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component are initially recognized at their transaction price.

Classification and subsequent measurement – non-derivative financial assets

On initial recognition, the Company classifies its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are reclassified subsequently to their initial recognition when, and only when, the Company changes its business model for managing financial assets.

Financial assets measured at amortized cost

The Company classifies cash and cash equivalents as well as trade and other receivables as financial assets measured at amortized cost. A financial asset is subsequently measured at amortized cost using the effective interest method, less impairment losses, if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss. Upon derecognition, all gains or losses are also recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income

The Company does not have financial assets in this category. A financial asset is subsequently measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

The Company may make an irrevocable election at initial recognition for investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. This election is made for each separate investment.

These assets are subsequently measured at fair value. For debt instruments measured at fair value through other comprehensive income, interest calculated using the effective interest method, foreign exchange gains and losses, and impairment gains or losses are recognized in profit or loss. Other gains or losses are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

For equity instruments measured at fair value through other comprehensive income, dividends are recognized in profit or loss, unless the dividend represents a recovery of part of the cost of the investment. Gains or losses are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Financial assets measured at fair value through profit or loss

The Company classifies investments in this category. All financial assets not classified as measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes all derivative financial assets. The Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

These assets are subsequently measured at fair value, and gains or losses, including interest income or dividend income, are recognized in profit or loss.

Classification and subsequent measurement – non-derivative financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost or as financial liabilities measured at fair value.

Financial liabilities measured at amortized cost

The Company currently classifies trade and other payables, short-term debt and long-term debt as financial liabilities measured at amortized cost. A financial liability is subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Upon de-recognition, all gains or losses are also recognized in profit or loss.

Financial liabilities measured at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, are derivative financial liabilities or are designated as such on initial recognition. Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and gains or losses, including interest expense, are recognized in profit or loss. The Company does not have financial liabilities in this category.

Derecognition

Financial assets

The Company derecognizes financial assets when the contractual rights to the cash flows from the financial asset expire or when the Company transfers contractual rights to receive the cash flows of the financial asset in a transaction where substantially all the risks and rewards of ownership of the financial asset have been transferred or in a transaction where the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control of the asset. Any rights and obligations created or retained in the transfer by the Company are recognized as separate assets or liabilities.

Financial liabilities

The Company derecognizes a financial liability when the obligation specified in the contract is discharged or cancelled or expires.

The Company also derecognizes a financial liability when there is a substantial modification of the terms of an existing financial liability or a part of it. In this situation, a new financial liability under the new terms is recognized at fair value, and the difference between the carrying amount of the financial liability or a part of the financial liability extinguished and the new financial liability under the new terms is recognized in profit or loss.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost or fair value through other comprehensive income. The Company uses a matrix to determine the lifetime expected credit losses for trade receivables.

The Company uses historical patterns for the probability of default, the timing of collection, and the amount of the incurred credit loss, which is adjusted based on management’s judgment about whether current economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

The amount of the impairment loss on a financial asset measured at amortized cost is the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognized in profit or loss and applied against trade and other receivables through a loss allowance account.

Compound financial instruments

Compound financial instruments issued by the Company are classified separately as financial liabilities and equity based on the substance of the contractual agreement. On the date of issue, the fair value of the liability component is measured using the effective market rate of interest for a similar non-convertible instrument. This amount is accounted for as a liability at amortized cost using the effective interest method until the instrument is extinguished or reaches maturity. The equity component is determined by deducting the amount of the liability component from the total fair value of the compound instrument. This amount is recognized in equity, net of any tax effects, and is not subsequently re-measured.

Other comprehensive income (loss)

Other comprehensive income is the change in the Company's net assets that results from translations, events, and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the net earnings such as foreign currency gains or losses on the translation of the financial statements of foreign operations. The Company's other comprehensive income (loss), components of other comprehensive income (loss) and cumulative translation adjustments are presented in the statements of net income (loss) and comprehensive income (loss) and the statements of changes in shareholder's equity.

Revenue recognition

Revenue from continuing operations

The Company's revenue comes mainly from deployment of email marketing campaigns and web services.

Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company determines the amount of revenue to be recognized through the application of the following steps:

1. Identification of the contract(s) with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligation in the contract
5. Recognition of revenue when tor as the company satisfies the performance obligations

Revenue is measure based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer. Estimated allocated for returns and credits are recorded as a reduction of revenue at the time of revenue recognition.

Government assistance

The income tax credits related to scientific research and development activities are accounted for in reduction of the related expenses incurred during the year. Government assistance is recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program or, with regards to tax credits, when there is reasonable assurance that they will be realized.

During the COVID-19 pandemic, the Company received government assistance to maintain its operations. This assistance was recognized when there is reasonable assurance that the Company will comply with the conditions attaching to it, and that assistance will be received. Government assistance was applied against the qualifying expense to which the grants relate or recorded to other income (COVID-19 loan subsidies, COVID-19 rent concessions). When government assistance is repayable, a liability is created except when there is reasonable assurance that the entity will meet the conditions prescribed for not repaying the amounts received. This liability is recorded at the discounted value of the repayments due.

Accounted income tax credits and subsidies must be reviewed and approved by Government Tax Authority, and tax credit and subsidies allowed could differ from tax credit accounted.

Research and development costs

Research and development costs are recorded as expenses in the year in which they are incurred. Development costs of new products are accounted for capitalization in accordance with criteria generally accepted, to the amount which recovery may be considered as certain. Deferred development costs are amortized on a useful life basis, beginning in the first year of the commercialization.

Share-based payment

The Company applies IFRS 2 Share based Payment to transactions whose award and settlement are share-based and to cash-settled share-based transactions. In applying this standard, stock options and bonus shares granted to employees are measured at fair value. The amount of such fair value is recognized in profit or loss over the vesting period, with a corresponding increase in equity.

The Company offers an incentive stock option plan. This plan is considered as equity.
Any consideration paid on the exercise of stock options is credited to common share capital and no compensation expense is recognized for this plan when stock and stock options are exercised.

The Company uses the fair value method of accounting for all stock options granted to its employees and to continued services providers to the Company, whereby a compensation expense is recognized over the vesting period of the options, with a corresponding increase to contributed surplus. When stock options are exercised, capital stock is credited by the sum of the consideration paid together with the related portion previously recorded to contributed surplus. The fair value of stock options at the grant date is determined according to the Black-Scholes options pricing model. Compensation expense is recognized over the vesting period of the stock options.

Income taxes

The Company accounts for its tax expense using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the periods in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed based on tax profit which differs from net profit. This calculation is made using tax rates and laws enacted or substantively enacted at the end of the reporting period.

Basic and diluted earnings per share

Basic and diluted net earnings per share are calculated by dividing income (loss) attributable to common shareholders of the Company by the weighted average number of outstanding shares. The calculation of diluted earnings per share considers the potential impact of the exercise of all dilutive instruments (such as stock options and convertible bonds, etc.). If necessary, net profit is also adjusted for the finance cost, net of tax, relating to these instruments.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and short-term, highly liquid investments with original maturities of three months or less, and that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

Property, plant, and equipment

All items of property, plant and equipment are stated at historical cost, less any income tax credits, any accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition.

Depreciation of property and equipment is calculated based on the estimated useful lives, beginning at service date, deducting the residual value of property and equipment by using the following methods as described below:

Asset type	Amortization method	Amortization term
Computer Hardware	Straight-line	4 years
Furniture	Straight-line	3 - 8 years
Leasehold improvements	Straight-line	Life of lease

Useful lives, residual values and depreciation methods are reviewed annually. Such a review takes into consideration the nature of the assets, their intended use and technological changes.

Gains or losses on disposals of property and equipment, are determined as the difference between the disposal proceeds and the carrying amount of the assets and are presented distinctly in net income.

Leases

The Company leases some items of property, plant and equipment.

As is permitted under IFRS 16, the Company elected to expense its short-term leases (term of 12 months or less) and leases of low-value assets, on a straight-line basis over the lease term.

For its other contracts, the Company assesses whether its new or amended contracts contain a lease.

A lease represents the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset, the Company assesses the following:

- Is the identified asset directly or indirectly specified in the contract, or does it represent substantially all of the capacity of an asset that is physically distinct?

- Does the right of use cover substantially all of the economic benefits from use of the identified asset for a period of time?

- Does the Company have the right to direct the use of the identified asset? In cases where the use is predetermined, does the Company operate the asset or did the Company design the asset in a way that predetermines how and for what purpose the asset will be used?

When a lease is identified, the Company allocates the consideration in the contract to each of the lease components, separately from the non-lease components, based on their relative stand-alone price. However, as is permitted under IFRS 16, the Company elected to account for all contracts of land and buildings it occupies as leases.

A right-of-use asset (a “lease asset”) and a lease liability are recognized in the consolidated statement of financial position at the lease commencement date.

Lease asset

A lease asset is initially recognized at cost, which comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made or any lease incentives received at or before the commencement date, plus any initial direct costs incurred by the Company and an estimate of costs to be incurred in dismantling, removing or restoring the asset or site, as required by the terms and conditions of the lease.

The lease asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the lease asset or the end of the lease term. The useful life of a lease asset is measured on the same basis as the Company’s other property, plant, and equipment.

The Company presents its lease asset distinctly in the consolidated statements of financial position.

Lease liability

A lease liability is initially measured at the present value of the lease payments that are not paid at that date using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses its incremental borrowing rate, which is generally the case. The lease payments comprise the following: fixed payments; variable lease payments that depend on an index or a rate, using the index or rate as at the commencement date; an estimate of the amounts to be payable under residual value guarantees; as well as amounts the Company is reasonably certain to pay as the exercise price of a purchase or extension option, or as a penalty to exercise a termination option.

The lease liability is subsequently re-measured at amortized cost using the effective interest method.

When there is a change in lease payments resulting from a change in an index or a rate or a change in an estimated amount, the amount of such an adjustment is offset in the unamortized cost of the lease asset or reported in the statement of profit or loss when the lease asset is fully impaired.

The Company presents its lease liability with its other long-term debt (see Note 17) and the interest on its lease liability (calculated at the effective interest rate) with its other financial expenses in the consolidated statement of income or loss.

Intangible assets

Patents

Patents are accounted for at cost. Patents are amortized on their useful life on a straight-line basis over 20 years beginning from when the product is marketed.

Software

Software is accounted for at cost. Software is amortized based on their useful life using the straight-line method over a period of three years.

Intangible assets generated internally by incurring research and development expenditures

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as an asset as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

Domain names

Domain names purchased by the Company are accounted for at cost. Domain names are not amortized since their useful life is unlimited.

Trade names

Trade names purchased by the Company are accounted for through purchase price accounting and valued using discounted cash flows and market price validation. Trade names are not amortized. Trade names are tested annually for impairment using an expected discounted cash flow model.

Active users

Active users purchased by the Company are accounted for through purchase price accounting and valued using discounted cash flows and market price validation. Active users are amortized over their useful life.

Business combinations and goodwill

The Company applies the acquisition method of accounting for all business combinations in accordance with IFRS 3. The consideration transferred in connection with a business combination consists of the sum of the fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquired business and equity interests issued by the acquirer. The consideration transferred includes any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities, and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

The acquisition-related costs are expensed in the periods in which the costs are incurred and the services received.

Identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date. Changes in the fair value of contingent consideration resulting from events after the acquisition date which are classified as an asset or liability are recognized in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, either in net income or in other comprehensive income. Contingent considerations classified as equity are not re-measured and subsequent settlement is recognized in equity.

Goodwill with indefinite useful life is initially measured as the excess of the consideration transferred over the net of the amounts, at the acquisition date, the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is subject to a systematic annual impairment test during the fourth quarter or whenever there is an indication of impairment. Rising interest rates, lower turnover, and operating income include loss ratios that management monitors.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Impairment of assets

Non-current assets that have indefinite useful lives, for example goodwill, are not subject to amortization and are tested annually for impairment. Non-current assets with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

If at the end of each period there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or has decreased, the loss is reversed up to the asset's recoverable amount. However, the carrying amount after the reversal must not exceed the carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior periods.

For purposes of impairment testing, if an asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, it is grouped with other assets to create a cash generating unit (CGU), which correspond to the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs relate to the Company's brand assets and are allocated based on the three geographic segments that are subject to internal monitoring.

If the recoverable amount of a CGU exceeds its carrying amount, the unit and the goodwill allocated to it are regarded as not impaired. If the carrying amount of the unit exceeds its recoverable amount, the Company first allocates the impairment loss to reduce the carrying amount of any goodwill allocated to the CGU and secondly to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Moreover, when goodwill and another asset (or asset group) of a CGU are tested for impairment at the same time, the other asset (or asset group) is tested for impairment before goodwill. When the other asset (or asset group) is impaired, the impairment loss is recognized prior to goodwill being tested for impairment.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined based on profit or loss projections over the useful life of the asset or CGU using management’s forecast tools and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation considers net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss recognized in prior periods for an asset or a CGU other than goodwill is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior periods. An impairment loss recognized for goodwill cannot be reversed.

Nature of provisioned liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets, provisions for risks and expenses are recognized to cover probable outflows of resources that can be estimated and that result from present obligations resulting from past events.

In the case where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or the estimate is not reliable, these contingent liabilities are disclosed in unrecognized commitments and litigation. The provisions are measured based on management’s best estimate of the outcome based on facts known at the reporting date. The provisions include provisions for litigation (legal, employee-related), for the environment and others.

A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources that can be reliably estimated. The amount of the provision is the best estimate of the outflow of resources required to settle this obligation.

Employee benefits

Wages, contributions to government pension plans, paid annual leave, paid sick leave, bonuses and non-monetary benefits are short-term employee benefits, which are recognized in the period during which the Company’s employees render the related services.

Shareholders’ equity

The share capital is presented at the value at which the shares were issued. Costs related to the issuance of shares, share purchase warrants or options are shown in shareholders’ equity as a deduction from the issue proceeds allocated in proportion of units issued.

Share capital, share-based compensation, and warrants

The common shares and warrants are classified to equity. The issue proceeds are allocated between shares and warrants issued using the relative fair value method. The issued proceeds are allocated in proportion to the fair value of shares based on the stock prices at the time of issue and the fair value of the warrants.

The fair value of share-based compensation and warrants are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option or warrant, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture options granted.

Contributed surplus

Contributed surplus includes, among others, expenses related to stock options until exercise of the options, amounts related to cancellations of warrants and options to purchase shares recorded as a reduction of contributed surplus during the expiration period.

Contributed surplus includes the difference between the share price and the fair value at a share issue given the valuation of financial instruments related.

The fair value of stock options is determined using the Black-Scholes valuation model based on the characteristics of market data at the grant date and on the basis of a hypothesis determined by the direction of the Company.

NOTE 5 – MAIN SOURCES OF ESTIMATION, UNCERTAINTY, AND CRITICAL JUDGEMENTS BY MANAGEMENT

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements, and the carrying amount of revenues and expenses for the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period.

The significant accounting policies subject to such judgment and the key sources of estimation uncertainty that, in the Company's opinion, could significantly affect the reported results or financial position, are as follows:

Research and development tax credit

Management has made a number of estimates and assumptions in determining the expenditures eligible for the research and development investment tax credit claim. Tax credits are available based on eligible research and development expenses consisting of direct expenditures and including a reasonable allocation of overhead expenses. It is possible that the allowed amount of the research and development investment tax credit claim could be materially different from the recorded amount upon assessment by the Canada Revenue Agency and Revenue Québec. Tax credits are recognized when there is reasonable assurance that they will be realized.

Leases

In determining lease terms, the Company used its judgment to determine that the extension options were not significant. Furthermore, the Company does not believe the interest rate implicit in its leases can be readily determined. It therefore used its judgment to determine the incremental borrowing rate and use it as the discount rate to establish its lease liability.

For every lease, management makes a judgment to determine the appropriate lease term. Management considers all relevant facts and circumstances that create an economic incentive for the Company to exercise a renewal option or not to exercise a termination option, including, for example, investments in extensive leasehold improvements. The periods covered by the renewal options are included in the lease term only if management deems them reasonable.

Management considers reasonable certainty to be a high threshold. Changes in the economic environment can have an impact on management's lease term assessments, and any changes in the estimates that management makes for lease terms could have a significant impact on the Company's statement of financial position and statement of profit or loss.

To determine the carrying amount of right-of-use asset and lease liability, the Company must estimate the incremental borrowing rate for each leased asset if the interest rate implicit in the lease cannot be readily determined. Management determines the incremental borrowing rate for each leased asset by considering the Company's credit standing, the guarantee, the term, and the value of the underlying leased asset, as well as the economic environment in which the leased asset is operated. Incremental borrowing rates can be changed due to macroeconomic changes in the environment.

Income taxes

Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as tax losses not yet deducted. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of un-deducted tax losses are based on the applicable income tax legislation, regulations, and interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur after the issuance of the financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income, in which case deferred tax assets are recognized for all deductible temporary differences.

The assessment is based upon enacted or substantively enacted tax laws and estimates of future taxable income. Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments. To the extent that forecasts differ from actual results, adjustments are recognized in subsequent periods.

Useful lives of non-current assets

Management estimates the useful life of each component of an asset. Management relies on an analysis of all relevant factors including, without limitation, the expected use of its fixed assets, contractual terms allowing the renewal or extension of the legal or contractual useful life of an asset without substantial cost, as well as the history of renewals when it comes to intangible assets.

If the estimated useful life is revised, an increase or decrease of the annual depreciation charge will result.

Impairment losses

An impairment loss is recorded for the amount by which an asset's or cash-generating unit's (CGU) carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and value in use. Management determines value in use by estimating the expected future cash flows from each asset or CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. On measurement of expected future cash flows, management uses assumptions pertaining to future operating results, such as obtaining new contracts and their profitability. Those assumptions relate to future events and circumstances.

Business combinations and goodwill

For business combinations, the Company must make assumptions and estimates to determine the purchase price allocation of the business being acquired. To do so, the Company must determine the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. Goodwill is the difference between the identified items acquired and the fair value of the consideration transferred on the acquisition date. These assumptions and estimates have an impact on the asset and liability amounts recorded in the statement of financial position on the acquisition date. In addition, the estimated useful lives of the acquired property, plant and equipment, the identification of other intangible assets, and the determination of indefinite or finite useful lives of other intangible assets acquired will have an impact on the Company's profit or loss.

Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement of these instruments is at amortized cost or at fair value depending on their classification.

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Company has immediate access. In the absence of an active market, fair value is determined on the basis of internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models, requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as number of variables. In determining these assumptions, external readily observable market inputs are considered, as applicable. When such data is unavailable, the Company uses the best possible estimate. Since they are based on estimates, these fair values may not be realized in an actual sale or immediate settlement of the instruments.

Note 22 provides details on these bases of calculation and on the estimates used.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are sources of estimation and uncertainty.

(in Canadian dollars)

Convertible debentures

The Company reports separately in the statement of financial position liability component and the equity component of convertible debentures. The fair value of the compound instrument at issuance is split between the liability component and the equity component and is determined using an interest rate for a similar debt instrument devoid of equity component. The Company must first establish the fair value of the conversion option and warrants that are presented in equity which is then deducted from the fair value of the compound instrument of the liability component. Thus, the estimates used to determine the fair value of the liability component included in the convertible debentures could affect the performance of the interest expense recognized in the financial statements if it were inadequate.

NOTE 6 – OPERATING EXPENSES

Operating expenses include :	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Employees expenses	434,250	57,115	832,473	438,464
Production expenses	2,464	4,879	9,639	30,097
Consulting fees and subcontracts	61,022	-	179,772	-
Rent	33,884	12,750	63,842	29,093
Office expenses	294,973	29,916	457,000	173,101
Professional fees	455,167	43,078	798,197	311,627
Stock compensation expenses	67,320	-	393,582	-
Advertising and promotion	36,545	-	36,545	-
Write off of fixed assets	18,909	-	18,909	-
Impairment of intangible asset	35,000	-	35,000	-
Depreciation / amortization	90,258	13,765	111,579	81,333
Total operating expenses	**$ 1,529,792**	**$ 161,503**	**$ 2,936,538**	**$ 1,063,715**

NOTE 7 – FINANCIAL INCOME AND EXPENSES AND GAIN ON DEBT SETTLEMENT

Financial income and expense is detailed as follows:	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Interest on current liabilities	10,386	-	28,161	-
Loss (gain) on foreign exchange	11,566	-	16,570	-
Subtotal	**$ 21,952**	**$ -**	**$ 44,731**	**$ -**
Interest and financial expenses on long-term debt	-	2,659	-	11,124
Total financial expenses	**$ 21,952**	**$ 2,659**	**$ 44,731**	**$ 11,124**

NOTE 8 – LOSS PER SHARE

Dilutive potential instruments (convertible debentures, warrants, stock options) have not been included in the calculation of dilutive earnings per share because of their anti-dilutive effect.

(in Canadian dollars)

NOTE 9 – CASH AND CASH EQUIVALENTS

	September 30 2021	December 31 2020
$ Can	2,422,856	300,437
$ US converted	994	650
Cash	**$ 2,423,850**	**$ 301,087**
Restricted cash $ Can	6,653,561	-
Total cash and cash equivalents	**$ 9,077,411**	**$ 301,087**

NOTE 10 – TRADE AND OTHER RECEIVABLES

	September 30 2021	December 31 2020
Trade accounts receivable	12,543	24,272
Advance to an officer without interest	-	11,585
CEWS subsidy receivable	-	35,720
Subscriptions receivable	175,200	-
Subscriptions receivable held in trust	535,500	434,985
Sales tax receivable	153,204	48,880
Trade and other receivables	**$ 876,447**	**$ 555,442**

All amounts are due in the short term. The net carrying amounts represent a reasonable approximation of their fair value.

The net book value of outstanding trade receivables of the Company is $12,543 ($24,272 in 2020) at the end of the period. The aging of these receivables is detailed in the following table:

Aging of receivables	September 30 2021	December 31 2020
Not impaired and past due by:		
0 to 30 days	10,129	22,675
31 to 60 days	-	-
61 to 90 days	-	-
Over 90 days	2,414	1,597
Trade and other receivables	**$ 12,543**	**$ 24,272**

Before accepting a new customer, the Company evaluates the credit quality of the potential customer and sets credit limits for that customer. Credit limits and credit quality assessments are reviewed each year. To determine the collectability of a trade receivable, the Company considers any change in credit quality from the date the credit was initially granted to the reporting date.

