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The securities qualified for distribution by this prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States of America, its territories, possessions or the District of Columbia (the “United States”), and may not be offered, sold or delivered, directly or indirectly, in the United States unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act). See “Plan of Distribution.”

PROSPECTUS

Non-Offering Prospectus

September 17, 2021



PMML CORP.

37,814,655 Underlying Shares issuable without payment upon the conversion of 37,814,655 Subscription Receipts

This prospectus is being filed by PMML Corp. (the “Corporation”, “PMML”) in the in the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Newfoundland & Labrador (the “Qualifying Provinces”) to qualify the distribution of: (a) if before the Reorganization (as defined herein), 37,814,655 Subordinate Voting Shares (as defined herein); and (b) if following the Reorganization, 37,814,655 New Subordinate Voting Shares (as defined herein) (collectively, the “Underlying Shares”), issuable upon the conversion of 37,814,655 subscription receipts (the “Subscription Receipts”) of the Corporation. The 37,814,655 Subscription Receipts were issued in the Qualifying Provinces and outside of Canada on a private placement basis pursuant to certain prospectus exemptions under applicable securities legislation at a price (the “Offering Price”) of US\$0.58 per Subscription Receipt (the “