The Company has not set up any allowance for the accounts presented in the preceding table since the credit quality of these receivables has not changed significantly, and they are still considered collectible.

(in Canadian dollars)

Trade receivables are normally recovered in 68 days (62 days in 2020). The Company does not hold any collateral in respect of these receivables.

The subscription receivable in the amount of $175,200 as at September 30, 2021, relates to amounts due from subscribers of the March 2021 private placement and December 2020 private placement received during the fourth quarter of 2021.

The subscription receivable held in trust in the amount of $535,500 as at September 30, 2021, relates to the March 2021 private placement and was due from the legal trust and received in October 2021. The $434,985 as at December 31, 2020, relates to the December 2020 private placement and was due from the legal trust.

NOTE 11 – PROPERTY, PLANT, AND EQUIPMENT

Cost		**Computer hardware**		**Furniture**		**Leasehold improvements**		**Total property, plant, and equipment**
As at December 31, 2019	**$**	**176,808**	**$**	**98,286**	**$**	**-**	**$**	**275,094**
Additions		4,816		3,751		-		8,567
Disposals		-		(80,517)		-		(80,517)
As at December 31, 2020	**$**	**181,624**	**$**	**21,520**	**$**	**-**	**$**	**203,144**
Additions		12,680		8,280		2,704		23,664
Disposals		(166,642)		(17,769)		-		(184,411)
As at September 30, 2021	**$**	**27,662**	**$**	**12,031**	**$**	**2,704**	**$**	**42,397**

Accumulated depreciation		**Computer hardware**		**Furniture**		**Leasehold improvements**		**Leasehold improvements**
As at December 31, 2019	**$**	**145,860**	**$**	**13,300**	**$**	**-**	**$**	**159,160**
Additions		10,107		1,643		-		11,750
As at December 31, 2020	**$**	**155,967**	**$**	**14,943**	**$**	**-**	**$**	**170,910**
Additions		4,447		1,217		946		6,610
Disposals		(151,028)		(14,474)		-		(165,502)
As at September 30, 2021	**$**	**9,386**	**$**	**1,686**	**$**	**946**	**$**	**12,018**

Net book value		**Computer hardware**		**Furniture**		**Leasehold improvements**		**Total property, plant, and equipment**
As at December 31, 2020	**$**	**25,657**	**$**	**6,577**	**$**	**-**	**$**	**32,234**
As at September 30, 2021	**$**	**18,276**	**$**	**10,345**	**$**	**1,758**	**$**	**30,379**

(in Canadian dollars)

NOTE 12 – LEASE ASSET – RENTAL OFFICE

Cost		**Lease asset rental office**
As at December 31, 2019	**$**	**133,226**
As at December 31, 2020	**$**	**133,226**
As at September 30, 2021	**$**	**133,226**

Accumulated depreciation		**Lease asset rental office**
As at December 31, 2019	**$**	**3,701**
Additions		44,408
As at December 31, 2020	**$**	**48,109**
Additions		33,307
As at September 30, 2021	**$**	**81,416**

Net book value		**Lease asset rental office**
As at December 31, 2020	**$**	**85,117**
As at September 30, 2021	**$**	**51,810**

(in Canadian dollars)

NOTE 13 – INTANGIBLE ASSETS

Cost	Patents	Software	Domain name	Active users	Trade name	Total intangibles
As at December 31, 2019	**$ 42,004**	**$ 1,163,865**	**$ 3,928**	**$ -**	**$ -**	**$ 1,209,797**
Additions	10,198	29,757	-	-	-	39,955
As at December 31, 2020	**$ 52,202**	**$ 1,193,622**	**$ 3,928**	**$ -**	**$ -**	**$ 1,249,752**
Additions	-	388,595	-	27,300	40,300	456,195
Disposals	-	-	-	-	(35,000)	(35,000)
As at September 30, 2021	**$ 52,202**	**$ 1,582,217**	**$ 3,928**	**$ 27,300**	**$ 5,300**	**$ 1,670,947**

Accumulated amortization	Patents	Software	Domain name	Active users	Trade name	Total intangibles
As at December 31, 2019	**$ 7,873**	**$ 1,122,525**	**$ -**	**$ -**	**$ -**	**$ 1,130,398**
Additions	2,425	41,809	-	-	-	44,234
As at December 31, 2020	**$ 10,298**	**$ 1,164,334**	**$ -**	**$ -**	**$ -**	**$ 1,174,632**
Additions	1,957	103,012	-	-	-	104,969
As at September 30, 2021	**$ 12,255**	**$ 1,267,346**	**$ -**	**$ -**	**$ -**	**$ 1,279,601**

Net book value	Patents	Software	Domain name	Active users	Trade name	Total intangibles
As at December 31, 2020	**$ 41,904**	**$ 29,288**	**$ 3,928**	**$ -**	**$ -**	**$ 75,120**
As at September 30, 2021	**$ 39,947**	**$ 314,871**	**$ 3,928**	**$ 27,300**	**$ 5,300**	**$ 391,346**

(in Canadian dollars)

NOTE 14 – BUSINESS ACQUISITIONS AND GOODWILL

Acquisition of HypeX.gg Plateforme de Jeux Sociaux Inc.

On February 8, 2021, the Company acquired 100% of the issued and outstanding shares of HypeX.gg Plateforme de Jeux Sociaux Inc. ("HypeX"). The purchase price was cash consideration of $75,000 and 1,625,000 shares of the Company valued at $0.26 for a value of $422,500.

Through the acquisition of HypeX, the Company provides the ability to offer esports tournaments to venues of small to arena sizes. HypeX also allows for many different esports to be played through its tournament platform.

The table below summarizes the fair value of the assets acquired and the liabilities assumed at the acquisition date:

Consideration	
Cash	$ 75,000
Shares of The Company	422,500
Total consideration	**$ 497,500**
Net assets acquired	
Cash	199
Software	383,800
Active users	27,300
Tradename	5,300
Goodwill	80,901
Total assets	**497,500**
Total net assets acquired	**$ 497,500**

Acquisition of Team Bloodhounds Inc.

On September 21, 2021, the Company acquired 100% of the issued and outstanding shares of Team Bloodhounds Inc. The purchase price was cash consideration of $54,834, 1,000,000 shares of the Company valued at $0.53 for a value of $500,000, less discounting for the vesting terms, which arrived at the final value of $345,564, along with a payable to the owners of Team Bloodhounds Inc. due 3 months after the acquisition date of $60,500.

Team Bloodhounds Inc. is the second largest esports team in Canada. Through this acquisition, the Company has access to the Team Bloodhounds brand and marketing.

The table below summarizes the fair value of the assets acquired and the liabilities assumed at the acquisition date:

(in Canadian dollars)

Consideration		
Cash	$	54,834
Note payable		60,500
Shares of The Company		345,563
Total consideration	**$**	**460,897**
Net assets acquired		
Cash		16,493
Goodwill		444,404
Total assets	**$**	**460,897**
Total net assets acquired	**$**	**460,897**

Goodwill is comprised of:

	September 30, 2021	**December 31, 2020**
HypeX goodwill	$ 80,901	$ -
Team BH goodwill	$ 444,404	$ -
Total goodwill	**$ 525,305**	$ -

Acquisition of Champion eSports Inc.

On April 20, 2021, the Company signed a purchase agreement to acquire 100% of the issued and outstanding shares of Champion eSports Inc. The purchase price was cash consideration of $35,000. The acquisition closed on April 20, 2021. The acquisition was deemed an asset acquisition.

The table below summarizes the fair value of the assets acquired and the liabilities assumed at the acquisition date:

Consideration		
Cash	$	35,000
Total consideration	**$**	**35,000**
Net assets acquired		
Tradename		*35,000*
Total assets	**$**	**35,000**
Total net assets acquired	**$**	**35,000**

(in Canadian dollars)

NOTE 15 – TRADE AND OTHER PAYABLES

	September 30 2021	December 31 2020
Trade and accrued payables	500,661	191,564
Accrued interest	5,250	-
Sales tax	8,465	1,498
Trade and other payables	**$ 514,376**	**$ 193,062**

NOTE 16 – SHORT-TERM DEBT

	September 30 2021	December 31 2020
Loans from private companies, bearing interest at 14%, without guarantee	125,000	125,000
Total short-term debt	**$ 125,000**	**$ 125,000**

(in Canadian dollars)

NOTE 17 – LONG-TERM DEBT

	September 30 2021	December 31 2020
Loans from previous officer (1)	161,723	161,723
Lease liability (2)	57,869	90,882
CEBA loan (3)	40,000	40,000
Total debt	**$ 259,592**	**$ 292,605**
Current portion	206,409	206,409
Total long-term debt	**$ 53,183**	**$ 86,196**

(1) The loan without interest from a previous officer, whose repayment conditions are to be renegotiated, (formerly, will be payable at $5,000 per month once the following conditions have been fulfilled: 1) relisting of the common shares of the Company on the TSX Venture Exchange and, 2) the warrants included in the March 2019 special warrants financing are exercised).

(2) The lease liability is related to Lease asset – rental office. The interest expense in the statement of loss and comprehensive loss includes an amount of $10,981 ($11,252 in 2020) in interest on the lease liability. The Company's total cash payment for its leases is $38,745 ($50,505 in 2020). Maturities on borrowings are $11,672 due in 2021 and $46,197 due in 2022.

(3) The Canada Emergency Business Account (CEBA) is intended to provide financial support to businesses struggling to cover their expenses that are not able to defer through this pandemic. The loan is for $60,000 and is interest-free with the potential of up to $20,000 of loan forgiveness, if the balance of the loan is repaid on or before December 31, 2022. If the loan is not repaid by this date, it will be converted into a three-year term loan at an annual interest rate of 5% with the entire loan to be repaid. The Company intends to reimburse the $40,000 in December 2022.

(in Canadian dollars)

NOTE 18 – SHAREHOLDERS' EQUITY

Share capital

The Company's authorized capital stock consists of an unlimited number of voting and participating common shares par value.

Issued (amount)	September 30 2021	December 31 2020
Opening balance	**$ 8,409,109**	**$ 7,625,161**
Private placement (a)	2,992,487	508,973
Shares issued in lieu of finders' fees (a)	202,424	-
Cost of share issuance (a)	(248,462)	-
Debt conversion (b)	-	274,975
Warrants exercised (c)	26,500	-
Purchase of HypeX.gg (d)	422,500	-
Purchase of Team Bloodhounds Inc. (e)	345,563	-
Ending balance	**$ 12,150,121**	**$ 8,409,109**

Issued (number of shares)	September 30 2021	December 31 2020
Opening balance	**91,753,790**	**68,754,790**
Private placement (a)	25,000,000	12,000,000
Shares issued in lieu of finders' fees (a)	1,012,120	
Debt conversion (b)	-	10,999,000
Warrants exercised (c)	100,000	-
Purchase of HypeX.gg (d)	1,625,000	-
Purchase of Team Bloodhounds Inc. (e)	943,396	-
Ending balance	**120,434,306**	**91,753,790**

(a) Private placement

a. On March 8, 2021, in connection with a non-brokered private placement the Company issued 25,000,000 common shares at $0.20 per share and 25,000,000 warrants for a total of $5,000,000. $2,992,487 was assigned to the value of shares with the remaining $2,007,513 assigned to the value of the warrants. The transaction involved a payment of $92,000 in cash for finder's fees and of $202,424 in shares issued (1,012,120 shares at $0.20) and $133,922 of finder's fee warrants issued (1,397,796 warrants with a strike price of $0.2650). Total finders' fees amounted to $415,145, of which $248,462 was allocated to shares, and $166,683 was allocated to warrants.

b. On December 18, 2020, in connection with a non-brokered private placement the Company issued 12,000,000 common shares at $0.05 per share and 12,000,000 warrants for a total of $600,000. The amount accounted for is net of warrants value of $12,000. A share issue expense totaling $79,027, including warrants issued as finder's fees valued at $32,640, was recorded as a reduction of the value of the private placement.

(in Canadian dollars)

(b) Debt conversion
   a. On November 6, 2020, as debt settlement agreements, the Company issued, at a price of $0.025 per common share: 4,599,000 common shares to a creditor and 6,400,000 common shares to two borrowers, for a total value of $274,975.

(c) Warrants exercised
   a. On July 29, 2021, 100,000 warrants were exercised at a price of $0.265 per warrant for a total value of $26,500.

(d) Purchase of HypeX.gg Plateforme de Jeux Sociaux Inc.
   a. As part of the purchase of HypeX.gg, the Company issued 1,625,000 shares at a price of $0.26 for a total value of $422,500 to the former owners. 406,250 shares vested at closing, 406,250 vest 6 months after the purchase, 406,250 vest 9 months after the purchase, and the remainder vest 12 months after the purchase. The share value was not discounted as the provision in the purchase agreement was not strict.

(e) Purchase of Team Bloodhounds Inc.
   a. As a part of the purchase of Team Bloodhounds Inc., the Company issued 1,000,000 shares at a price of $0.53 for a total value of $500,000 to the former owners. The amounts were discounted for the duration of the strict vesting schedule in the Share Purchase Agreement. The share value after discounting was $343,563. Of the shares provided for consideration, 250,000 shares vest 4 months from the purchase date, 250,000 vest 9 months after the purchase, 406,250 vest 12 months after the purchase, and the remainder vest 14 months after the purchase.

Shares issued to brokers and finders

	Number
Issued for March 8, 2021 private placement announced on April 30, 2021	1,012,120

(in Canadian dollars)

Warrants issued to shareholders

Issued	Number		Weighted average exercise price
Balance as at December 31, 2019	**27,693,667**	**$**	**0.1320**
Issued (a)	12,000,000	$	0.1200
Expired warrants of shareholders (b)	(27,693,667)	$	0.1320
Balance as at December 31, 2020	**12,000,000**	**$**	**0.1200**
Issued (a)	25,000,000	$	0.2650
Exercised warrants (c)	(100,000)	$	0.2650
Balance as at September 30, 2021	**36,900,000**	**$**	**0.2178**

(a) Warrants issued

a. On February 17, 2021, 25,000,000 warrants were issued pursuant to a private placement. They are recorded as a reduction of the share capital in the amount of $2,007,513. Each whole warrant entitles its holder to purchase an additional common share at $0.20 per share for a period of 18 months following the closing of the private placement.

b. On December 18, 2020, 12,000,000 warrants were issued pursuant to a private placement. They are recorded as a reduction of the share capital in the amount of $12,000. A warrant issue expense totaling $1,613 was recorded as a reduction of the value of the private placement. Each whole warrant entitles its holder to purchase an additional common share at $0.12 per share for a period of 12 months following the closing of the private placement. The warrants may be accelerated by the Company, at its sole option, at any time if the closing volume-weighted average price of the Company‘s common shares on the TSX Venture Exchange, or such other exchange on which the common shares may primarily trade from time to time is greater than or equal to $0.14.

(b) Warrants expired

a. On March 15, 2020, 2,693,667 warrants expired without being exercised. The fair value of $154,203 allocated to these warrants has been reclassified to contributed surplus.

b. On March 26, 2020, 15,000,000 warrants expired without being exercised. The fair value of $360,000 allocated to these warrants has been reclassified to contributed surplus.

c. On October 3, 2020, 10,000,000 warrants expired without being exercised. The fair value of $316,676 allocated to these warrants has been reclassified to contributed surplus.

(c) Warrants exercised

a. On July 29, 2021, 100,000 warrants were exercised at a price of $0.265 per warrant for a total value of $26,500.

(in Canadian dollars)

Summary table of outstanding and exercisable warrants as at September 30, 2021:

Expiry date	Number of warrants	Average remaining term (years)	Weighted average exercise price
December 2021	12,000,000	0.25	$ 0.1200
September 2022	25,000,000	1.00	$ 0.2650

Summary table of outstanding and exercisable warrants as at December 31, 2020:

Expiry date	Number of warrants	Average remaining term (years)	Weighted average exercise price
December 2021	12,000,000	1.00	$ 0.1200

Warrants issued to brokers and finders

Issued	Number	Weighted average exercise price
Balance as at December 31, 2019	**-**	**$ -**
Issued (a)	320,000	$ 0.1200
Balance as at December 31, 2020	**320,000**	**$ 0.1200**
Issued (a)	1,397,796	$ 0.2650
Balance as at September 30, 2021	**1,717,796**	**$ 0.2380**

(a) Warrants issued

a. On April 30, 2021, the Company issued 1,397,796 finder's warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.265 for a period of 18 months following the closing. The fair value of the warrants is $112,244.

b. On December 18, 2020, 320,000 warrants were issued as finder's fees pursuant to a private placement. The fair value of $32,640 allocated to these warrants has been reclassified to Cost of issuance of capital stock.

Incentive stock option plan

The shareholders of the Company have adopted stock option plan (the "Plan") under which members of the Board of Directors may award stock options for common shares to directors, officers, employees and consultants. The conditions and the exercise price of each option are determined by the Board of Directors.

The total number of common shares reserved for stock option plan to directors, officers and employees shall not represent, over a 12-month period, more than 10% of the Company's common shares issued and outstanding, that number being calculated on the grant date.

(in Canadian dollars)

The total number of common shares reserved pursuant to the stock option plan to consultants and investor relations services providers shall not represent, over a 12-month period, more than 2% of the Company's common shares issued and outstanding, that number being calculated on the grant date.

The purchase price of the common shares upon the exercise of each option granted under the stock option plan will be the price determined by the Board of Directors or the Compensation Committee at the time of each option grant, but that price may not be less than the "Expected price" which means the market price at the time of each option grant less a discount according to the accepted rules by TSX Venture Exchange, subject to a minimum price of $0.10. The market price at the time of each option grant means the TSX Venture Exchange market closing price on the day before they are granted. If there is no trading on the day before, the closing price is replaced by the average of the bid and offered price.

The stock options are exercisable at any time and expire 90 days after the departure date of the holder for directors and officers, and 30 days for consultants.

The Company recognized a share-based compensation expense of $393,582 during the nine months ended September 30, 2021 (2020 – nil), in accordance with the vesting of the stock options. The total fair value of options granted during the year was $822,824 (2020 – nil).

Change in the stock options are detailed as follows:

	September 30, 2021			**December 31, 2020**		
	Number of options		**Weighted average exercise price**	**Number of options**		**Weighted average exercise price**
Outstanding, beginning of period	2,600,000	$	0.2350	-	$	-
Issued during the period	2,920,000	$	0.3654	2,600,000	$	0.2350
Forfeited during the period	(1,070,000)	$	0.2550	-	$	-
Outstanding	**4,450,000**	**$**	**0.3158**	**2,600,000**	**$**	**0.2350**
Exercisable	**-**	**$**	**-**	**-**	**$**	**-**

The outstanding option details of the Company are as follows:

Expiry date		**Weighted average exercise price**	**Number of options**	**Vested and exerciseable**
September 17, 2022	$	0.9000	500,000	-
December 17, 2025	$	0.2350	2,600,000	-
February 8, 2026	$	0.2550	1,350,000	-
Total	**$**	**0.3158**	**4,450,000**	**-**

(in Canadian dollars)

Subscription receipt

As at September 30, 2021, the Company was engaged with a private placement offering. The subscription agreements were issued on a private placement basis of $0.50 per Subscription receipt. Each subscription receipt represents the right of the holder to receive, upon closing of the Livestream (Belize) transaction and without payment of additional consideration, one share of the Company and 0.5 warrants of the Company. The entire offering proceeds are held in escrow, including any agents' fees. As at September 30, 2021, the company collected $6,653,561 in relation to the private placement representing a collection on 13,307,122 subscription receipts. This amount is recorded as restricted cash and subscription receipt liability.

NOTE 19 – INFORMATION ON CASH FLOWS

Working capital items	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Decrease (increase) in:		
Trade and other receivables	(321,005)	54,818
Prepaid expenses	(85,985)	2,095
Employee benefits	(154,503)	92,248
Trade and other payables	260,814	88,511
Deferred revenue	-	(3,854)
Net changes in working capital items	**$ (300,679)**	**$ 233,818**

NOTE 20 – COMMITMENTS

The Company is committed to pay under long-term leases agreements, an amount of $57,869 before November 2025. The payments are as follows over the next five years 2021 - $11,672; 2022 - $46,197; 2023 - $nil, 2024 - $nil, and 2025 - $nil.

NOTE 21 – RELATED PARTY TRANSACTIONS

The Company's key management personnel are members of the Board of Directors, the President and Chief Executive Officer, and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Salaries and benefits	30,268	37,500	260,418	112,500
Share based compensation	30,071	-	30,071	-
Professional fees	34,493	-	34,493	42,490
Total	**$ 94,831**	**$ 37,500**	**$ 324,981**	**$ 154,990**

An officer of the Corporation subscribed for a total of 500,000 units in the $5,000,000 private placement dated March 8, 2021.

NOTE 22 – FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

Fair value hierarchy

Financial instruments carried at fair value in the statement of financial position are classified using a hierarchy that reflects the significance of the inputs used in making the measurements. Hierarchy for fair value consists of the following levels:

Level 1 – fair value based on the quoted price within the bid-ask spread that is most representative of fair value in the circumstance.

Level 2 – valuation techniques based on 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., derived from prices).

Level 3 – valuations techniques based on a significant part of data for the asset or liability that are not based on observable market data (unobservable inputs).

The hierarchy that applies as part of the determination of fair value requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of current financial assets and liabilities approximate their fair value due to their expected realization in the short term.

The fair value of the investment is classified according to level 2 of the hierarchy for fair value.

The fair value of short-term debt and long-term debt is determined based on future cash flows.

The following tables show the classification of financial instruments as well as their carrying amount and fair value at September 30, 2021, and December 31, 2020:

(in Canadian dollars)

As at September 30, 2021	Financial assets at amortized cost	Assets and liabilities at fair value	Financial liabilities at amortized cost	Total carrying value	Fair value
Financial assets					
Cash and cash equivalents	2,423,850	-	-	2,423,850	2,423,850
Restricted cash	6,653,561	-	-	6,653,561	6,653,561
Trade and other receivables	876,447	-	-	876,447	876,447
Total financial assets	**$ 9,953,858**	**$ -**	**$ -**	**$ 9,953,858**	**$ 9,953,858**
Financial liabilities					
Trade and other payables	-	-	514,376	514,376	514,376
Subscription receipt liability	-	-	6,653,561	6,653,561	6,653,561
Short-term debt	-	-	125,000	125,000	125,000
Long-term debt	-	-	53,183	53,183	53,183
Total financial liabilities	**$ -**	**$ -**	**$ 7,346,120**	**$ 7,346,120**	**$ 7,346,120**

As at December 31, 2020	Financial assets at amortized cost	Assets and liabilities at fair value	Financial liabilities at amortized cost	Total carrying value	Fair value
Financial assets					
Cash and cash equivalents	301,087	-	-	301,087	301,087
Trade and other receivables	555,442	-	-	555,442	555,442
Total financial assets	**$ 856,529**	**$ -**	**$ -**	**$ 856,529**	**$ 856,529**
Financial liabilities					
Trade and other payables	-	-	193,062	193,062	193,062
Short-term debt	-	-	125,000	125,000	125,000
Long-term debt	-	-	292,605	292,605	292,605
Total financial liabilities	**$ -**	**$ -**	**$ 610,667**	**$ 610,667**	**$ 610,667**

The Company operates in an industry with a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing, and hedging financial risks. The Company does not enter contracts for financial instruments including financial derivatives for speculative purposes.

The following analysis assesses the nature and extent of the risks to the statement of financial position date, September 30, 2021.

Market risk

Currency risk

The Company makes most of its revenues and expenses in local currency, which minimizes market risks associated with fluctuations in foreign currencies. Therefore, the Company does not use derivative financial instruments to minimize its foreign exchange risk.

Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. Those assets and liabilities denominated in foreign currency and converted into Canadian dollars are the following:

	September 30 2021	December 31 2020
$ Can	2,422,856	300,437
$ US converted	994	650
Cash	**$ 2,423,850**	**$ 301,087**
Restricted cash $ Can	6,653,561	-
Total cash and cash equivalents	**$ 9,077,411**	**$ 301,087**

(in Canadian dollars)

Credit risk

Cash and cash equivalents are held or issued by Canadian chartered financial institutions. Thus, the Company considers the risk of non-performance of those instruments to be negligible.

The Company's credit risk is primarily attributable to its trade and other receivables.
The Company provides credit to its customers in the normal course of business. It carries out ongoing credit evaluations regarding its customers and closely monitors outstanding balances. As at September 30, 2021, there were no doubtful accounts receivable.

Accounts receivables are recognized in the statement of financial position net of allowance for doubtful accounts. This provision is based on the best estimates of the Company regarding the ultimate recovery of balances for which collection is uncertain. The uncertainty about the probability of perception can arise from various indicators such as deterioration in the creditworthiness of a customer or deferral of perception when the aging of invoices exceeds the normal payment terms. Management regularly reviews accounts receivables, monitors past due balances and assesses the appropriateness of the allowance for doubtful accounts. Given the above, the Company believes that the credit risk is not significant.

For other receivables, the Company continuously evaluates the probable losses and establishes a provision for losses based on their estimated realizable value.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they come due. Management reviews the level of liquidity of the Company to continuously ensure they have sufficient cash to meet its commitments. To ensure sufficient liquidity to meet its current obligations, the Company maintains payment terms with its customers similar to those it has with its suppliers. In addition, the financing of the Company is ensured by short-term and long-term borrowings and short-term credit facilities to ensure adequate financial resources to meet its obligations as they come due.

The Company has renewed its credit facilities during the quarter. The following table summarizes the contractual maturities of financial liabilities:

As at September 30, 2021	Carrying value	Contractual cash flow	0 to 6 months	6 to 12 months	12 to 24 months
Trade and accrued payables	514,376	511,451	511,451	-	-
Subscription receipt liability	6,653,561	6,653,561	6,653,561	-	-
Short-term debt	125,000	125,000	125,000	-	-
Long-term debt	259,592	263,284	187,983	26,476	48,825
Total	**$ 7,552,529**	**$ 7,553,296**	**$ 7,477,995**	**$ 26,476**	**$ 48,825**

As at December 31, 2020	Carrying value	Contractual cash flow	0 to 6 months	6 to 12 months	12 to 24 months
Trade and accrued payables	193,062	193,062	193,062	-	-
Short-term debt	125,000	125,000	-	125,000	-
Long-term debt	292,605	292,605	178,128	25,938	88,539
Total	**$ 610,667**	**$ 610,667**	**$ 371,190**	**$ 150,938**	**$ 88,539**

NOTE 23 – INFORMATION ON THE MANAGEMENT OF CAPITAL

As part of managing its capital, the Company's objectives are to ensure that sufficient liquidity is available to pursue its organic growth or to make strategic acquisitions, to ensure that the external requirements imposed by under its credit facilities are complied with, provide services to its clients, and provide a satisfactory return to shareholders. The Company defines capital as the sum of its equity.

On September 30, 2021, the total equity increased to $3,391,063 ($188,739 in 2020).

The change in total equity during the period ended September 30, 2021, was $3,202,324 ($278,792 in 2020).

The Company manages its capital structure to ensure that cash flows from operations and cash flows in the statement of financial position are greater than the interest expense and principal payments to be paid.

The Board of Directors reviews and approves all significant transactions outside the ordinary course of business, including proposals on acquisitions or other major investments or provisions, long-term debt payments and operating budgets and capital expenditures.

NOTE 24 – INCOME TAXES

As the Company has made no taxable income for the previous periods, a provision has been made equal to any deferred tax assets. Therefore, the company carries no deferred tax assets or liabilities for any of its operations.

NOTE 25 – CONTINGENCIES

The Company has contention with four former employees: they are threatening actions before the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) in connection with their termination of employment and their employment contract. The Company has contested these claims, and, in management's opinion, they are groundless. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

NOTE 26 – SEGMENT REPORTING

The Company has reviewed its activities and determined that it leads them in a single reportable operating segment. This single reportable operating segment derives its revenues from the deployment of email campaigns to large companies and web services. Almost all activities are carried out in Canada.

The assets of the Company are in Canada.

NOTE 27 – SUBSEQUENT EVENTS

On October 6, 2021, the Company announced it completed the second round of a private placement. This private placement brought total gross proceeds of $10,007,000 for both rounds. The Company issued 11,420,000 subscription units in the first round and 8,594,000 units in the second round. Each unit was issued at $0.50 and included one share of the Company and 0.5 warrants with a strike price of $0.90. The Company further completed this transaction in escrow on February 22, 2022, after meeting the conditions of the Livestream (Belize) acquisition. The final disbursement of funds and payment of finders' fees is subject to successful TSX approval of the final filing and filing statement.

During the quarter ending December 31, 2021, 13,120,000 warrants with a strike price of $0.12 were exercised resulting in an amount of $1,574,400.

During the quarter ending December 31, 2021, 2,150,000 warrants with a strike price of $0.265 were exercised resulting in an amount of $569,750.

From the period January 1, 2022, to February 24, 2022, 1,325,000 warrants with a strike price of $0.265 were exercised resulting in an amount of $351,125.

On January 6, 2022, The Company issued 1,250,000 shares at $0.20 for an amount of $250,000 pursuant to the exercise of warrants granted as a settlement to a former executive.

On February 18, 2022, The Company issued 2,500,000 stock options with a strike price of $0.50 expiring February 18, 2027, to directors and officers.

On February 18, 2022, The Company issued 3,529,412 stock options with a strike price of $0.50 expiring February 18, 2024, to the owners of Livestream (Belize).

On February 24, 2022, The Company entered into a definitive agreement with Amuka Ventures Inc for the purchase of their subsidiary Parabellum Media Inc. Parabellum Media Inc. is a leader in esports running both a successful Rainbow 6 and Rocket League team. The Company paid 1,845,000 shares of The Company for the transaction. The value of the shares at the time of the transaction was $0.27 bringing the consideration for the transaction to $498,150. 145,000 shares, or a value of $39,150, were held back from the initial payment to cover any working capital deficiencies in the opening statement of financial position.

NOTE 28 – COVID-19

The Company has taken actions to mitigate the impacts from COVID-19. During 2020, the Company did furlough some employees for a variable period. Also, for 2021 and 2020, the Company has utilized the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Business Subsidy (CEBS), and the Canada Emergency Rent Subsidy (CERS). The Company has taken and will continue to take actions to mitigate the impacts of COVID-19. However, it is impossible to determine the financial implications of these events.

Schedule "B"

See attached.

INTEMA

Management's Discussion and Analysis

Three months and nine months ending September 30, 2021

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") of the results of operations and financial position of Intema Solutions Inc. ("**Intema**" or the "**Company**") must be read in conjunction with the unaudited interim financial statements of the Company and the accompanying notes for the three-month period ended September 30, 2021, and with the most recent audited annual financial statements and MD&A for the year ended December 31, 2020. The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are available on SEDAR (www.sedar.com). This MD&A reflects information available to the Company as at November 18, 2021.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements". All statements other than statements of historical facts included in this MD&A, including, without limitation, those regarding the projected financial performance of the Company; the expected development of the Company's business and projects; execution of the Company's vision and growth strategy; sources and availability of financing for the Company's projects; renewal of the Company's current customer, supplier and other material agreements; and future liquidity, working capital, and capital requirements, are forward-looking statements. Although the forward-looking statements in this MD&A are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that they will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

NON-IFRS FINANCIAL MEASURES

The term EBITDA (Earnings Before Interest, Income Taxes, Depreciation and Amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other issuers. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes on the result. Management believes that EBITDA is an important measurement tool as it allows us to evaluate the performance of the Company arising from operating activities irrespective of elements that depend mainly on non-operating factors such as the historical cost. EBITDA allows us to compare the operating performance of the Company consistently. Several analysts and investors use EBITDA to evaluate and measure the Company's ability to repay its debt and meet its various payment obligations.

OVERVIEW

Intema Solutions Inc. ("**Intema**" or the "**Company**"), incorporated under the Canada Business Corporations Act, is a publicly traded holding company that specializes in holding technological businesses in various technology sectors, including esports and iGaming. For over 20 years, Intema has been a leader in compliant email marketing through its eflyermaker platform. The Company offers a full suite of services including predictive marketing, behavioral email campaigns and custom integrations. Intema's common shares are listed on the TSX Venture Exchange under the symbol «ITM».

Intema's goal as an emerging esports and iGaming company is to bring the excitement of esports betting to the entire world through fully licensed, safe, and secure online platforms. Esports are organized competitive video gaming events that are watched as spectator events. Esports is the fastest growing subsector of the digital entertainment space, and COVID-19 has only accelerated this trend. More information about Intema is provided at its corporate website at intema.ca.

CORPORATE HIGHLIGHTS (as at the date of this MD&A)

- **November 16, 2021** – the Company announced that it has received conditional approval from the TSX Venture Exchange to proceed with the Livestream Gaming Ltd acquisition.
- **October 19, 2021** – the Company announced that Isle of Man regulatory authorities have formally accepted for review the application by Livestream Esports Ltd., a wholly owned subsidiary of Intema, for a licence under the Online Gambling Regulation Act 2001.
- **October 6, 2021** – the Company announced the closing of the second tranche of a private placement for gross proceeds of $4.3 million, bringing total gross proceeds to over $10 million of a maximum of $15 million.
- **September 24, 2021** – the Company announced the closing of the acquisition of Team Bloodhounds Inc., owner of the Team BH esports team.
- **August 31, 2021** – the Company announced the closing of the first tranche of a private placement for gross proceeds of $5.7 million.
- **August 17, 2021** – the Company announced the appointment of Scott R. Meyers as Chief Financial Officer of Intema.
- **July 6, 2021** – the Company announced the appointment of Art Manteris to its board of directors.

SELECTED FINANCIAL HIGHLIGHTS

(In Canadian dollars)	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
FINANCIAL PERFORMANCE				
Revenues	32,918	38,970	95,925	100,892
Gross profit	23,682	183	58,193	(115,025)
EBITDA (1)	(1,932,717)	(108,768)	(2,886,142)	(870,371)
Net loss	(2,015,463)	(145,335)	(3,012,988)	(982,971)
Loss per share — basic and diluted	(0.017)	(0.002)	(0.027)	(0.014)
	As of Sep. 30 2021	As of Dec. 31 2020		
FINANCIAL SITUATION				
Cash and cash equivalents	2,423,850	301,087		
Working capital	2,436,581	73,639		
Shareholder's equity	3,802,464	188,739		
Long-term debt, including current portion	259,592	292,605		

(1) The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains or losses on foreign exchange and income taxes.

RECONCILIATION OF NET LOSS TO EBITDA

(In Canadian dollars)	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Net loss	(2,015,463)	(145,335)	(3,012,988)	(982,971)
Interest expense	21,952	2,659	44,731	11,124
Depreciation of assets and other intangible assets	60,794	33,908	82,115	101,476
EBITDA	(1,932,717)	(108,768)	(2,886,142)	(870,371)

OPERATING RESULTS

Revenues

For the third quarter of 2021, revenues decreased to $32,918, from $38,970 for the same quarter a year ago. The main reason of the decrease comes from a large order from the prior year that was not repeated. For the nine-month period, revenues decreased to $95,925 from $100,892 for the same period a year ago. Revenue was slightly down based on the reduction in the number of small customers.

Gross Margin

For the third quarter of 2021, gross profit was $23,682, compared to $183 a year ago. The increase was mainly due to efficiencies gained from reduced staff as well as government assistance and subsidies, which were all related to the COVID-19 pandemic. For the nine-month period, gross profit increased to $58,193 from ($115,025) for the same period a year ago.

Selling and Administrative Expenses

Selling and administrative expenses for the third quarter of 2021 totaled $1,883,659 compared to $149,807 in 2020, as business activity increased with acquisitions in the esports and iGaming sectors including HypeX.gg Plateforme de Jeux Sociaux Inc. ("HypeX"), Team BH, and most notably the proposed acquisition of Livestream Gaming Ltd. Intema has also hired key personnel to operate its new business model as well as through the acquisitions of HypeX and Team BH. The acquisitions also increased professional fees that were used in securing the transactions. For the nine-month period, selling and administrative expenses increased to $2,852,762 from $761,195 for the same period a year ago.

Research and Development Expenses

For the third quarter of 2021, the Company incurred research and development expenses of $133,534 compared to receiving research and development tax credits of $6,948, mainly due to expenses from its newly-acquired companies, particularly for the evolution and enhancement of HypeX. For the nine-month period, research and development expenses increased to $218,419 from $106,751 for the same period a year ago.

EBITDA

EBITDA decreased from a loss of ($108,768) to a loss of ($1,932,717) for the third quarter of 2021. The $1,823,949 decrease is mainly attributable to the increase in net loss incurred in 2021. The loss was mainly due to the above increases in administrative and R&D expenses related to the new acquisitions as well as the increase in activity in purchasing those companies. For the nine-month period, EBITDA decreased from a loss of ($870,371) to a loss of ($2,886,142) for the same period a year ago.

Net Loss

For the third quarter ended September 30, 2021, the Company recorded a net loss of ($2,015,463), or ($0.017) per basic and diluted share, compared to a net loss of ($145,335), or ($0.002) per basic and diluted share in 2020. For the nine-month period, the Company recorded a net loss of ($3,057,719), or ($0.027) per basic and diluted share, compared to a net loss of ($994,095), or ($0.014) per basic and diluted share, for the corresponding period of 2020.

SUMMARY OF QUARTERLY RESULTS

(In Canadian dollars, except per share amounts)	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Revenues	**32,918**	37,914	23,987	16,579
EBITDA(1)	**(1,932,717)**	(723,246)	(299,303)	(245,412)
Net loss	**(2,015,463)**	(723,273)	(330,089)	(262,490)
Loss per share – basic and diluted	**(0.017)**	(0.006)	(0.0032)	(0.0016)

(In Canadian dollars, except per share amounts)	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Revenues	38,970	30,078	58,187	85,822
EBITDA(1)	(108,768)	(240,436)	(415,365)	(449,038)
Net loss	(145,335)	(276,681)	(421,261)	(548,541)
Loss per share – basic and diluted	(0.002)	(0.004)	(0.0061)	(0.0112)

(1) The term EBITDA (earnings before interest, income taxes, depreciation and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes.

Several factors can cause quarterly variances, such as seasonality, vacations and statutory holidays, and Intema's software solutions sales cycle, which may not necessarily be indicative of future results.

CASH FLOWS

Three-month periods ended September 30: (In Canadian dollars)	**2021**	**2020**	**Variance**
Cash flow used in operating activities	(961,909)	(70,335)	(891,574)
Cash flow used in investing activities	(38,158)	(7,669)	(30,489)
Cash flow from financing activities	171,546	100,000	71,546
Net increase (decrease) in cash and cash equivalents	(828,521)	21,996	(850,517)

Operating Activities

Cash flow used in operating activities was $961,909 in the third quarter of 2021, compared to $70,335 in 2020. The variation was mainly due to the increase in net loss for the period, partially offset by stock compensation expense and to changes in non-cash working capital items. The cash was mainly used for the increase in activity the Company has experienced with the pursuit of the LOOT.BET acquisition and the other acquisitions.

Investing Activities

Cash flow used in investing activities was $38,158 in the third quarter of 2021, compared to $7,669 a year ago. The variation was mainly due to the acquisition of Team BH and the acquisition of plant, property, and equipment, partially offset by leasehold improvements.

Financing Activities

Cash flow from financing activities was $171,546 in the third quarter of 2021, compared to $100,000 a year ago. The variance was mainly due to the exercise of warrants and the return of funds from oversubscribed shares.

FINANCIAL POSITION

The following table shows the main variances that have occurred in the financial position of the Company for the third quarter ended September 30, 2021:

(In Canadian dollars)	**Sep. 30, 2021**	**Dec. 31, 2020**	**Variance**	
Cash and cash equivalents	2,423,850	301,087	2,122,763	Increase due to the closing of a $5 million financing in March 2021.
Trade and other receivables	876,447	555,442	321,005	Increase due to subscriptions receivable held in trust from the $5 million financing in March 2021.
Other intangible assets	889,448	75,120	814,328	Increase due to trade name and software assets from acquisitions.
Goodwill	438,604	-	438,604	Increase due to the HypeX.gg acquisition.
Employees benefits	145,672	300,175	(154,503)	Decrease due to reduced staff in 2021.
Trade and other payables	514,376	193,062	321,314	Increase due to professional fees due related to upcoming LOOT.BET acquisition.

TRANSACTIONS BETWEEN RELATED PARTIES

During the third quarter ended September 30, 2021, the Company performed transactions with some officers and directors and companies controlled by officers or directors of Intema.

The Company's key management personnel are members of the Board of Directors, the President and Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

(In Canadian dollars)	Three months ended September 30	
	2021	2020
Salaries and benefits	30,268	37,500
Share-based compensation	45,547	-
Professional fees	34,493	-
	110,307	37,500

CAPITAL STRUCTURE

The following table sets out the common shares, stock options and warrants of the Company that are outstanding as at the date of this MD&A:

	November 18, 2021
Outstanding common shares	**120,434,306**
Warrants	38,617,796
Stock options	4,450,000
Fully diluted common shares	**163,502,102**

OFF-BALANCE SHEET AGREEMENTS

The Company does not have any off-balance sheet agreements.

FINANCIAL RISK FACTORS

The Company operates in an industry subject to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks.

The interim financial statements and MD&A do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements for the fiscal year ended December 31, 2020. The Company is not aware of any significant changes to the Company's risk factors from those disclosed at that time.

RISK FACTORS

For a detailed description of risk factors associated with the Company, please refer to the "Risk Factors" section of the Company's MD&A for the fiscal year ended December 31, 2020. The Company is not aware of any significant changes to the Company's risk factors from those disclosed at that time.

INTEGRITY OF FINANCIAL INFORMATION

The Company's management and board of directors are responsible for setting up and maintaining information systems and controls in place, ensuring the reliability of information disseminated both inside and outside the Company. The Company has implemented a communication policy with shareholders, the relevant regulatory authorities and the public. The objective of this policy is to ensure that the information disclosed is complete and relevant. The Company announces material changes through press releases on time. The press releases are reviewed and approved by the directors and are made available to the public in accordance with the stated policies of the TSX Venture Exchange. The Company informs its shareholders at shareholder meetings as well as through press releases, quarterly and annual financial statements, and MD&A.

The Audit Committee, composed of a majority of independent directors, has a mandate to report to the Board of Directors and evaluate:

a) The integrity of financial statements and related disclosures of the Company.

b) Independence, qualifications and appointment of the independent auditor of the Company.

c) The Company's compliance with laws and regulations.

d) Management responsibility for reporting on internal controls.

CONTROL SYSTEMS REGARDING FINANCIAL INFORMATION

Management is responsible for the establishment and maintenance of control systems with regard to financial reporting to provide reasonable assurance regarding the reliability of financial information under IFRS. The President and Chief Executive Officer and the Chief Financial Officer, based on their evaluation of these controls for the quarter ended September 30, 2021, concluded that the design of internal control is effective in regard to financial reporting and has not made any changes to the internal controls over financial reporting during the year ended December 31, 2020, which could influence or be likely to materially affect internal controls of the Company with respect to financial reporting.

CONTROLS AND DISCLOSURE PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining controls and disclosure procedures, as defined by National Instrument 52-109 of the Canadian Securities.

ADDITIONAL INFORMATION

Additional information about the Company is available on our website at www.intema.com and on SEDAR at www.sedar.com.

November 18, 2021

(signed)	(signed)
Laurent Benezra	**Scott Meyers**
Chief Executive Officer	Chief Financial Officer

INTEMA

Management's Discussion and Analysis

For the year ended December 31, 2020

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Intema Solutions Inc. ("Intema" or the "Company") must be read in conjunction with the audited financial statements of the Company and the accompanying notes for the year ended December 31, 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are available on SEDAR (www.sedar.com). This MD&A reflects information available to the Company as at May 21, 2021.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements". All statements other than statements of historical facts included in this MD&A, including, without limitation, those regarding the projected financial performance of the Company; the expected development of the Company's business and projects; execution of the Company's vision and growth strategy; sources and availability of financing for the Company's projects; renewal of the Company's current customer, supplier and other material agreements; and future liquidity, working capital, and capital requirements, are forward-looking statements. Although the forward-looking statements in this MD&A are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that they will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

NON-IFRS FINANCIAL MEASURES

The term EBITDA (Earnings Before Interest, Income Taxes, Depreciation and Amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other issuers. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes on the result. Management believes that EBITDA is an important measurement tool as it allows us to evaluate the performance of the Company arising from operating activities irrespective of elements that depend mainly on non-operating factors such as the historical cost. EBITDA allows us to compare the operating performance of the Company consistently. Several analysts and investors use EBITDA to evaluate and measure the Company's ability to repay its debt and meet its various payment obligations.

OVERVIEW

Intema Solutions Inc. ("Intema" or the "Company), incorporated under the Canada Business Corporations Act, is a publicly traded holding company that specializes in holding technological businesses in various technology sectors, including esports and iGaming. For over 20 years, Intema has been a leader in compliant email marketing through its eflyermaker platform. The Company offers a full suite of services including predictive marketing, behavioral email campaigns and custom integrations. Intema's common shares are listed on the TSX Venture Exchange under the symbol «ITM».

Intema's goal as an emerging esports and iGaming company is to bring the excitement of esports betting to the entire world through fully licensed, safe and secure online platforms. Esports are organized competitive video gaming events that are watched as spectator events. Esports is the fastest growing subsector of the digital entertainment space, and COVID-19 has only accelerated this trend. More information about Intema is provided at its corporate website at intema.ca.

CORPORATE HIGHLIGHTS (as at the date of this MD&A)

- **May 3, 2021** – the Company announced that it has entered into a binding letter of intent to acquire all of the issued and outstanding securities of Livestream Gaming Ltd. Livestream is a private, Cyprus-based corporation that owns Loot.Bet, a Curacao-licensed, server-based, real-money gaming platform and a top brand in the world of esports betting.

- **April 21, 2021** – the Company announced that it has entered into a letter of intent to acquire all of the issued and outstanding securities of TheSMACK.gg.

- **April 14, 2021** – the Company announced that it has entered into a letter of intent to acquire all of the issued and outstanding securities of Advertiise Technologies Inc.

- **March 29, 2021** – the Company announced the appointment of Leigh Hughes to its newly constituted advisory board.

- **March 8, 2021** – the Company announced the closing of a non-brokered private placement of units for aggregate gross proceeds of $5 million. The offering consisted of 25 million units for issuance at a price of $0.20 per unit, with each unit made up of one common share of the Company and one warrant, each warrant entitling its holder to acquire one common share of the Company at a price of $0.265 for a period of 18 months following the closing of the offering.

- **February 9, 2021** – the Company announced that it has completed the acquisition of all of the issued and outstanding shares of HypeX.gg Plateforme de Jeux Sociaux Inc.

- **December 12, 2020** – the Company announced the closing of a non-brokered private placement for total gross proceeds of $600,000.

- **December 1, 2020** - the Company announced that it has entered into an agreement to form a strategic partnership with HealthCentric AI Inc. The agreement provides for the creation of a digital health platform based on machine learning artificial intelligence and the sharing of revenue from the platform.

- **January 29, 2020** – the Company announced the signing of a first contract through its SqueezeCMM partnership with a North American film production and distribution company for its eFlyerMaker platform.

- **January 2, 2020** – the Company announced the signing of a $104,000 contract with LeadFox, a company that owns a marketing automation platform used by thousands of small and medium-sized businesses in more than 50 countries.

SELECTED FINANCIAL HIGHLIGHTS

(In Canadian dollars)	Three months ended December 31		Years ended December 31		
	2020	2019	2020	2019	2018
FINANCIAL PERFORMANCE					
Revenues	16,579	85,822	143,814	509,089	603,751
Gross profit (loss)	68,060	(19,338)	(46,965)	220,671	181,282
EBITDA (1)	(245,412)	(449,038)	(987,883)	(964,745)	(440,066)
Net loss	(262,490)	(548,541)	(1,105,767)	(584,586)	(1,005,995)
Net loss per share — basic and diluted	(0.0016)	(0.0112)	(0.0156)	(0.0116)	(0.0224)

	As at Dec. 31 2020	As at Dec. 31 2019	As at Dec. 31 2018
FINANCIAL SITUATION			
Cash and cash equivalents	301,087	501,887	13,097
Working capital	73,639	393,921	(1,074,001)
Shareholder's equity	188,739	467,531	(762,008)
Long-term debt (current and long-term portions) and debentures	292,605	291,859	98,395

(1) The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes.

RECONCILIATION OF NET LOSS TO EBITDA

(In Canadian dollars)	Three months ended December 31		Years ended December 31		
	2020	2019	2020	2019	2018
Net loss	(262,490)	(548,541)	(1,105,767)	(584,586)	(1,005,995)
Interest expense net of interest income	6,368	2,707	17,492	20,756	46,013
Depreciation of assets and other intangible assets	10,710	14,550	100,392	97,758	210,478
Impairment loss of R&D credit non recoverable	-	-	-	-	240,782
Loss on assets write-off	-	37,204	-	37,204	68,656
Loss on goodwill write-off	-	49,536	-	49,536	-
Gain on debt settlement	-	(4,494)	-	(585,413)	-
EBITDA	(245,412)	(449,038)	(987,883)	(964,745)	(440,066)

OPERATING RESULTS

Year ended December 31, 2020

Revenues

Revenues decreased to $143,814 in 2020, from $509,089 a year ago. The decrease was mostly due to the loss of a contract with a large financial institution in November 2019, which has been partially reinstated in November 2020.

Gross Profit (Loss)

Gross profit (loss) declined to ($46,965) in 2020, compared to $220,671 a year ago. The decrease in gross profit (loss) was mainly due to the decrease in sales and the deleveraging of fixed costs.

Selling and Administrative Expenses

Selling and administrative expenses for 2020 totalled $955,854 compared to $1,126,489 in 2019. The decrease was mostly due to reduced activities.

Research and Development Expenses

The Company continued to research and development to safeguard its technological advantages and to develop new technologies. Research and development expenses decreased to $136,328 in 2020, from $156,685 in 2019.

EBITDA

EBITDA decreased from a loss of ($964,745) for 2019 to a loss of ($987,883) for 2020. The decrease is mainly attributable to the increase in net loss in 2020, partially offset by the gain on debt settlement recorded in 2019.

Net Loss

For the year ended December 31, 2020, the Company recorded a net loss of ($1,105,767), or ($0.0156) per diluted share, compared to a net loss of ($584,586), or ($0.0116) per basic and diluted share a year ago. For the 2020 fiscal year, the increase in net loss was mainly attributable to the gain on debt settlement from the proposal to creditors recorded in 2019.

Fourth quarter ended December 31, 2020

Revenues

For the fourth quarter of 2020, revenues decreased to $16,579, from $85,822 for the same quarter a year ago. The decrease was mostly due to the loss of a contract with a large financial institution in November 2019, which has been partially reinstated in November 2020.

Gross Profit

For the fourth quarter of 2020, gross profit was $68,060, compared to ($19,338) a year ago. The increase in gross profit was mainly due to reduced staff, government assistance and subsidies, which were all related to the COVID-19 pandemic.

Selling and Administrative Expenses

Selling and administrative expenses for the fourth quarter of 2020 totalled $194,659 compared to $415,470 in 2019. The decrease was mostly due to reduced activities.

Research and Development Expenses

For the fourth quarter of 2020, research and development expenses totalled ($31,395), compared to $28,780 in 2019.

EBITDA

EBITDA increased from a loss of ($245,412) to a loss of ($79,042) for the fourth quarter of 2020, mainly due to the lower net loss.

Net Loss

For the fourth quarter ended December 31, 2020, the Company recorded a net loss of ($262,490), or ($0.0016) per basic and diluted share, compared to a net loss of ($548,541), or ($0.0112) per basic and diluted share, for the corresponding period of 2019.

SUMMARY OF QUARTERLY RESULTS

(In Canadian dollars, except per share amounts)	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Revenues	16,579	38,970	30,078	58,187
EBITDA (1)	(245,412)	(108,678)	(218,428)	(415,365)
Net loss	(262,490)	(145,335)	(276,681)	(421,261)
Loss per share – basic and diluted	(0.0016)	(0.002)	(0.004)	(0.008)

(In Canadian dollars, except per share amounts)	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Revenues	85,822	99,673	149,353	174,241
EBITDA (1)	(449,038)	(282,500)	(197,933)	(35,274)
Net earnings (loss)	(548,541)	(402,405)	(110,219)	476,579
Earnings (loss) per share – basic and diluted	(0.0112)	(0.008)	(0.002)	0.012

(1) The term EBITDA (earnings before interest, income taxes, depreciation and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes.

Several factors can cause quarterly variances, such as seasonality, vacations and statutory holidays, and Intema's software solutions sales cycle, which may not necessarily be indicative of future results.

For Q1 2019, the net earnings were mainly due to a gain on debt settlement related to the proposal to creditors.

CASH FLOWS

Three-month periods ended December 31: (In Canadian dollars)	2020	2019	Variance
Cash flow used in operating activities	(1,078,642)	(1,198,886)	120,244
Cash flow (from) used in investing activities	18,618	(71,696)	90,314
Cash flow from financing activities	859,224	1,759,372	(900,148)
Net (decrease) increase in cash and cash equivalents	(200,800)	488,790	(689,590)

Operating Activities

Cash flow used in operating activities totalled $1,078,642 in 2020, compared to $1,198,886 in 2019. The $120,244 variation was mainly due to the gain on debt settlement and change in non-cash operating working capital items in 2019, partially offset by the increase in net loss and total comprehensive loss in 2020.

Investing Activities

Cash flow from investing activities was $18,618 in 2020, compared to using $71,696 a year ago. The $90,314 variation was mainly due to a decrease of acquisition of other intangible assets and of acquisition of property, plant and equipment in 2019 and the proceeds of value of life insurance in 2020.

Financing Activities

Cash flow from financing activities decreased to $859,224 in 2020, from $1,759,372 a year ago, mainly as a result of two private placements for a combined amount of $1.75 million in 2019 (closing of one private placement for an amount of $600,000 and short-term and long-term debt increase of $325,000 in 2020).

FINANCIAL POSITION

The following table shows the main variances that have occurred in the financial position of the Company for the year ended December 31, 2020:

(In Canadian dollars)	Dec. 31, 2020	Dec. 31, 2019	Variance	
Cash and cash equivalents	301,087	501,887	(200,800)	Decrease due to operating activities
Trade and other receivables	555,442	58,632	496,810	Increase mainly due to subscription receivable
Employees benefits	300,175	49,903	250,272	Increase due to government and employee payables

FINANCING

On December 18, 2020, the Company closed a non-brokered private placement for total gross proceeds of $600,000. In exchange, the Company issued 12,000,000 common shares at $0.05 per share and 12,000,000 warrants. Each whole warrant entitles its holder to purchase an additional common share at $0.12 per share for a period of 12 months following the closing of the private placement.

On October 4, 2019, pursuant to a private placement, the Company issued 10,000,000 common shares at a price of $0.10 per share for a total amount of $1,000,000 together with 10,000,000 warrants, with each warrant entitling its holder to purchase an additional common share at $0.15 until October 4, 2020.

On September 4, 2019, pursuant to a private placement of special warrants that closed in March 2019, and after the share consolidation on the basis of one new common share for two old common shares, the Company issued 15,000,000 common shares at a price of $0.05 per share for a total amount of $750,000 and 15,000,000 warrants, with each warrant entitling its holder to purchase an additional common share at $0.10 until March 29, 2020.

TRANSACTIONS BETWEEN RELATED PARTIES

During the year ended December 31, 2020, the Company performed transactions with some officers and directors and companies controlled by officers or directors of Intema.

The Company's key management personnel are members of the Board of Directors, the President and Chief Executive Officer, the Chief Operating Officer, Chief Technology Officer and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

(In Canadian dollars)	Year ended December 31	
	2020	2019
Salaries and benefits	228,125	388,542
Professional fees	46,680	63,900
	274,805	452,442

CAPITAL STRUCTURE

The following table sets out the common shares, stock options and warrants of the Company that are outstanding as at the date of this MD&A:

	May 21, 2021
Outstanding common shares	**91,753,789**
Warrants	12,000,000
Stock options	2,600,000
Fully diluted common shares	**106,353,789**

DIVIDEND POLICY

Since its incorporation, the Company has not paid any dividend on its common shares. The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors of the Company may deem relevant.

OFF-BALANCE SHEET AGREEMENTS

The Company does not have any off-balance sheet agreements.

FINANCIAL RISK FACTORS

The Company operates in an industry subject to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks.

These financial risk factors are disclosed in Note 26.2 of the annual financial statements for the fiscal year ended December 31, 2020.

PRINCIPAL RISK FACTORS

Cash. In the normal course of business, the Company is exposed to a number of risks that may affect its performance. The ability of the Company to realize its assets and discharge its liabilities depends on the continued support of its lenders and shareholders.

Competition. The Company's competitors are international, national and regional CRM solution developers. These developers constitute a risk in regards with the ability of the Company to attract customers and to exercise its activities successfully. The Company closely monitors the evolution of its competitors and the markets they serve to determine its competitiveness within each sector. The Company, by its size, is more flexible in terms of pricing compared to its main competitors. In addition, the Company is constantly investing in the development of its software solutions in order to quickly adapt to changing markets.

Availability and cost of qualified professionals. Within the information technology sector, qualified personnel is in strong demand. In recent years, the Company has managed to attract and retain competent staff.

INTEGRITY OF FINANCIAL INFORMATION

The Company's management and Board of Directors is responsible for setting up and maintaining information systems and controls in place, ensuring the reliability of information disseminated both inside and outside the Company. The Company has implemented a communication policy with shareholders, the relevant regulatory authorities and the public. The objective of this policy is to ensure that the information disclosed is complete and relevant. The Company announces material changes through press releases on time. The press releases are reviewed and approved by the directors and are made available to the public in accordance with the stated policies of the TSX Venture Exchange. The Company informs its shareholders at shareholder meetings as well as through press releases, quarterly and annual financial statements, and MD&As.

The Audit Committee, composed of a majority of independent directors, has a mandate to report to the Board of Directors and evaluate:

a) The integrity of financial statements and related disclosures of the Company.

b) Independence, qualifications and appointment of the independent auditor of the Company.

c) The Company's compliance with laws and regulations.

d) Management responsibility for reporting on internal controls.

CONTROL SYSTEMS REGARDING FINANCIAL INFORMATION

Management is responsible for the establishment and maintenance of control systems with regard to financial reporting to provide reasonable assurance regarding the reliability of financial information under IFRS. The President and Chief Executive Officer and the Chief Financial Officer, based on their evaluation of these controls for the year ended December 31, 2020, concluded that the design of internal control is effective in regard to financial reporting and has not made any changes to the internal controls over financial reporting during the year ended December 31, 2020, which could influence or be likely to materially affect internal controls of the Company with respect to financial reporting.

CONTROLS AND DISCLOSURE PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining controls and disclosure procedures, as defined by National Instrument 52-109 of the Canadian Securities.

ADDITIONAL INFORMATION

Additional information about the Company is available on our website at www.intema.com and on SEDAR at www.sedar.com.

May 21, 2021

(signed)

Laurent Benezra
Chief Executive Officer

(signed)

Anna Kastelorizios
Interim and Provisional Chief Financial Officer

Schedule "C"

See attached.

LIVESTREAM GAMING LTD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

LIVESTREAM GAMING LTD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

C O N T E N T S

LIVESTREAM GAMING LTD

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Piotr Zhalau
Independent Auditors	KPMG Limited
Banker	Bank of Cyprus Public Company Ltd RCB Bank Ltd BSB Bank JSC Alfabank CJSC
Registered Office	9, Barrack Road Belize City, Belize Central America
Registration number	162,082

KPMG Limited
Chartered Accountants
14 Esperidon Street, 1087 Nicosia, Cyprus
P.O. Box 21121, 1502 Nicosia, Cyprus
T: +357 22 209000, F: +357 22 678200

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

LIVESTREAM GAMING LTD

Opinion

We have audited the accompanying consolidated financial statements of Livestream Gaming Ltd (the "Company") and its subsidiaries (the "Group"), which are presented on pages 5 to 38 and comprise the consolidated statement of financial position as at 31 December 2021, 31 December 2020, and 1 January 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, 31 December 2020, and 1 January 2020 and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

LIVESTREAM GAMING LTD

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *"Auditors' responsibilities for the audit of the consolidated financial statements"'* section of our report. We are independent of the Group in accordance with the International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with   issued by the IASB, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease the Group's operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Group's internal control.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

LIVESTREAM GAMING LTD

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

"Pangratios P. Vanezis"

Pangratios P. Vanezis, FCA

KPMG Limited
Certified Public Accountants and Registered
Auditors 14 Esperidon Street
1087 Nicosia
Cyprus

30 March 2022

LIVESTREAM GAMING LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31/12/2021 €	31/12/2020 €	1/1/2020 €
Assets				
Property, plant and equipment	15	73.909	22.253	15.050
Intangible assets	16	1.775.128	1.335.131	697.992
Deferred tax assets		1.392	900	1.031
Total non-current assets		1.850.429	1.358.284	714.073
Inventories		1.054	3.215	7.512
Trade and other receivables	19	456.031	467.138	491.886
Bank deposits	20	156.435	322.371	413.649
Total current assets		613.520	792.724	913.047
Total assets		2.463.949	2.151.008	1.627.120
Equity				
Share capital	21	1.012.000	1.012.000	1.012.000
Reserves	22	(488.176)	(3.845.064)	(3.537.320)
Total equity		523.824	(2.833.064)	(2.525.320)
Liabilities				
Loans and borrowings	23	-	-	2.976.083
Lease liabilities	24	31.822	6.186	-
Total non-current liabilities		31.822	6.186	2.976.083
Short term loans	23	-	3.261.699	-
Lease liabilities	24	27.545	1.437	-
Balances due to players	18	282.524	350.671	246.772
Trade and other payables	25	1.590.278	1.359.533	926.955
Tax liability	26	7.956	4.546	2.563
Payable dividends		-	-	67
Total current liabilities		1.908.303	4.977.886	1.176.357
Total liabilities		1.940.125	4.984.072	4.152.440
Total equity and liabilities		2.463.949	2.151.008	1.627.120

On 30 March 2022 the Board of Directors of Livestream Gaming Ltd approved and authorised these consolidated financial statements for issue.

"Piotr Zhalau"

....

Piotr Zhalau
Director

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

LIVESTREAM GAMING LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 €	2020 €
Revenue (GGR)	8	2.186.787	3.203.435
Cost of sales	10	(226.811)	(208.784)
Net gaming revenue (NGR)		1.959.976	2.994.651
Other operating income		528	-
Selling and distribution expenses	10	(820.524)	(1.405.429)
Administrative expenses	10	(893.878)	(621.487)
Other operating expenses	9	(219.731)	(306.978)
Operating profit		26.371	660.757
Finance income	12	128	3.749
Finance costs	12	(443.125)	(943.167)
Net finance expenses		(442.997)	(939.418)
Loss before tax		(416.626)	(278.661)
Tax	13	(314)	(714)
Loss for the year		(416.940)	(279.375)
Other comprehensive income			
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		92.555	(28.369)
Other comprehensive income/(expense) for the year		92.555	(28.369)
Total comprehensive expense for the year		(324.385)	(307.744)
Basic and fully diluted losses per share (cent)	14	(36,26)	(32,87)

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

LIVESTREAM GAMING LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital (Note 21)	Treasury shares reserve (Note 22)	Non-refundable advances (Note 22)	Translation reserve (Note 22)	Retained earnings (Note 22)	Total
	€	€	€	€	€	€
Balance at 1 January 2020	1.012.000	(279.000)	28.412	(18.595)	(3.268.137)	(2.525.320)
Comprehensive income						
Loss for the year	-	-	-	-	(279.375)	(279.375)
Other comprehensive income						
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	(28.369)	-	(28.369)
Other comprehensive income for the year	-	-	-	(28.369)	-	(28.369)
Balance at 31 December 2020	1.012.000	(279.000)	28.412	(46.964)	(3.547.512)	(2.833.064)

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

LIVESTREAM GAMING LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2021

	Share capital (Note 21) €	Treasury shares reserve (Note 22) €	Non-refundable advances (Note 22) €	Translation reserve (Note 22) €	Retained earnings (Note 22) €	Total €
Balance at 1 January 2021	1.012.000	(279.000)	28.412	(46.964)	(3.547.512)	(2.833.064)
Comprehensive income						
Loss for the year	-	-	-	-	(416.940)	(416.940)
Other comprehensive income						
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	92.555	-	92.555
Other comprehensive income for the year	-	-	-	92.555	-	92.555
Transactions with owners of the Company						
Contributions and distributions						
Sale of treasury shares	-	279.000	3.402.273	-	-	3.681.273
Balance at 31 December 2021	1.012.000	-	3.430.685	45.591	(3.964.452)	523.824

Share premium, treasury shares and translation reserve are not available for distribution.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Euro) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

LIVESTREAM GAMING LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 €	2020 €
Cash flows from operating activities			
Loss for the year		(416.940)	(279.375)
Adjustments for:			
Depreciation of property, plant and equipment	15	35.573	6.809
Exchange difference arising on the translation of non-current assets in foreign currencies		(5.728)	1.000
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		92.555	(28.369)
Amortisation of research and development	16	214.844	84.950
Interest income	12	(128)	(3.749)
Interest expense	12	19.924	39.313
Income tax expense		314	714
Lease modification		(1.001)	-
Cash used in operations before working capital changes		(60.587)	(178.707)
Decrease in inventories		2.161	4.297
Decrease in trade and other receivables	19	11.107	24.748
(Decrease)/increase in balances with players	18	(68.147)	103.899
Increase in trade and other payables	25	230.218	432.578
Cash generated from operations		114.752	386.815
Tax refunded		2.726	1.134
Net cash generated from operating activities		117.478	387.949
Cash flows from investing activities			
Payment for acquisition of intangible assets	16	(654.841)	(722.047)
Payment for acquisition of property, plant and equipment	15	(1.202)	(7.274)
Interest received		128	3.749
Net cash used in investing activities		(655.915)	(725.572)
Cash flows from financing activities			
Payments of leases liabilities		(27.554)	(116)
Proceeds from borrowings		400.055	246.303
Net cash generated from financing activities		372.501	246.187
Net decrease in cash and cash equivalents		(165.936)	(91.436)
Cash and cash equivalents at beginning of the year		322.371	413.807
Cash and cash equivalents at end of the year	20	156.435	322.371

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

LIVESTREAM GAMING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. Reporting entity

Livestream Gaming Ltd (the "Company") is domiciled in Cyprus. The Company was incorporated in Belize on 21 June 2016 as a private company with limited liability. Its registered office is at 9, Barrack Road, Belize City, Belize, Central America.

The principal activity of the Group is the operation of the online betting service LOOT.BET, one of the global leaders in esports betting. In this service, customers deposit funds in their online account and make bets mainly on esports matches outcomes.

2. Basis of accounting

The consolidated financial statements for the year ended 31 December 2021 consist of the financial statements of the Company and its subsidiaries (which together referred to as "the Group").

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

The consolidated financial statements have been prepared in accordance with IFRSs. These are the Group's first consolidated financial statements prepared in accordance with IFRSs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

In preparing its IFRS statement of financial position and income statement and other comprehensive income the Group has adjusted amounts reported previously throught Intema Solutions Inc, by sharing an online announcement on the 16/11/2021 regarding management accounts for the year ended 31 December 2020. An explanation of how the transition from previous management accounts to IFRSs has affected the Group's financial position and financial performance is set out in the following table and the notes that accompany the table:

	31 December 2020	31 December 2019
Revenue (cash deposits)	8.229.042	
IFRS 15 adjustment (payouts and other winnings)	(5.025.607)	
Revenue in accordance with IFRS	3.203.435	
Operating profit	753.235	
IFRS (IAS 37) adjustment (VAT provision)	(306.978)	
IFRS 10 Consolidation adjustments (Platform expenses capitalised, amortisation and other)	214.500	
Operating profit in accordance with IFRS	660.757	
Net income/(loss) and comprehensive income/(loss) for the period	125.256	
IFRS 9 adjustment (finance costs)	(394.879)	
IFRS 10 Consolidation adjustments	(9.752)	
Net income/(loss) and comprehensive income/(loss) for the period in accordance with IFRS	(279.375)	
Total assets	2.983.389	2.336.215
IFRS 10 consolidation adjustment (subsidiaries and intercompany elimination, shareholder balances elimination, reclass of PSPs)	(1.056.030)	(709.095)
IFRS (IAS 38) adjustment	223.649	-
Total assets in accordance with IFRS	2.151.008	1.627.120
Total Liabilities	3.671.004	3.149.076
IFRS (IAS 37) adjustment (VAT provision)	1.358.956	836.376
IFRS 10 adjustment (consolidation eliminations)	(45.888)	-
Reclassification adjustment	-	166.988
Total liabilities in accordance with IFRS	4.984.072	4.152.440

LIVESTREAM GAMING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Basis of accounting (continued)

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention.

2.3 Going concern basis

The Group incurred a loss of €416.940 during the year ended 31 December 2021 and, as of that date the Group's current liabilities exceeded its current assets by €1.294.783.

The net current liability position of the Company has resulted from the provision of a VAT liability in the amount of €1.358.956 (2020: €1.143.354), see notes 9 & 25.

Based on all the current data and information, the Board of Directors prepared the financial statements for the year ended 31 December 2021 on the assumption that the Group will continue to operate as a going concern in the long run. The Board of Directors also considers that there is no material uncertainty regarding the Group's ability to continue as a going concern due to the following reasons:

- Out of the total provision of VAT liability in the amount of €1.358.956, the amount of €679.478 is expected to be paid within the year of 2022. The remaining balance of €679.478 is expected to be paid during a 5 year timespan, starting from 1 January 2023 (see note 29). As a result the Group does not require immediate cash injection for the €679.478 portion of VAT provision reflected as a current liability in Livestream Gaming Ltd consolidated financial statements for the year ended 31 December 2021. In addition, the clients is currently under discussions with the VAT authorities to manage the vat exposure and there is a less likely than not probability for a lower vat exposure. The acquiring company (see note below) has included within its working capital submission to the TSXV a plan for covering this exposure which the TSX has reviewed and accepted.
- On the 30th April 2021, the Group entered into an arm's length binding letter of intent dated April 30, 2021 with Intema Solutions Inc. with respect to a proposed transaction, whereby Intema Solutions Inc. will acquire all of the share capital of Livestream Gaming Ltd (the "Livestream Securities").

On the 27th January 2022, both parties signed the execution agreement for the above transaction for an anticipated price up to CAD$17.750.000 with an effective date being the 7th February 2022. The transaction is under approval by the TSX Venture Exchange and the current information indicate that the transaction will be finalized once the financial statements of Intema Solutions Inc. for the first quarter of the year 2022 will be submitted to the TSX Venture Exchange.

Following the finalisation of the takeover of the Livestream Gaming Ltd Group by Intema Solutions Inc. ("New shareholders"), New shareholders have committed to provide a significant capital injection in tranches starting from April 2022 and early 2023 and plan to invest in developing and marketing the platform to continue its dominant position in the market and at the same time meet any liability as it falls due. New shareholders are also committed and have the ability as evidenced over the years to cover the VAT obligations of the entity following the finalization of the takeover. Given the current market value of livestream as evidenced with this transaction and hence makes it less likely for the current shareholders not to financially support it.

The current operating environment is also expected to recover with major events planned for the year postponed as a result of COVID restrictions. As a result, the financial budget for the next 12 months shows a positive trend. The Board of Directors do not consider that there is any uncertainty in terms of the entity's ability to continue as a going concern.

2. Basis of accounting (continued)

2.3 Going concern basis

In the unfavorable scenario that the transaction will not follow through, current shareholders of Livestream Gaming Ltd Group have also expressed their willingness and ability to financially support the Group in meeting its VAT obligations as well as any other obligations that may need to be repaid.

- Intema Solutions Inc. confirmed that there is no intention to terminate/ transfer out Livestream Gaming Limited Group once takeover transaction will be finalized. Livestream Gaming Ltd Group will continue its normal operations under the control and supervision of its new shareholders Intema Solutions Inc.

- Budgeted forecasts and trends prepared for Intema Solutions Inc. indicate positive trends in supporting the ability of Intema Solutions Inc. to financially support the Group in meeting its VAT obligations as well as any other obligations that may need to be repaid once the takeover is finalised.

3. Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Company.

4. Adoption of new and revised IFRSs

As from 1 January 2021, the Group adopted all changes to IFRSs, which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Group.

5. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively - that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

5.1 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 25 & 26 "Income and other taxes" - to determine any provision for income and other taxes.

- Note 16 "Additions arising from internal development"

6. Significant accounting policies

The following accounting policies have been applied consistently for all the years presented in these consolidated financial statements. The accounting policies have been consistently applied by all companies of the Group.

6.1 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date that control commences until the date control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them in line with the accounting policies of the Group.

6.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

6. Significant accounting policies (continued)

6.2 Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

6.3 Segmental reporting

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Group operates only in Cyprus and for this reason operations are not analysed by geographical segment.

6.4 Revenue recognition

Performance obligations and revenue recognition policies

The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

6. Significant accounting policies (continued)

6.4 Revenue recognition (continued)

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Revenue from games (GGR)

Gaming transactions in which the Company's revenue consists of a commission, fixed percentage of winnings or similar are accounted for in accordance with IFRS 15 "Revenue from Contracts with Customers". Gaming revenues are reported net after deduction for player winnings.

Revenue attributable to gaming transactions in which the Company assumes an open position against the player are reported net, after deduction of player winnings which are calculated according to the outcome of the game. Income from gaming activities represents the net gain or loss from gaming activities in the period.

Amounts wagered does not represent the Company's statutory revenue measure and comprises the gross takings received and receivable from customers in respect of games.

6.5 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;

Finance income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Finance costs

Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method. The effective interest rate is applied to the amortised cost of the liability.

6. Significant accounting policies (continued)

6.6 Foreign currency translation

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates ('the functional currency').

Foreign currency transactions are translated into respective functional currencies of the Group companies using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

6. Significant accounting policies (continued)

6.7 Tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

6.8 Dividends

Dividends distributions to the Company's shareholders are recognised in the Company's financial statements in the year in which they are approved.

6.9 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in profit or loss on the straight-line method over the useful lives of each part of an item of property, plant and equipment. The annual depreciation rates used for the current and comparative periods are as follows:

	%
Right of use assets	20
Plant and machinery	20
Furniture, fixtures and office equipment	20
Other	20

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic

6. Significant accounting policies (continued)

6.9 Property, plant and equipment (continued)

benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.10 Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, internally-generated intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The annual amortisation rate used for the current and comparative periods is 10%.

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use and is included within administrative expenses. The annual depreciation rates used for the current and comparative periods are 10%.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

6. Significant accounting policies (continued)

6.11 Financial instruments

6.11.1 Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6.11.2 Classification and subsequent measurement

6.11.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) debt investment; Fair Value through Other Comprehensive income (FVOCI) equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the consolidated statement of cash flows.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

6. Significant accounting policies (continued)

6.11 Financial instruments (continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

6. Significant accounting policies (continued)

6.11 Financial instruments (continued)

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

6.11.2.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The financial liabilities of the Group are measured as follows:

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

6. Significant accounting policies (continued)

6.12 Derecognition of financial assets and liabilities

The Group derecognises a financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) when:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group transfers the rights to receive the contractual cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

6.13 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when, and only when, the Group has a currently enforceable legal right to offset the recognised amounts and it intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

6.14 Impairment of non-financial assets

Assets (other than biological assets, investment property, inventories and deferred tax assets) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Goodwill arising from a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to be benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

6. Significant accounting policies (continued)

6.14 Impairment of non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

6.15 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

6.16 Share capital

Ordinary shares are classified as equity.

7. Operating segments

2021	Europe €	CIS €	Other €	Total €
Revenue	984.054	524.829	677.904	2.186.787
Loss before tax	(78.077)	(41.641)	(296.908)	(416.626)
Assets	-	186.113	2.277.836	2.463.949
Liabilities	-	161.522	1.778.603	1.940.125
Capital expenditure	-	81.501	-	81.501
Depreciation	-	35.573	-	35.573

2020	Europe €	CIS €	Other €	Total €
Revenue	1.025.099	1.249.340	928.996	3.203.435
Loss before tax	(50.892)	(27.143)	(200.626)	(278.661)
Assets	-	214.048	1.936.960	2.151.008
Liabilities	-	117.230	4.866.842	4.984.072
Capital expenditure	-	7.274	-	7.274
Depreciation	-	6.809	-	6.809

The Group is organised by business segments in relation and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments.

8. Revenue (GGR)

8.1 Revenue streams: the Group generates revenue primarily from the operation of the online betting service LOOT.BET, one of the global leaders in esports betting. In this service, customers deposit funds in their online account and make bets mainly on esports matches outcomes.

	2021 €	2020 €
Amounts wagered	47.364.277	58.855.173
Winnings	(45.177.490)	(55.651.738)
Gross Gaming Revenue ("Revenue")	2.186.787	3.203.435

8.2 Disaggregation of revenue from contracts with customers streams: in the following table revenue from contracts with customers is disaggregated by primary geographical market.

	GGR	
	2021 %	2020 %
Primary Geographical markets		
Europe	45	32
CIS	24	39
SEA	24	19
Asia	6	5
Other	1	5
	100	100

8.3 Performance obligations and revenue recognition policies:

Rendering of services	The Group satisfies its performance obligation by transferring control over the promised service to the customer.	Revenue is recognised at the point of time when the service is provided to the client. The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service. The Group does not bear any responsibility thereafter.

9. Other operating expenses

	2021 €	2020 €
Other expenses	4.128	-
VAT provision	215.603	306.978
	219.731	306.978

The provision recorded for an amount of €215.603 (2020: €306.978), relates to expenses for which VAT is expected to be paid for services that the Group received. The management is currently working in order to conclude through a thorough investigation of the facts and circumstances regarding the actual exposure. As at 31 December 2021, the amount that is more probable to materialise than not is fully provided (Note 25).

10. Expenses by nature

	Note	2021 €	2020 €
Staff costs	11	200.655	188.634
Depreciation and amortisation		250.395	88.829
Independent auditors' remuneration		96.000	23.200
Bonuses paid to Players		95.499	109.669
Marketing		580.062	1.023.191
Betting data suppliers		240.462	382.238
Platform repairs and maintenance		140.731	105.817
Legal and professional		52.057	99.291
Office/general administrative expenses		135.469	23.652
Management fees		82.487	148.272
VAT provision		215.603	306.978
Advertising		22.893	1.522
Other expenses		48.631	41.385
Total cost of sales, selling and distribution and administrative expenses		2.160.944	2.542.678

11. Staff costs

	Note	2021 €	2020 €
Salaries		168.515	154.992
Social insurance and other contributions		32.140	33.642
Total staff costs	10	200.655	188.634

Salaries, social insurance and other contributions of €585.444 (2020: €629.612), have been capitalised as part of the Betting platform (Note 14).

The average number of employees employed by the Group during the year 2021 and 2020 were 48 and 47 respectively.

LIVESTREAM GAMING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

12. Net finance income and costs

	2021 €	2020 €
Finance income		
Group interest	-	3.696
Other interest income	128	53
	128	3.749
Finance costs		
Interest expense		
Loan interest	19.924	39.313
Sundry finance expenses		
Bank charges	437.443	479.723
Other finance expenses	3.368	-
Net foreign exchange transaction losses		
Realised foreign exchange loss	(17.610)	424.131
	443.125	943.167

Interest income is analysed as follows:

	2021 €	2020 €
Bank deposits	128	53
Other loans and receivables	-	3.696
	128	3.749

13. Taxation

	2021 €	2020 €
Corporation tax	684	849
Deferred tax - credit	(370)	(135)
Charge for the year	314	714

LIVESTREAM GAMING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

13. Taxation (continued)

Reconciliation of tax based on the taxable income and tax based on accounting losses:

	2021	2021 €	2020	2020 €
Accounting loss before tax		(416.626)		(278.661)
Tax calculated at the applicable tax rates	12,50 %	(52.078)	12,50 %	(34.833)
Tax effect of expenses not deductible for tax purposes	- %	-	(8,47)%	23.610
Tax effect of allowances and income not subject to tax	(12,66)%	52.762	(37,04)%	103.217
Tax effect of tax losses brought forward	- %	-	32,71 %	(91.145)
Deferred tax	0,09 %	(370)	0,05 %	(135)
Tax as per consolidated statement of profit or loss and other comprehensive income - charge	(0,08)%	314	(0,26)%	714

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

14. Earnings per share

	2021	2020
Basic and fully diluted losses attributable to owners (€)	(416.940)	(279.375)
Weighted average number of ordinary shares in issue during the year	1.150.000	850.000
Basic and fully diluted losses per share (cent)	(36,26)	(32,87)

For 2020 the number of ordinary shares in issue do not include the number of shares held as Treasury Shares.

LIVESTREAM GAMING LTD

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For the year ended 31 December 2021

15. Property, plant and equipment

2021	Right of use assets	Plant and machinery	Furniture, fixtures and office equipment	Other	Total
	€	€	€	€	€
Cost					
Balance at 1 January	7.738	16.603	2.935	649	27.925
Additions	80.299	1.125	13	64	81.501
Exchange differences	6.589	1.000	-	-	7.589
Balance at 31 December	94.626	18.728	2.948	713	117.015
Depreciation					
Balance at 1 January	129	3.932	1.416	195	5.672
Depreciation for the year	29.573	5.218	620	162	35.573
Exchange differences	2.861	(1.000)	-	-	1.861
Balance at 31 December	32.563	8.150	2.036	357	43.106
Carrying amounts					
Balance at 31 December	62.063	10.578	912	356	73.909

2020	Right of use assets	Plant and machinery	Furniture, fixtures and office equipment	Other	Total
	€	€	€	€	€
Cost					
Balance at 1 January	-	13.577	3.803	533	17.913
Additions	-	7.026	132	116	7.274
Exchange differences	-	(4.000)	(1.000)	-	(5.000)
Adjustment to right-of-use asset	7.738	-	-	-	7.738
Balance at 31 December	7.738	16.603	2.935	649	27.925
Depreciation					
Balance at 1 January	-	1.373	1.374	116	2.863
Depreciation for the year	129	4.559	2.042	79	6.809
Exchange differences	-	(2.000)	(2.000)	-	(4.000)
Balance at 31 December	129	3.932	1.416	195	5.672
Carrying amounts					
Balance at 31 December	7.609	12.671	1.519	454	22.253

16. Intangible assets

2021	Computer software €	Betting platform €	Other €	Total €
Cost				
Balance at 1 January	20.472	1.378.621	45.263	1.444.356
Additions	46	654.795	-	654.841
Balance at 31 December	20.518	2.033.416	45.263	2.099.197
Amortisation				
Balance at 1 January	20.189	89.036	-	109.225
Amortisation for the year	122	214.722	-	214.844
Balance at 31 December	20.311	303.758	-	324.069
Carrying amounts				
Balance at 31 December	207	1.729.658	45.263	1.775.128

2020	Computer software €	Betting platform €	Other €	Total €
Cost				
Balance at 1 January	20.635	656.412	45.263	722.310
Additions	-	722.209	-	722.209
Disposals	(163)	-	-	(163)
Balance at 31 December	20.472	1.378.621	45.263	1.444.356
Amortisation				
Balance at 1 January	16.127	8.191	-	24.318
Amortisation for the year	4.062	80.845	-	84.907
Balance at 31 December	20.189	89.036	-	109.225
Carrying amounts				
Balance at 31 December	283	1.289.585	45.263	1.335.131

The betting platform represents the development costs of LOOT.BET platform which is developed within the Group by a distributed team working in offices and remotely, through the subsidiary ZubrSoft LLC.

The Other Intangible relates to the expertise acquired via inhouse personnel through the acquisition of subsidiary ZubrSoft LLC.

17. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %
Livestream Ltd	Cyprus	Payment services	100
GGWP LLC	Belarus	Analysis, design and development of the software of information systems	100
ZubrSoft LLC	Belarus	Software development	99,99

The table above includes all the companies that are consolidated for the Group for the years ended 31 December 2021 and 2020. During the years there was no change in ownership.

18. Balances due to players

	2021 €	2020 €
Balances due to players	282.524	350.671
	282.524	350.671

Relates to amounts deposited by the customers currently held by the Company.

19. Trade and other receivables

	2021 €	2020 €
Payment system providers	444.505	463.359
Other receivables	40	142
Refundable VAT	11.486	3.637
	456.031	467.138

Payment system providers relate to amounts deposited by the customers currently held by the Company.

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 29 to the consolidated financial statements.

20. Bank deposits

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2021 €	2020 €
Current accounts	156.435	322.371
	156.435	322.371

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 29 to the consolidated financial statements.

21. Share capital

	2021 Number of shares	2021 US$	2020 Number of shares	2020 US$
Authorised				
Shares of US$1 each	1.150.000	1.150.000	1.150.000	1.150.000
		€		€
Issued and fully paid				
Balance at 1 January	1.150.000	1.012.000	1.150.000	1.012.000
Balance at 31 December	1.150.000	1.012.000	1.150.000	1.012.000

Issued capital

Upon incorporation on 21 June 2016 the Company issued to the subscribers of its Memorandum of Association 1.150.000 ordinary shares of US$1 each at par.

LIVESTREAM GAMING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

22. Reserves

	Treasury shares reserve €	Non-refundable advances €	Translation reserve €	Retained earnings €	Total €
Balance at 1 January 2020	(279.000)	28.412	(18.595)	(3.268.137)	(3.537.320)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	(28.369)	-	(28.369)
Loss for the year	-	-	-	(279.375)	(279.375)
Balance at 31 December 2020	(279.000)	28.412	(46.964)	(3.547.512)	(3.845.064)
Balance at 1 January 2021	(279.000)	28.412	(46.964)	(3.547.512)	(3.845.064)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	92.555	-	92.555
Sale of treasury shares	279.000	3.402.273	-	-	3.681.273
Loss for the year	-	-	-	(416.940)	(416.940)
Balance at 31 December 2021	-	3.430.685	45.591	(3.964.452)	(488.176)

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Euro) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Treasury shares relate to shares acquired back by the Company during 2016. During 2021, the Company sold 300.000 shares of US$1, as part of a non-cash transaction (Note 23). More specifically, on the 1st March 2021, the shareholders of the Company decided that a number of 79.577 shares will be distributed to the existing shareholders and on the same date, another 220.423 shares will be distributed to an existing (105.423) and a new shareholder (115.000). As a result of these transaction all treasury shares have been sold and with a corresponding increase in equity.

The non-refundable advances relate to amounts contributed by the Company's shareholders for outstanding balances which the shareholders waived all of their outstanding loan balances in a form of a non reciprocal capital contribution.

Foreign currency translation reserve, treasury shares and non-refundable advances are non-distributable reserves.

23. Loans and borrowings

	2021	2020
	€	€
Balance at 1 January	3.261.699	2.976.083
Additions	400.055	246.303
Interest	19.924	39.313
Converted into shares	(3.681.273)	-
Gain on conversion	(405)	-
Balance at 31 December	-	3.261.699

	2021	2020
	€	€
Non-current liabilities		
Loans from owners (Note 28 (ii))	-	-
Current liabilities		
Loans from owners (Note 28 (ii))	-	3.261.699

During 2021, the borrowers and shareholders of the Company waived all of their outstanding loan balances by making a non reciprocal capital contribution for an amount of €3.402.273 and also by receiving the remaining balance in a form of shares issued for an amount of €279.000.

The above conversion is reported in note 22 to the consolidated financial statements.

The exposure of the Group to interest rate risk in relation to financial instruments is reported in note 29 to the consolidated financial statements.

LIVESTREAM GAMING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. Lease liabilities

	2021 €	2020 €
Balance at 1 January	7.623	-
Additions	80.299	7.623
Repayments	(31.143)	-
Modification	(1.001)	-
Interest	3.589	-
Balance at 31 December	59.367	7.623

	Minimum lease payments 2021 €	Interest 2021 €	Principal 2021 €	Minimum lease payments 2020 €	Interest 2020 €	Principal 2020 €
Within one year	30.240	2.695	27.545	1.740	303	1.437
Between one and five years	33.151	1.329	31.822	6.815	629	6.186
	63.391	4.024	59.367	8.555	932	7.623

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

25. Trade and other payables

	2021 €	2020 €
Trade payables	33.762	80.020
Social insurance and other taxes	3.730	3.310
Salaries and payroll charges	85.594	81.147
VAT Liability - Provision (Note 9)	1.358.956	1.143.354
Accruals	105.004	48.950
Other creditors	3.232	2.752
	1.590.278	1.359.533

Trade payables relates to amounts due to several vendors.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to liquidity risk in relation to financial instruments is reported in note 29 to the consolidated financial statements.

26. Tax liability

	2021	2020
	€	€
Corporation tax	7.956	4.546
	7.956	4.546

There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

27. Operating environment of the Group

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the year.

Industries such as tourism, hospitality and entertainment have been directly disrupted significantly by these measures. Other industries such as manufacturing and financial services have also been indirectly affected.

(1) the ability of the Group to continue as a going concern (Note 2.3)

In March to April of 2020 the betting turnover was growing by 20% every week as a result of COVID-19 lockdowns, but later in the year many important esports tournaments were cancelled or moved online, which negatively impacted the betting turnover and revenue.

Since Q3 2020 the industry has been experiencing decreased number of sports and esports tournaments for end customers to place bets on, which resulted in decrease in turnover.

The negative effect is in decreased number of sports and esports tournaments for end customers to place bets on, and the Group expects significant improvement of the situation once the pandemic is over.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's operations. The event did not have an immediate material impact on the business operations.

The Group's management believes that it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current business and economic environment.

Management will continue to monitor the situation closely and will assess the need for in case the period of disruption becomes prolonged.

28. Related party transactions

The Company is controlled by Nick Katselapov, Piotr Zhalau and Evgueni Kislyi, who owns 51,38%, 38,45% and 10,17% respectively of the Company's shares.

The transactions and balances with related parties are as follows:

28. Related party transactions (continued)

(i) Purchases of goods and services

		2021	2020
		€	€
	Nature of transactions		
Piotr Zhalau	Management fees	71.900	148.272
		71.900	148.272

(ii) Owners' current accounts - credit balances (Note 21 and 23)

	Piotr Zhalau	Loans from shareholders	Total
	€	€	€
Balance at 1 January 2020	-	2.976.083	2.976.083
Additions	-	246.303	246.303
Interest	-	39.313	39.313
Management fees	148.272	-	148.272
Payments made during the year	(148.272)	-	(148.272)
Balance at 31 December 2020	-	3.261.699	3.261.699
Balance at 1 January 2021	-	3.261.699	3.261.699
Additions	-	400.055	400.055
Interest	-	19.924	19.924
Converted into shares	-	(3.681.273)	(3.681.273)
Gain on settlement	-	(405)	(405)
Management fees	71.900	-	71.900
Payments made during the year	(71.900)	-	(71.900)
Balance at 31 December 2021	-	-	-

The owners' current accounts are interest free, and have no specified repayment date.

29. Financial instruments - fair values and risk management

Financial risk factors

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities.

29. Financial instruments - fair values and risk management (continued)

A. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see note A).
- liquidity risk (see note A).

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021 €	2020 €
Trade and other receivables	40	142
Bank current accounts	156.435	322.371
Payment system providers	433.030	428.061
	589.505	750.574

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

31 December 2021	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Non-derivative financial liabilities						
Trade and other payables	1.485.274	1.485.274	126.318	679.478	679.478	-
	1.485.274	1.485.274	126.318	679.478	679.478	-

29. Financial instruments - fair values and risk management (continued)

31 December 2020	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Non-derivative financial liabilities						
Trade and other payables	1.310.583	1.310.583	167.229	571.677	571.677	-
Loans from owners	3.261.699	3.281.623	3.281.623	-	-	-
	4.572.282	4.592.206	3.448.852	571.677	571.677	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

30. Fair values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

31. Events after the reporting period

On the 30th April 2021, the Group entered into an arm’s length binding letter of intent dated April 30, 2021 with Intema Solutions Inc. with respect to a proposed transaction, whereby Intema will acquire all of the issued and outstanding securities of in the capital of Livestream Gaming Ltd (the “Livestream Securities”).

On the 27th January 2022, both parties signed the execution agreement for the above transaction for an anticipated price up to CAD$17.750.000 with an effective date being the 7th January 2022.

The impact of events after the reporting date on the going concern is described in Note 2.3.

On 30 March 2022 the Board of Directors of Livestream Gaming Ltd approved and authorised these consolidated financial statements for issue.

Schedule "D"

See attached.

Livestream

Management's Discussion and Analysis

For the year ended December 31, 2021

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Livestream Gaming Ltd ("Livestream" or the "Company") must be read in conjunction with the consolidated financial statements of the Company and the accompanying notes for the 12 months period ended December 31, 2021. Results are reported in Euro unless otherwise noted. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). This MD&A is dated March 01, 2022, and reflects information available to the Company as of March 01, 2022.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements". All statements other than statements of historical facts included in this MD&A, including, without limitation, those regarding the projected financial performance of the Company; the expected development of the Company's business and projects; execution of the Company's vision and growth strategy; sources and availability of financing for the Company's projects; renewal of the Company's current customer, supplier and other material agreements; and future liquidity, working capital, and capital requirements, are forward-looking statements. Although the forward-looking statements in this MD&A are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that they will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

OVERVIEW

Livestream Gaming Ltd. ("Livestream" or the "Company"), incorporated under the International Business Companies Act in Belize, is a private company that specializes in esports services. Since 2016, Livestream has been a leader in esports betting through its Loot.bet service and software platform. The Company offers esports betting and gambling. Livestream's common shares are privately-held.

Loot.bet is a betting supermarket for Generation Z. Generation Z is more in video games and esports than traditional sports such as, football, tennis, or hockey. The central component of Loot.bet is an esports betting module focused on a perfect live betting experience. Esports are organized competitive video gaming events that are watched as spectator events, and it is currently the fastest growing subsector of the digital entertainment space. Livestream has developed a proprietary technology platform offering esports betting with powerful promotional and retention tools.

Livestream Gaming Ltd operates under a Curacao gambling license. Livestream Gaming Ltd has a wholly owned Cyprus-based subsidiary Livestream Ltd, providing marketing, operational and software development services. Livestream Ltd has two subsidiary companies: GGWP LLC (Belarus), providing customer support and community management services to the Group, and Zubrsoft LLC (Belarus), providing software development services to the Group.

CORPORATE HIGHLIGHTS (as at the date of this MD&A)

- **February 2021** – launched the classic sports section of the site;
- **March 2021** – launched a new retention feature "Daily Quests": users are given one or several tasks every day, usually involving making a deposit of a certain amount or placing bets on a specific tournament, and are rewarded with gifts (free bets, free spins etc.) upon completion. Daily quests are the next step in development of Loot.bet's gamification features;
- **April 2021** - entered into a binding letter of intent with Intema Solutions Inc. (TSXV: ITM, OTCMKTS: ITMZF) with respect to a proposed transaction, whereby Intema will acquire all of the issued and

outstanding securities of Livestream;

- **September 2021** – added a new additional esports feed provider Pandascore. LOOT.BET will be supported by PandaScore's in-house esports trading team, which will price over 116 pre-match and 125 in-play markets, safeguarded by the use of an Artificial Intelligence guided automated system.

Subsequent to December 31, 2021, the Company closed its transactions with Intema whereby Intema acquired all of the issued and outstanding securities of Livestream, as announced on February 18, 2021.

SELECTED FINANCIAL HIGHLIGHTS

	For the year ended December 31, 2021 (€)	For the year ended December 31, 2020 (€)
Total revenue	2,186,787	3,203,435
Cost of sales (bonuses paid to players)	95,499	109,669
Operating expenses	1,822,323	2,267,442
(Loss)/profit for the period	(416,940)	(279,375)
(Loss)/profit for the period per share (basic and diluted)	0.363	0.243
Total assets	2,463,949	2,151,008
Total liabilities	1,940,125	4,984,072
Cash dividends declared	Nil	Nil

OPERATING RESULTS

Total revenue

In 2021, revenues decreased to € 2,186,787 from € 3,203,435 in 2020 due to negative impact of COVID-19 on the esports industry. In March-April of 2020 the betting handle was growing by 20% every week as a result of COVID-19 lockdowns and suspension of the most classical sports leagues, but later in the year many important esports tournaments were cancelled or moved online, which negatively impacted the betting handle and revenue.

Cost of sales (bonuses paid to players)

Cost of sales slightly decreased from €109,669 to €95,499 due to decreased betting handle and improved efficiency of the new Daily Quests retention feature.

Operating expenses

In 2021 operating expenses decreased by 19.6% compared to 2020 as a result of decreased expenses on marketing, data suppliers, and management fees.

(Loss)/profit for the period

For a financial year ended December 31, 2021, the Company recorded a higher loss of € 416,940, compared to a loss of € 279,375 in 2020, mainly as a result of a negative impact of COVID-19 on the esports industry in 2021.

Total assets

Total assets increased by 14.55% and reached € 2,463,949, mainly as a result of continued investments in development of Loot.bet betting platform.

Total liabilities

Liabilities greatly decreased from € 4,984,072 in December 31, 2020 to € 1,940,125 by December 31, 2021, as a result of conversion of loans agreements and convertible loan agreements with the shareholders to shares. The total number of shares remains the same, as the shares were re-distributed between shareholders and there were no new shares issued.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company has determined that related parties consist of the directors, the officers, and the controlling shareholders of the Company. As at December 31, 2021, the directors, officers and controlling shareholders of the Company were:

- Piotr Zhalau: Chief Executive Officer, director and controlling shareholder (38.45%);
- Nick Katselapov: controlling shareholder (51.38%); and
- Evgueni Kislyi: controlling shareholder (10.17%).

During the 12 months ended December 31, 2021, the Company incurred charges with directors and officers recorded as follows:

	Management Fees	Total
Piotr Zhalau	€71,900	€71,900
		€71,900

During the 12 months ended December 31, 2020, the Company incurred charges with directors and officers as follows:

	Management Fees	Total
Piotr Zhalau	€148,272	€148,272
		€148,272

Shareholder Loans

As at December 31, 2021, there are no related party balances. As at December 31, 2020, the related party balance of €3,261,699 represents shareholder loans from Nick Katselapov and Evgueni Kislyi. As at December 31, 2020, the interest on the loan was €39,313. the amount of the loan was converted into shares in 2021 and otherwise repaid.

CAPITAL STRUCTURE

The following table sets out the common shares of the Company that are outstanding as at the date of this MD&A:

	March 01, 2022
Outstanding common shares	**1,150,000**

Warrants	0
Stock options	0
Fully diluted common shares	**1,150,000**

OFF-BALANCE SHEET AGREEMENTS

The Company does not have any off-balance sheet agreements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As from January 1, 2021, the Company adopted all changes to IFRS, which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Company.

LIQUIDITY & CAPITAL RESOURCES

The following table summarizes the Company's cash flows for the year ended December 31, 2020 and 2021:

	December 31 2021 (€)	December 31, 2020 (€)
Cash generated in operating activities, net	117,478	387,949
Cash used in investing activities	(655,915)	(725,572)
Cash generated in financing activities	372,501	246,187
Increase (decrease) in cash	(165,936)	(91,436)
Cash, beginning of year	322,371	413,807
Cash, end of year	156,435	322,371

The Company generated net cash of € 117,478 in operating activities in 2021, and € 387,949 in operating activities in 2020. As the Company is in its early stage, cash used to fund the development of operations in the past two years exceeded the cash inflows from revenue it generated. As a result, the Company has relied on its ability to raise financing through the issuance of equity securities to obtain sufficient cash flows. There is no certainty that equity financing will continue to be available at the times and in the amounts required to fund the Company's future activities.

Cash generated in investing activities for the year mainly came from payments for acquisition of intangible assets (proprietary betting platform Loot.bet).

Cash generated by financing activities for the year mainly came from proceeds from borrowings.

Management considers this to be sufficient for the Company to meet its ongoing obligations. The current shareholders have expressed their willingness and have the ability to continue to support the operations of the Company as they have done so in the past.

FINANCIAL RISK FACTORS

The Company operates in an industry subject to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks. The Company also makes use of financial instruments in the form of trade and other payables, receivables and loans from shareholders.

Market Risk

Market segment risk may arise because of adverse changes in internet payment processing and online gambling legislation. The Company is exposed to market segment risk to the extent that legislation impacts operational presence and related revenue streams, and this extent may be significant. The Company manages this exposure through geographical diversification and diversification in sources of revenue. The Company also closely monitors local legislation in key markets and does not have strong economic reliance on any one company belonging to the Livestream Group of companies.

Livestream is exposed to foreign exchange risk as its operations are conducted primarily in Euro. Foreign Exchange Risk exists when a financial transaction is denominated in a currency other than that of the base currency of the Company. The same applies to convertible virtual currencies including cryptocurrencies, e.g. Bitcoin or Ethereum. The Company is exposed to the following types of Foreign Exchange Risks:

- Arising from revenues and expenses in foreign currency,
- Arising from the revaluation of foreign assets and liabilities.

Credit Risk

The Company has no significant credit risk arising from operations.

Liquidity Risk

Livestream undertakes efforts to make sure that it will have sufficient liquidity to meet its financial obligations as they fall due. Main exposure relates to payables and amounts owed to users of Loot.bet, and management maintains enough liquidity reserves to fulfill these obligations, controls and monitors the Group's cash flow on a regular basis, including forecasting future cash flows.

RISK FACTORS

Livestream has a limited operating history

Livestream began its business in its current capacity in December 2019 and has not yet generated material income. Livestream is, therefore, subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that Livestream will be successful in achieving a return on shareholders' investment and likelihood of success must be considered in light of the early stage of operations. Livestream's lack of operating history may also make it difficult for investors to evaluate Livestream's prospects for success and there is no guarantee that Livestream's business model will continue to achieve its strategic objectives.

Negative cash flow from operations

In the reporting year Livestream had negative cash flows from operating activities. Although Livestream anticipates it will have positive cash flows from operating activities in future periods, to the extent that the Company has negative cash flows in any future period, certain of the net proceeds from the financing may be used to fund such negative cash flows from operating activities, if any.

Uncertainty of Livestream's future revenues

Although management is optimistic about Livestream's prospects, there is no guarantee that expected outcomes and sustainable revenue streams will be achieved. Livestream faces risks frequently encountered by early-stage companies. Its growth and prospects depend on its ability to expand its operation and grow its revenue streams, whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on Livestream's business, financial condition, and results.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets (in particular as a result of the current outbreak of the novel coronavirus ("COVID-19") and the global COVID-19 pandemic) has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, Livestream is subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact Livestream's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to Livestream. If uncertain market conditions persist, Livestream's ability to raise capital could be jeopardized, which could have an adverse impact on Livestream's operations and valuation.

COVID-19 Risk

Livestream's business could be significantly and adversely affected by the effects of any widespread global outbreak of contagious disease. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn and cancellation of esports events that could affect demand for Livestream's services and likely impact operating results. In particular, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. Livestream cannot accurately predict the impact COVID-19 will have on Livestream's ability to remain open for business in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their obligations with Livestream, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries, and future demand of Livestream's products and services. In the event that the prevalence of the coronavirus continues to increase (or fears in respect of the coronavirus continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and Livestream's operations, suppliers, customers and distribution channels, and ability to advance its projects, could be adversely affected. In particular, should any employees or consultants of Livestream become infected with COVID-19 or similar pathogens, it could have a material negative impact on Livestream's operations and prospects.

Changing economic conditions

The demand for entertainment and leisure activities, including esports betting and gaming, more generally, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond Livestream's control. Unfavorable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as esports betting or online gaming. As a result, Livestream cannot ensure that demand for its product and service offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities, such as esports betting and gaming. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for Livestream's product offerings, reducing its cash flows and revenues. If Livestream experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Risks associated with acquisitions

As part of Livestream's overall business strategy, the Company may pursue select strategic acquisitions, which would provide additional product and service offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with:

(a) the integration of new operations, services and personnel;

(b) unforeseen or hidden liabilities;

(c) the diversion of resources from Livestream's existing business and technology;

(d) potential inability to generate sufficient revenue to offset new costs;

(e) the expenses of acquisitions, in particular where cost synergies are not achieved or where significant additional regulatory risk or costs are associated with the entry into new jurisdictions as a result of acquisitions; or

(f) the potential loss of or harm to relationships with both employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Operational risks

Livestream will be affected by a number of operational risks and Livestream may not be adequately insured for certain risks, including labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, difficulty obtaining banking and payment processing for companies involved in online gambling, difficulty in obtaining gaming licenses for gaming platforms, changing online gaming regulatory environment with previously open markets becoming closed, or adopting prohibitive regulations, markets adopting point of consumption tax regimes that can render some markets less lucrative over time, cost of player acquisition and likelihood to recoup value based on player lifetime values, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in personal injury or death, environmental damage, adverse impacts on Livestream's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on Livestream's future cash flows, earnings and financial condition. Also, Livestream may be subject to or affected by liability or sustain loss for certain risks and hazards against which Livestream cannot insure or which Livestream may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on Livestream's future cash flows, earnings, results of operations and financial condition.

Cybersecurity risks

Livestream's operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. To mitigate cybersecurity risks, Livestream has built a technical team which has designed and maintains Livestream's technology platform from a security perspective. Livestream does not currently have cybersecurity insurance. Although Livestream has security systems in place and what it deems sufficient security around its system to prevent unauthorized access, it must ensure that it continually enhances security and fraud protection within its platform, and if Livestream is unable to do so it may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of Livestream's security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to Livestream's systems, data or customers' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in Livestream's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Livestream applications, could have a longer and more significant impact on Livestream's business operations than any hardware failure. A compromise in Livestream's security system could severely harm its business by the loss of its customers' confidence in it and thus the loss of their business. Livestream may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of ecommerce and the privacy of customers may also inhibit the growth of the Internet as a means of conducting commercial transactions. This may result in a reduction in revenues and increase operating expenses, which would prevent Livestream from achieving profitability.

Financial projections may prove materially inaccurate or incorrect

Livestream's financial estimates, projections and other forward-looking information accompanying this MD&A were prepared by Livestream without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should inquire of Livestream and become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events.

There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results Livestream and its subsidiaries might achieve.

Difficulty to forecast

Livestream must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the esports betting and gaming industries. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of Livestream.

Industry competition generally

There is potential that Livestream will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than Livestream. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of Livestream. To remain competitive, Livestream will require a continued high level of investment in marketing, sales and customer relationship management and support.

Competition in esports betting industry

The industry within which Livestream operates is rapidly evolving and intensely competitive, and is subject to changing technology, shifting customer needs and frequent introductions of new offerings. Livestream's potential competitors include large and established companies as well as other start-up companies. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies or otherwise develop more commercially successful products or services than Livestream, which could negatively impact its business. Furthermore, new competitors, whether licenced or not, may enter Livestream's key product and/or geographic markets. There is no assurance that Livestream will be able to maintain or grow its position in the marketplace.

As a result of the foregoing, among other factors, Livestream will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance and engagement. The process of developing new product and service offerings and systems is inherently complex and uncertain, and new product and service offerings may not be well received by customers, even if well-reviewed and of high quality. Furthermore, Livestream may not recover the often substantial upfront costs of developing and marketing new technologies and product and service offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product or service offerings. Additionally, if Livestream cannot efficiently adapt its processes and infrastructure to meet the needs of its product and service offering innovations, its business could be negatively impacted.

Reliance on third parties

Livestream is reliant to an extent on third parties, including information technology service providers. Livestream's success is partially dependent on its ability to attract and retain quality service providers. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage third party service providers could be detrimental to the future business, operating results and/or profitability of Livestream. Moreover, Livestream's financial performance will be significantly determined by its success in adding, retaining and engaging information technology service providers, which could adversely affect the business of Livestream.

Management of growth

Livestream may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Livestream to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of Livestream to deal with this growth may have a material adverse effect on Livestream's business, financial condition, results of operations and prospects.

Reliance on management

The success of Livestream will be dependent upon the ability, expertise, judgment, discretion and good faith of its key executives, including the directors and officers of Livestream and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on Livestream's business, operating results, or financial condition. The competition for highly skilled technical, management and other employees in Livestream's industry is high and there can be no assurance that Livestream will be able to engage or retain the services of such qualified personnel in the future.

Risks relating to insurance

Livestream intends to insure its operations in accordance with technology industry practice. However, given the novelty of esports gambling and associated businesses, such insurance may not be available, uneconomical for Livestream, or the nature or level may be insufficient to provide adequate insurance cover. Further, Livestream intends to insure against cyber-theft or hacking attacks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on Livestream.

Brand development

The brand identity that Livestream has developed has significantly contributed to the success of its business. Maintaining and enhancing the "Loot.bet" and "Livestream" brands is critical to expanding Livestream's customer base and potential B2B clients. Livestream believes that the importance of brand recognition will increase due to the relatively low barrier to entry in the industry. The "Loot.bet" brand may be negatively impacted by a number of factors, including software malfunctions, and data privacy and security issues. If Livestream fails to maintain and enhance its brands, or if Livestream incurs excessive expenses in this effort, it could have a material adverse effect on Livestream's prospects, business, financial condition, and results of operations. Maintaining and enhancing the "Loot.bet" and "Livestream" brands will depend largely on Livestream's ability to continue to provide high-quality products and services, which Livestream may not continue to do successfully.

Risks relating to cryptocurrency transactions

As it is currently intended that Livestream will accept cryptocurrencies such as Bitcoin and Ethereum as a payment for certain products or services on its platform, the risks associated with participating in cryptocurrency transactions should be discussed here. Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred tokens may be irretrievable. Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the Blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and Livestream may not be capable of seeking compensation for any such transfer or theft. Although Livestream's transfers of tokens will regularly be made by experienced members of the management team, it is possible that, through computer or human error, or through theft or criminal action, cryptocurrencies could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect Livestream's operations. The factors affecting the further development of the industry, include, but are not limited to:

- the continued worldwide growth in the adoption and use of cryptocurrencies;
- governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions

on or regulation of access to and operation of the network or similar cryptocurrency systems;

- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the network;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer sentiment and perception of cryptocurrencies.

Esports betting industry is heavily regulated

Livestream and its officers, directors, major shareholders, key employees and business partners will generally be subject to the laws and regulations relating to online gaming of the jurisdictions in which Livestream may conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes and climates, as well as personal biases, may have a material impact on Livestream's operations and financial results. In particular, some jurisdictions have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licenced and regulated and have adopted or are in the process of considering legislation to enable that to happen. Even where a jurisdiction purports to licence and regulate online gaming, the licencing and regulatory regimes can vary considerably in terms of their business-friendliness and at times may be intended to provide incumbent operators with advantages over new licencees. As such, some "liberalized" regulatory regimes are considerably more commercially attractive than others.

Regulatory regimes imposed upon gaming providers vary by jurisdiction. Typically, however, most regulatory regimes include the following elements:

• a requirement for gaming license applicants to make detailed and extensive disclosures as to their beneficial ownership, their source of funds, the probity and integrity of certain persons associated with the applicant, the applicant's management competence and structure and business plans, the applicant's proposed geographical territories of operation and the applicant's ability to operate a gaming business in a socially responsible manner in compliance with regulation;

• interviews and assessments by the relevant gaming authority intended to inform a regulatory determination of the suitability of applicants for gaming licenses;

• ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business;

• the testing and certification of software and systems, generally designed to confirm such things as the fairness of the gaming products offered by the business, their genuine randomness and ability to accurately generate settlement instructions and recover from outages;

• the need to account for applicable gaming duties and other taxes and levies, such as fees or contributions to bodies that organize the sports on which bets are offered, as well as contributions to the prevention and treatment of problem gaming; and

• social responsibility obligations.

Any gaming licence may be revoked, suspended or conditioned at any time, and the industry has recently experienced significantly more enforcement actions, particularly in the United Kingdom, where the Gambling Commission has issued fines against numerous operators for regulatory failings. The loss of a gaming licence in one jurisdiction could trigger the loss of a gaming licence or affect Livestream's eligibility for such a licence in another jurisdiction, and any of such losses, or potential for such loss, could cause Livestream to cease offering some or all of its product offerings in the impacted jurisdictions. Livestream may be unable to obtain or maintain all necessary registrations, licences, permits or approvals, and could incur fines or experience delays related to the licencing process, which could adversely affect its operations. The determination of suitability process may be expensive and time-consuming. Livestream's delay or failure to obtain gaming licences in any jurisdiction may prevent it from distributing its product offerings, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming licence if Livestream, or one of its directors, officers, employees, major shareholders or business partners:

(a) are considered to be a detriment to the integrity or lawful conduct or management of gaming;

(b) no longer meet a licencing or registration requirement;

(c) have breached or are in breach of a condition of licensure or registration or an operational agreement with a regulatory authority;

(d) have made a material misrepresentation, omission or mis-statement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority;

(e) have been refused a similar gaming licence in another jurisdiction;

(f) have held a similar gaming licence in that province, state or another jurisdiction which has been suspended, revoked or cancelled; or

(g) has been convicted of an offence, inside or outside of a particular jurisdiction that calls into question the honesty or integrity of Livestream or any of its directors, officers, employees or associates.

Additionally, Livestream's product and service offerings must be approved in most regulated jurisdictions in which they are offered and will likely need to undergo third party testing by a certified testing lab. Such testing can be costly and time consuming, and this process cannot be assured or guaranteed. Obtaining these approvals is a time-consuming process that can be extremely costly. A developer and provider of online gaming products may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its product offerings by that same jurisdiction.

It is possible that after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, Livestream may not obtain either of them. If Livestream fails to obtain the necessary gaming licence in a given jurisdiction, it would likely be prohibited from distributing and providing its product offerings in that particular jurisdiction altogether. If Livestream fails to seek a licence, does not receive a licence, or receives a suspension or revocation of a licence in a particular jurisdiction for its product offerings (including any related technology and software) then it cannot offer the same in that jurisdiction and its gaming licences in other jurisdictions may be impacted. Furthermore, some jurisdictions require licence holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. Livestream may not be able to obtain all necessary gaming licences in a timely manner, or at all. Delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for Livestream's product offerings. If Livestream is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

There can be no assurance that legally enforceable prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to Livestream's business to prohibit, legislate or regulate various aspects of the Internet, e-commerce, payment processing, or the online gaming industries. Compliance with any such legislation may have a material adverse effect on Livestream's business, financial condition and results of operations.

Complex and evolving regulatory environment for online gaming industry

In addition to regulations governing online gaming, Livestream will be subject to a variety of laws and regulations domestically and abroad that involve the Internet, e-commerce, privacy and protection of data and personal information, rights of publicity, acceptable content, intellectual property, advertising, marketing, distribution, data and information security, electronic contracts and electronic communications, competition, protection of minors, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance and online payment and payment processing services. Livestream may introduce new products or services, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny. For example, Livestream will handle, collect, store, retrieve, transmit and use confidential, personal information relating to its customers and personnel for various business purposes, including marketing and financial purposes. Livestream may share this personal or confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of its business, combating fraud or for marketing purposes.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Internet and e-commerce, are often uncertain, particularly in the new and rapidly evolving industry in which Livestream operates, and may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

Legislators and regulators also look beyond online gaming regulations specifically to implement restrictive measures on online gaming. In certain jurisdictions, this has included restrictions on payment processing, internet blocking, account and identity verification requirements, and similar measures. Such regulations, if not appropriately mitigated, could materially adversely affect Livestream's business, results of operations or financial condition.

In addition, such restrictive measures may impact the ability or desire of third-party suppliers, including payment processors, to provide services to Livestream globally or in certain jurisdictions. A supplier could require Livestream, as a condition of its continued use of the supplier's products and services, to restrict access from customers in certain jurisdictions. Such third-party restrictions could affect the manner in which Livestream provides its products or services in certain jurisdictions and adversely affect its financial results due to, among other things, the potential need to determine whether to change suppliers, which may not be on as favorable terms, or comply with the supplier's requested restrictions. Livestream is also vulnerable to developments in intellectual property laws and/or political, legislative, regulatory developments that may seek further liability to pay royalties, integrity fees or other types of levy to the organizers of esports events or data right owners, which arise from the concept of the so-called "right-to-bet", where the organizers of sporting events and competitions and those claiming to have data rights in relation to such events seek to obtain a share of the revenue gaming operators generate on such events and competitions. In all such cases, the level of any such royalty, fee or levy will be outside Livestream's control. Livestream cannot predict with any certainty what further payments may be required in the future and what other additional resources may need to be made available to address the conditions on which royalties, fees or other levies may be imposed, as well as sports integrity issues. These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase Livestream's operating costs, require significant management time and attention, and subject it to remedies that may harm its business, including fines or demands or orders that modify or cease certain or all existing business practices, such as limiting its use of personal information to add value for customers, or implement costly and burdensome compliance measures. Any such consequences could adversely affect Livestream's business, results of operations or financial condition.

Social responsibility concerns

Public opinion can significantly influence the regulation of online gaming. A negative shift in the perception of online gaming by the public or by politicians, lobbyists or others could affect future legislation or regulation in different jurisdictions. Among other things, such a shift could cause jurisdictions to abandon proposals to legalize online gaming, thereby limiting the number of new jurisdictions into which Livestream could expand. Negative public perception could also lead to new restrictions on or to the prohibition of online gaming in jurisdictions in which Livestream may operate. In addition, concerns with safer betting and gaming could lead to negative publicity, resulting in increased regulatory attention, which may result in restrictions on Livestream's future operations. If Livestream had to restrict its future marketing or product offerings or incur increased compliance costs, this could have a material adverse effect on its business, results of operations, financial condition and prospects. Livestream will likely face scrutiny related to environmental, social, governance and responsible gaming activities, and its reputation and the value of its brands can be materially adversely harmed if it fails to act responsibly in a number of areas, such as environmental, supply chain management, climate change, diversity and inclusion, workplace conduct, responsible gaming, human rights, philanthropy and support for local communities. Any harm to Livestream's reputation could impact employee engagement and retention, and the willingness of future customers and Livestream's partners to do business with it, which could have a materially adverse effect on its business, results of operations and cash flows.

Livestream may be subject to regulatory investigations

From time to time, Livestream may receive formal and informal inquiries from government authorities and regulators, including securities authorities, tax authorities and gaming regulators, regarding its compliance with laws and other matters. Violation of existing or future regulatory orders or consent decrees could subject Livestream to substantial monetary fines and other penalties that could negatively affect its financial condition and results of operations. In addition, it is possible that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities could cause Livestream to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices in a manner materially adverse to its business.

Success of esports betting products not guaranteed

The esports betting industry is characterized by elements of chance. Accordingly, Livestream employs theoretical win rates to estimate what a certain type of esports bet, on average, will win or lose in the long run. Net win is impacted by variations in the hold percentage (the ratio of net win to total amount wagered), or actual outcome. Livestream uses the hold percentage as an indicator of an esports bet's performance against its expected outcome. Although each esports bet generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. In addition to the element of chance, win rates (hold percentages) may also (depending on the game involved) be affected by the spread of limits and factors that are beyond Livestream's control, such as a customer's skill, experience and behavior, the mix of games played, the financial resources of customers, the volume of bets placed and the amount of time spent gambling. As a result of the variability in these factors, the actual win rates of esports bets may differ from the theoretical win rates we have estimated and could result in the winnings of Livestream's customers exceeding those anticipated. The variability of win rates (hold rates) also have the potential to negatively impact Livestream's financial condition, results of operations, and cash flows.

Livestream's success also depends in part on its ability to anticipate and satisfy customer preferences in a timely manner. Livestream will operate in a dynamic environment characterized by rapidly changing industry and legal standards, and its products will be subject to changing consumer preferences that cannot be predicted with certainty. Livestream will need to continually introduce new offerings and identify future product offerings that complement its existing platforms, respond to its customers' needs and improve and enhance its existing platforms to maintain or increase customer engagement and growth of its business. Livestream may not be able to compete effectively unless its product selection keeps up with trends in the digital sports entertainment and gaming industries, or trends in new gaming products.

Livestream will rely on information technology and other systems and platforms, and any failures, errors, defects or disruptions in its systems or platforms could diminish its brand and reputation, subject it to liability, disrupt its business, affect its ability to scale technical infrastructure and adversely affect its operating results and growth prospects. Livestream's software applications and systems, and the third-party platforms upon which they are made available could contain undetected errors. Livestream's technology infrastructure will be critical to the performance of its platform and offerings and to customer satisfaction.

Livestream devotes significant resources to network and data security to protect systems and data. However, Livestream's systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to its business. Livestream cannot ensure that the measures it takes to prevent or hinder cyber-attacks and protect its systems, data and user information and to prevent outages, data or information loss, fraud and to prevent or detect security breaches, including a disaster recovery strategy for server and equipment failure and back-office systems and the use of third parties for certain cybersecurity services, will provide absolute security.

Livestream has experienced, and may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Such disruptions have not had a material impact on the Livestream; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with Livestream's computer systems and technological infrastructure, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect Livestream's business, financial condition, results of operations and prospects.

Additionally, Livestream's products may contain errors, bugs, flaws or corrupted data, and these defects may only become apparent after their launch. If a particular product offering is unavailable when customers attempt to access it or navigation through the Livestream platforms is slower than they expect, customers may be unable to place their bets and may be less likely to return to Livestream's platforms as often, if at all. Furthermore, programming errors, defects and data corruption could disrupt operations, adversely affect the experience of Livestream's customers, harm Livestream's reputation, cause customers to stop utilizing Livestream platforms, divert resources and delay market acceptance of Livestream offerings, any of which could result in legal liability to Livestream or harm its business, financial condition, results of operations and prospects.

If Livestream's customer base and engagement continue to grow, and the amount and types of offerings continue to grow and evolve, it will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy customers' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of Livestream's offerings. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after Livestream has started to fully use the underlying equipment or software, that could further degrade the customer experience or increase its costs. As such, Livestream could fail to continue to effectively scale and grow its technical infrastructure to accommodate increased demands.

Failure to retain or acquire customers

The financial performance of Livestream will be significantly determined by its success in acquiring, retaining, engaging and monetizing active customers of its product offerings, in particular high-value, net-depositing customers (primarily recreational players). If people do not perceive Livestream's product offerings as enjoyable, reliable, relevant and trustworthy it may be unable to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. A number of other online gaming companies that achieved early popularity have since seen their active customer bases or levels of engagement decline. Any number of factors could potentially negatively affect customer retention, growth and engagement, including if:

• Livestream fails to introduce, or delays the introduction of, new products or services (whether developed internally, licensed or otherwise obtained or developed in conjunction with third parties) that customers find engaging or that work with a variety of operating systems or networks, or if it introduces new products or services, including using technologies with which it has little or no prior development or operating experience, or changes to its existing products or services, that are not favorably received by customers;

• customers have difficulty installing, updating or otherwise accessing Livestream's product offerings on desktops or mobile devices as a result of actions by it or third parties that it relies on to distribute and deliver its product offerings, or Livestream fails to price its product offerings competitively or provide adequate customer service;

• there are decreases in customer sentiment about the quality of Livestream's product offerings or concerns related to privacy, safety, security or other factors, or technical or other problems prevent Livestream from delivering its product offerings in a rapid and reliable manner or otherwise affecting the customer experience, such as security breaches or failure to prevent or limit spam or similar content;

• new industry standards or games are adopted or customers adopt new technologies where Livestream's product offerings may be displaced in favor of other products or services, may not be featured or otherwise available, or may otherwise be rendered obsolete and unmarketable;

• there are adverse changes in Livestream's product offerings that are mandated by legislation, regulatory authorities or litigation, including settlements, or Livestream does not obtain applicable regulatory or other approvals or renewals of such approvals to offer, directly or indirectly, its product offerings in new or existing jurisdictions;

• Livestream adopts policies or procedures related to areas such as customer data and information that are perceived negatively by its customers or the general public;

• Livestream elects to focus its customer growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain customers and engagement are unsuccessful or discontinued, whether as a result of actions by Livestream, third parties or otherwise;

• customers increasingly engage with the products or services of Livestream's competitors; or

• Livestream or other companies in the industries in which it operates are the subject of adverse media reports or other negative publicity.

If Livestream is unable to maintain or increase its customer base or engagement, or effectively monetize its customer base's use of its product offerings, its revenue and financial results may be adversely affected. Any decrease in customer retention, growth or engagement could render Livestream's products less attractive to customers.

Reliance on third-party networks

The delivery of Livestream's offerings and a significant portion of Livestream's revenues will be dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given as to the continued use and expansion of these networks as a medium of communications for Livestream.

As it relates to its mobile platforms, Livestream will be dependent on the interoperability of such platforms with popular mobile operating systems, technologies, networks and standards that it does not control, such as the Android and iOS operating systems, and any changes, bugs, technical or regulatory issues in such systems, Livestream's relationships with mobile partners, manufacturers and carriers, or in their terms of service or policies that degrade Livestream's product offerings' functionality, may reduce or eliminate its ability to distribute its product offerings, give preferential treatment to competitive products, limit its ability to deliver high quality product offerings, or impose fees or other charges related to delivering its product offerings. The foregoing may adversely affect its product usage and monetization on mobile devices. If it is difficult or unfavorable for Livestream's customers to access and use its product offerings on their mobile devices, or if its customers choose not to access or use its product offerings on their mobile devices or use mobile products that do not offer access to its product offerings, its customer growth and engagement could be harmed, which could adversely affect its results of operation.

In addition, increasing traffic, customer numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability.

Internet outages or delays or loss of network connectivity may result in partial or total failure of Livestream's offerings, additional and unexpected expenses to fund further development or to add programming personnel to complete a development project, loss of revenue which could have a material adverse effect on Livestream's prospects, business, financial condition or results of operations.

Litigation

Livestream may be subject to litigation claims through the ordinary course of its business operations or otherwise, regarding, among other things, employment matters, tax matters, security of customer and employee personal information, third-party contracts, marketing, intellectual property right infringement, its current and former operations and the operations of businesses it may acquire in the future prior to their respective acquisitions. Litigation to defend Livestream against claims by third parties, or to enforce any rights that it may have against third parties, may be necessary, which could result in substantial costs and diversion of its resources, causing a material adverse effect on its business, financial condition and results of operations. Given the nature of Livestream's business, it may from time to time in the future be, party to various, and at times numerous, legal, administrative and regulatory inquiries, investigations, proceedings and claims that arise in the ordinary course of business, as well as potential class action lawsuits. Because the outcome of such legal matters is inherently uncertain, if one or more of such legal matters were to be resolved against Livestream for amounts in excess of management's expectations or any applicable insurance coverage or indemnification right, or if such legal matters result in decrees or orders preventing it from offering certain features, functionalities, products or services, or requires that it changes its development process or other business practices, its results of operations and financial condition could be materially adversely affected. Any litigation to which Livestream may be a party may result in an onerous or unfavourable judgment that may not be reversed upon appeal, or in payments of substantial monetary damages or fines, the posting of bonds requiring significant collateral, letters of credit or similar instruments.

Intellectual property may be insufficient

Livestream's success may depend on its ability to obtain trademark protection for the names or symbols under which it markets its product offerings and to obtain copyright protection of its proprietary technologies, other game innovations and creative assets. Livestream may not be able to build and maintain goodwill in its trademarks or obtain trademark protection. There can be no assurance that any trademark or copyright will provide competitive advantages for Livestream or that its intellectual property will not be successfully challenged or circumvented by competitors.

Source codes for Livestream's technology may receive protection under international copyright laws. However, for many third parties who intend to use Livestream source codes without its consent, the presence of copyright protection in the source codes alone may not be enough of a deterrent to prevent such use. As such Livestream may need to initiate legal proceedings following such use to obtain orders to prevent further use of the source code.

Livestream may also rely on trade secrets and proprietary know-how. Although Livestream will generally require its employees and independent contractors to enter into confidentiality and intellectual property assignment agreements, it cannot be assured that the obligations therein will be maintained and honoured. If these agreements are breached, it is unlikely that the remedies available to Livestream will be sufficient to compensate it for the damages suffered even if it promptly applies for injunctive relief. In spite of confidentiality agreements and other methods of protecting trade secrets, Livestream's proprietary information could become known to or independently developed by competitors. If Livestream fails to adequately protect its intellectual property and confidential information, its business may be harmed and its liquidity and results of operations may be materially adversely impacted.

Risk of intellectual property infringement or invalidity claims

If the registration and enforcement policies regarding Livestream's intellectual property portfolios are inadequate to deter unauthorized use or appropriation by third parties, the value of Livestream's brands and other intangible assets may be diminished and competitors may be able to more effectively mimic its brands, products, services and methods of operations. Such events could adversely affect Livestream's business and financial results. At the same time, Livestream has to be mindful of how it will be perceived by its customers and potential customers if it deploys an unduly strict enforcement policy; an overly aggressive position may deter its customers from supporting the brands and therefore damage not only the brands' reputation in the market place but also negatively impact financial results.

Moreover, due to the differences in foreign patent, trademark, copyright and other laws concerning proprietary rights, Livestream's intellectual property may not receive the same degree of protection in each jurisdiction where it operates. Livestream's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition.

Furthermore, infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and Livestream may not have the financial and human resources to defend itself against any infringement suits that may be brought against it. Litigation can also distract management from day-to-day operations of the business.

In addition, Livestream's future success may depend upon its ability to obtain licenses to use new marks and its ability to retain or expand existing licenses for certain products. If Livestream is unable to obtain new licenses or renew or expand existing licenses, it may be required to discontinue or limit its use of such products that use the licensed marks and its financial condition, operating results or prospects may be harmed.

Livestream may also infringe other intellectual property rights belonging to third parties, such as trademarks, copyrights and confidential information. The infringement of trademarks, copyrights and confidential information involve complex legal and factual issues and Livestream's products, branding or associated marketing materials may be found to have infringed existing third-party rights. When any third-party infringement occurs, Livestream may be required to stop using the infringing intellectual property rights, pay damages and, if it wishes to keep using the third-party intellectual property, purchase a license or otherwise redesign the product, branding or associated marketing materials to avoid further infringement.

Such a license may not be available or may require Livestream to pay substantial royalties.

Risk of Failing to Adapt to Changing Technology and Industry Standards

Livestream's future success depends on its ability to adapt and enhance its suite of technology and software, such as its platforms, as well as its product offerings. To attract new customers, Livestream will need to enhance and improve its platforms, product offerings, features and enhancements to meet customer needs at competitive prices. Such efforts will require adding new functionality and responding to technological advancements or disruptive technologies, which will increase Livestream's research and development costs. If Livestream is unable to develop technology and products that address customers' needs, or enhance and improve its platforms and product offerings in a timely manner, that could have a material adverse effect on its business, revenues, operating results and financial condition. Livestream's ability to grow is also subject to the risk of future disruptive technologies. If new and/or disruptive technologies emerge that are able to deliver online betting and gaming and/or entertainment products and services at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect Livestream's ability to compete.

INTEGRITY OF FINANCIAL INFORMATION

The Company's management and board of directors are responsible for setting up and maintaining information systems and controls in place, ensuring the reliability of information disseminated both inside and outside the Company. The Company has implemented a communication policy with shareholders, the relevant regulatory authorities and the public. The objective of this policy is to ensure that the information disclosed is complete and relevant. The Company informs its shareholders at shareholder meetings as well as through press releases, quarterly and annual financial statements, and MD&A.

The Audit Committee, composed of a majority of independent directors, has a mandate to report to the Board of Directors and evaluate:

a) The integrity of financial statements and related disclosures of the Company.
b) Independence, qualifications and appointment of the independent auditor of the Company.
c) The Company's compliance with laws and regulations.
d) Management responsibility for reporting on internal controls.

CONTROL SYSTEMS REGARDING FINANCIAL INFORMATION

Management is responsible for the establishment and maintenance of control systems with regard to financial reporting to provide reasonable assurance regarding the reliability of financial information under IFRS, and based on evaluation of these controls in the reported period, it was concluded that the design of internal control is effective in regard to financial reporting. There were no changes to the internal controls over financial reporting during the reporting period, which could influence or be likely to materially affect internal controls of the Company with respect to financial reporting.

CONTROLS AND DISCLOSURE PROCEDURES

The Chief Executive Officer of the Company is responsible for establishing and maintaining controls and disclosure procedures.

March 01, 2022

Schedule "E"

See attached.

React Gaming Group
(formerly Intema Solution Inc.)

Unaudited Pro-forma statements for the acquisition of Livestream Gaming Ltd

Nine months ending September 30, 2021

React Gaming Group (formerly Intema Solutions Inc)
Unaudited Pro Forma Consolidated Statements of Financial Position
(In Canadian Dollars)

CAD	EUR	CAD	CAD				CAD Adjustments				CAD	
As at September 30, 2021	**Livestream**	**Livestream**	**Intema**	**Pro Forma before adj.**	**Private placement**	**Purchase of Livestream**	**Livestream PPA**	**Parabellum Media Inc acquisition**	**Consolidation eliminations**	**Adjustments**	**Pro Forma**	**Notes**
Cash and cash equivalents	156,435	225,126	2,423,850	2,648,976	9,621,805	(8,000,000)				1,621,805	4,270,781	4(a) 4(b)
Restricted cash	-	-	6,653,561	6,653,561	(6,653,561)					(6,653,561)	-	4(a)
Trade another receivables	456,031	656,274	876,447	1,532,721						-	1,532,721	
Prepaid expenses	-	-	97,088	97,088						-	97,088	
Inventories	1,054	1,517	-	1,517						-	1,517	
Research and Development Tax Credit Recoverable	-	-	30,653	30,653						-	30,653	
Current assets	**613,520**	**882,917**	**10,081,599**	**10,964,516**	**2,968,244**	**(8,000,000)**	**-**	**-**	**-**	**(5,031,756)**	**5,932,760**	
Investment in subsidiary	-	-	-	-		14,752,050			(14,752,050)	-	-	
Deposit	-	-	8,825	8,825						-	8,825	
Deferred tax asset	1,392	2,003	-	2,003						-	2,003	
Property, plant, and equipment	73,909	106,362	30,379	136,741						-	136,741	
Lease asset - rental office	-	-	51,810	51,810						-	51,810	
Other intangible assets	1,775,128	2,554,587	391,346	2,945,933						-	2,945,933	
Goodwill	-	-	525,305	525,305						-	525,305	
Unallocated purchase price	-	-	-	-			13,998,215	498,150		14,496,365	14,496,365	4(c)
Non-current assets	**1,850,429**	**2,662,952**	**1,007,665**	**3,670,617**	**-**	**14,752,050**	**13,998,215**	**498,150**	**(14,752,050)**	**14,496,365**	**18,166,982**	
Total assets	**2,463,949**	**3,545,869**	**11,089,264**	**14,635,133**	**2,968,244**	**6,752,050**	**13,998,215**	**498,150**	**(14,752,050)**	**9,464,609**	**24,099,742**	
Employee benefits	-	-	145,672	145,672						-	145,672	
Trade and other payables	1,590,278	2,288,569	514,376	2,802,945		250,000				250,000	3,052,945	4(c) 4(g)
Balances due to players	282,524	406,580	-	406,580						-	406,580	
Subscription receipt liability	-	-	6,653,561	6,653,561	(6,653,561)					(6,653,561)	-	4(a)
Short-term debt	-	-	125,000	125,000		1,406,673				1,406,673	1,531,673	4(d)
Deferred revenue	-	-	-	-						-	-	
Lease liability	27,545	39,640	-	39,640						-	39,640	
Current tax liability	7,956	11,449	-	11,449						-	11,449	
Current portion of long-term debt	-	-	206,409	206,409						-	206,409	
Total current liabilities	**1,908,303**	**2,746,239**	**7,645,018**	**10,391,257**	**(6,653,561)**	**1,656,673**	**-**	**-**	**-**	**(4,996,888)**	**5,394,369**	
Long-term debt	31,822	45,795	53,183	98,978		3,154,201				3,154,201	3,253,179	4(e)
Long-term liabilities	**31,822**	**45,795**	**53,183**	**98,978**	**-**	**3,154,201**	**-**	**-**	**-**	**3,154,201**	**3,253,179**	
Total liabilities	**1,940,125**	**2,792,034**	**7,698,201**	**10,490,235**	**(6,653,561)**	**4,810,874**	**-**	**-**	**-**	**(1,842,687)**	**8,647,548**	
Share capital	1,012,000	1,456,369	12,150,121	13,606,490	9,346,992	1,941,176	13,295,681	498,150	(14,752,050)	10,329,949	23,936,439	4(a) 4(f) 4(h)
Warrants	-	-	1,988,232	1,988,232	274,813					274,813	2,263,045	4(a)
Contributed surplus	-	-	2,345,585	2,345,585						-	2,345,585	
Deficit	(488,176)	(702,534)	(13,092,875)	(13,795,409)			702,534	-		702,534	(13,092,875)	4(f)
Total equity	**523,824**	**753,835**	**3,391,063**	**4,144,898**	**9,621,805**	**1,941,176**	**13,998,215**	**498,150**	**(14,752,050)**	**11,307,296**	**15,452,194**	
Total liabilities and equity	**2,463,949**	**3,545,869**	**11,089,264**	**14,635,133**	**2,968,244**	**6,752,050**	**13,998,215**	**498,150**	**(14,752,050)**	**9,464,609**	**24,099,742**	

React Gaming Group (formerly Intema Solutions Inc)
Unaudited Pro Forma Statements of Loss and Comprehensive loss for the 9 months ending September 30, 2021
(In Canadian Dollars)

September 30, 2021 YTD	**EUR FYE 12/31/2021 Livestream**	**EUR Livestream - 9 mo. Pro rata**	**CAD Livestream - 9 mo. Pro rata**	**CAD Intema**	**Combined before adj.**	**Adjustment Parabellum Media Inc acquisition**	**CAD Pro forma**	**Notes**
Revenue	**2,186,787**	**1,640,090**	**2,431,989**	**95,925**	**2,527,914**	**127,871**	**2,655,785**	4(i)
Cost of sales	226,811	170,108	252,243	37,732	289,975	9,945	299,920	4(i)
Gross margin	**1,959,976**	**1,469,982**	**2,179,746**	**58,193**	**2,237,939**	**117,926**	**2,355,865**	
Administrative and Sales Expenses	1,690,787	1,268,090	1,880,373	2,680,387	4,560,760	125,690	4,686,450	4(i)
Research and Development	-	-	-	218,419	218,419	-	218,419	
Operating loss	**269,189**	**201,892**	**299,373**	**(2,840,613)**	**(2,541,240)**	**(7,764)**	**(2,549,004)**	
Financial income	(991,278)	(743,459)	(1,102,429)	-	(1,102,429)	-	(1,102,429)	
Financial expenses	1,776,081	1,332,061	1,975,231	44,731	2,019,962	-	2,019,962	
Net loss before tax	**(515,614)**	**(386,711)**	**(573,429)**	**(2,885,344)**	**(3,458,773)**	**(7,764)**	**(3,466,537)**	
Income taxes	314	236	349	-	349	-	349	
Net loss and total comprehensive income	**(515,928)**	**(386,946)**	**(573,778)**	**(2,885,344)**	**(3,459,122)**	**(7,764)**	**(3,466,886)**	
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	77,460	58,095	86,146	-	86,146	-	86,146	
Total comprehensive income	**(438,468)**	**(328,851)**	**(487,633)**	**(2,885,344)**	**(3,372,977)**	**(7,764)**	**(3,380,741)**	

(In Canadian Dollars)

	EUR	CAD	CAD	CAD
December 31, 2020 full year	**Livestream**	**Livestream**	**Intema**	**Pro forma**
Revenue	**3,203,435**	**4,750,177**	**143,813**	**4,893,990**
Cost of sales	208,784	309,593	190,779	500,372
Gross margin	**2,994,651**	**4,440,584**	**(46,966)**	**4,393,618**
Administrative and Sales Expenses	1,960,919	2,907,726	955,854	3,863,580
Research and Development	-	-	136,328	136,328
Operating loss	**1,033,732**	**1,532,858**	**(1,139,148)**	**393,710**
Financial income	(973,772)	(1,443,947)	30	(1,443,917)
Financial expenses	1,518,312	2,251,412	17,462	2,268,874
Loss before following items	**489,192**	**725,393**	**(1,156,640)**	**(431,247)**
Covid loan subsidies	-	-	(20,000)	(20,000)
Covid rent concessions	-	-	(30,873)	(30,873)
Net loss before tax	**489,192**	**725,393**	**(1,105,767)**	**(380,374)**
Income taxes	714	1,059	-	1,059
Net loss and total comprehensive income	**488,478**	**724,334**	**(1,105,767)**	**(381,433)**
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	(33,288)	(49,361)	-	(49,361)
Total comprehensive income	**455,190**	**674,973**	**(1,105,767)**	**(430,794)**

Note 1: Name change

React Gaming Group (The Company), formerly Intema Solutions Inc., intends to complete a name change by the end of March 1, 2022. The Company will change its name from Intema Solutions Inc. to React Gaming Group. The Company will remain listed on the TSX Venture exchange. The Company will change its stock ticker symbol from ITM to RGG.

Note 2: Description of the transaction

These unaudited pro forma consolidated financial statements have been prepared for the purposes of inclusion in the filing statement for the acquisition of Livestream (Belize) by Intema Solutions Inc. A letter of intent was signed in connection with the transaction dated April 30, 2021, and the Share Purchase Agreement was signed January 27, 2022.

Under the terms of the Agreement, the shareholders Livestream [official entity title] will receive:

1. $8,000,000 cash
2. $4,000,000 as a vendor take back note
3. $2,750,000 in shares of The Company (6,470,588 shares deemed at $0.425)
4. $3,000,000 of contingent performance bonuses

The vendor takeback note is payable in two tranches. The first tranche is $2,000,000 due 9 months from the acquisition date and the second is $2,000,000 due 18 months from the acquisition date. The first tranche of $2,000,000 will be lowered by the formula of Current Assets less Liabilities of Livestream (Belize). The value of this formula for Livestream (Belize) the year ended 2021 was $(1,909,117) resulting in an estimated payment of the first tranche of $90,883.

The 6,470,588 of shares deemed at $0.425 were used in calculating the share purchase agreement. During the acquisition, The Company had a concurrent private placement with shares offered deemed at $0.50. In addition, at the time of the acquisition announcement and negotiation, shares were halted at $0.53. At the time of this pro-forma, the shares were trading in the range of $0.26 to $0.35. Per exchange rules, the lowest value was a 20% discount on the value at the time of negotiation and therefore $0.425 was used as 20% from the $0.53 halt price. This brings the negotiated value of $2,750,000 of shares of React Gaming Group to 6,470,588 shares.

Per IFRS, the share price value used at acquisition is the market value of the shares at the date of acquisition. For the purposes of this pro-forma the share price of $0.30 will be used for the valuation of the shares. Therefore, the value of 6,740,588 shares at closing will be registered as $1,941,176 of consideration in the books of The Company.

The performance bonus of $3,000,000 represents two performance payouts for Gross Gaming Revenue (GGR) targets. These payouts are for specific targets in year 1 and year 2 and each year has a $1,500,000 amount attached. The pro forma statements reflect a discount rate of 14% of these amounts recording a liability of $1,315,790 for year 1 and $1,154,201 for year 2.

Note 3: Basis of presentation

The unaudited pro forma consolidated statement of financial position as at September 30, 2021 and statement of loss and comprehensive loss for the year ended September 31, 2021 gives effect to the Agreement as if it will close on September 30, 2021.

The pro forma consolidated financial statements have been prepared by management of The Company to give effect to the Agreement described in Note 2 and have been compiled from and include:

1. An unaudited pro forma consolidated statement of financial position as at September 30, 2021 combining the unaudited statement of financial position of Intema Solutions Inc as at September 30, 2021 with the audited consolidated statement of financial position of Livestream (Belize) as at December 31, 2021.

2. An unaudited pro forma consolidated statement of loss and comprehensive loss for the period ended September 30, 2021, has been created by combining the unaudited results of the statement of loss and comprehensive loss of Intema Solutions Inc for the period ended September 30, 2021, with the audited consolidated statement of Livestream (Belize) for the year ended December 31, 2021.

The unaudited pro forma consolidated financial statements have been compiled using accounting policies consistent with those adopted by the Issuer in accordance with International Financial Reporting Standards (“IFRS”), but do not include all of the disclosures required by IFRS and should be read in conjunction with the Issuer’s financial statements listed above.

The unaudited pro forma consolidated financial information gives effect to Intema Solutions Inc. acquisition of Livestream (Belize) as if it had occurred at September 30, 2021 for the purposes of the unaudited pro forma consolidated financial statements.

Accounting policies used in the preparation of the pro forma consolidated financial statements are in accordance with those disclosed in the audited financial statements of the companies mentioned above which were all prepared in accordance IFRS.

The unaudited pro forma consolidated financial statements are not necessarily indicative of the results of operations that would have occurred had the acquisition of Livestream by Intema Solutions Inc. been in place on the dates indicated, nor are the unaudited pro forma financial statements indicative of the results of operation of future periods. Actual amounts recorded upon consummation of the proposed acquisition will differ from such unaudited pro forma consolidated financial statements. Since the pro forma consolidated financial statements have been developed to retroactively show the effect of transactions that are expected to occur or did occur at a later date (even though this was accomplished by following accepted practice and using reasonable assumptions), there are limitations inherent in the very nature of such pro forma data.

Management has used Canadian Dollars as the functional and presentation currency for The Company. Management intends to use the Canadian Dollar on a go forward basis. The Company is located in Canada and mainly operates in Canadian Dollars. The Acquisition, Livestream (Belize), manages multiple currencies in its operations. After Acquisition, Canada will remain the primary environment where cash is expended, and transactions will primarily be denominated in Canadian Dollars. Therefore, management expects the Canadian dollar to be the functional and reporting currency per IAS 21.

Note 4: Pro forma adjustments and assumptions

(a) The cash received from the subscription agreement is $10,007,000 less cash fees of $385,195. The subscription agreement consisted of an offer of 1 share and 0.5 warrants for $0.50. A total of 20,014,000 subscriptions were received for a total of $10,007,000 and in accordance an issue of 20,014,000 shares will be issued along with 10,007,000 warrants with a strike price of $0.90. The warrants are valued using a Black-Sholes model calculating the value at $258,969. In conjunction with the placement, there were finder's fees of $385,195 and 1,023,921 finders' warrants issued with a strike price of $0.90 with a value of $26,948. The $6,653,561 of cash received as at September 31, 2020, was moved from restricted cash and the corresponding subscription liability was removed as part of this adjustment.

(b) The cash purchase price of the transaction is $8,000,000.

(c) The resulting unallocated purchase price for Livestream (Belize), before identification and valuation of all assets and purchase price allocation will consist of the following:
   a. Total consideration of $16,661,167.
   b. Plus $3,545,869 in acquired assets.
   c. Less $2,746,239 in assumed liabilities
   d. Plus an expected $250,000 of filing fees, professional fees, and other fees associated with the transaction.
   e. Resulting in $15,907,332 of unallocated purchase price
   f. Further assumptions on intangibles for the Pro Forma is that the current book value on Livestream will be equivalent to the Pro Forma value. These values can be marked up or down after a detailed valuation has been done and the fair value has been determined.
   g. Further, expected intangible assets to arise from this acquisition are the following:
      i. Software
      ii. Customer Lists
      iii. Trade Names
      iv. Domain Names
      v. Deferred tax losses
      vi. Goodwill

(d) Short term debt arising from the deal consists of:
  a. $2,000,000 as part of the $4,000,000 vendor take back note. The initial $2,000,000 is reduced by Share Purchase Agreement formula of Current Assets less Total Liabilities of $(1,909,117) of Livestream (Belize) resulting in $90,883.
  b. $1,500,000 as part of the total $3,000,000 in potential performance bonuses. The $1,500,000 has been discounted at previous company borrowing rates of 14% to arrive at $1,315,790 in the pro forma.

(e) Long term debt arising from the deal consists of:
  a. $2,000,000 as part of the $4,000,000 vendor take back note.
  b. $1,500,000 as part of the total $3,000,000 in potential performance bonuses. The $1,500,000 has been discounted at previous company borrowing rates of 14% to arrive at $1,154,201 in the pro forma.

(f) As part of the consolidation and purchase any equity of Livestream (Belize) is eliminated.

(g) The resulting unallocated purchase price for Parabellum Media Inc., before identification and valuation of all assets and purchase price allocation will consist of the following:
  a. Total consideration of $498,150.
  b. Plus no acquired assets or liabilities.
  c. Resulting in $498,150 of unallocated purchase price.
  d. Any intangibles resulting in the acquisition can be marked up or down after a detailed valuation has been done and the fair value has been determined.
  e. Further, expected intangible assets to arise from this acquisition are the following:
    i. Customer Lists
    ii. Trade Names
    iii. Goodwill

(h) 1,845,000 shares were issued to the owners of Parabellum Media Inc. with a value of $0.27 and are valued at $498,150.

(i) The adjustments in the income statement are for the inclusion of the financial performance of Parabellum Media Inc. Parabellum Media Inc. was incorporated March 16, 2021 and therefore had no 2020 results.

Determination of Acquirer

React Gaming Group is assumed the acquirer per IFRS 3 due to the shareholders of React Gaming Group maintaining the significant majority of voting in the resulting entity. Further, React Gaming Group will still maintain all if not significantly all directors and officers throughout the acquisition.

(in Canadian dollars)

Exchange Rates

All exchange rates used were taken from the Bank of Canada. The following rates were used:

1. The Euro conversation rate for the 2021 Balance Sheet used the spot rate for December 31, 2021 per the bank of Canada of 1.4391 Euros to Canadian Dollars.
2. The Euro conversation rate for the Income Statement nine months ending September 30, 2021 used the Year to Date Average rate for September 30, 2021 per the bank of Canada of 1.4828 Euros to Canadian Dollars.
3. The Euro conversation rate for the Income Statement year ending December 31, 2020 used the Year to Date Average rate for December 31, 2020 per the bank of Canada of 1.5298 Euros to Canadian Dollars.

Accounting adjustments

No accounting adjustments were necessary to bring the policies of Livestream (Belize) into conformity with the polies of The Company.

Note 5: Pro Forma Consolidated Capitalization Table

A continuity of The Company's issued and outstanding shares is as follows:

Issued		Amount	Number
As at September 30, 2021	**$**	**12,150,121**	**135,823,174**
Private Placement	$	9,748,031	20,014,000
Cost of Private Placement Issuance	$	(401,039)	-
Purchase of Parabellum Media Inc	$	498,150	1,875,000
Purchase of Livestream (Belize)	$	1,941,176	6,470,588
Ending balance	**$**	**23,936,439**	**164,182,762**

A continuity of The Company's issued and outstanding warrants is as follows:

Issued		Amount	Number
As at September 30, 2021	**$**	**1,988,232**	**24,147,796**
Private Placement	$	258,969	10,007,000
Private Placement Finders' Warrants	$	26,498	1,023,921
Cost of Private Placement Issuance	$	(10,654)	-
Ending balance	**$**	**2,263,045**	**35,178,717**

Note 6: Subsequent events

(a) During the quarter ending December 31, 2021, 13,120,000 warrants with a strike price of $0.12 were exercised resulting in an amount of $1,574,400.

(b) During the quarter ending December 31, 2021, 2,150,000 warrants with a strike price of $0.265 were exercised resulting in an amount of $569,750.

(c) From the period January 1, 2022 to February 24, 2022, 1,325,000 warrants with a strike price of $0.265 were exercised resulting in an amount of $351,125.

(d) On January 6, 2022, The Company issued 1,250,000 shares at $0.20 for an amount of $250,000 pursuant to the exercise of warrants granted as a settlement to a former executive.

(e) On February 18, 2022 The Company issued 2,500,000 stock options with a strike price of $0.50 expiring February 18, 2027 to directors and officers.

(f) On February 18, 2022 The Company issued 3,529,412 stock options with a strike price of $0.50 expiring February 18, 2024 to the owners of Livestream (Belize).

(g) As discussed in note 4(a), The Company completed a Private Placement of stock and warrant subscriptions on February 22, 2022. The subscription agreement consisted of an offer of 1 share and 0.5 warrants for $0.50. The cash received from the subscription agreement was $10,007,000 less cash fees of $385,195. A total of 20,014,000 subscriptions were received for a total of $10,007,000 and in accordance an issue of 20,014,000 shares will be issued along with 10,007,000 warrants with a strike price of $0.90. The warrants are valued using a Black-Sholes model calculating the value at $258,969. In conjunction with the placement, there were finder's fees of $385,195 and 1,023,921 finders' warrants issued with a strike price of $0.90 with a value of $26,948.

(h) On February 24, 2022, The Company entered into a definitive agreement with Amuka Ventures Inc for the purchase of their subsidiary Parabellum Media Inc. Parabellum Media Inc. is a leader in esports running both a successful Rainbow 6 and Rocket League team. The Company paid 1,845,000 shares of The Company for the transaction. The value of the shares at the time of the transaction was $0.27 bringing the consideration for the transaction to $498,150. 145,000 shares, or a value of $39,150, were held back from the initial payment to cover any working capital deficiencies in the opening balance sheet.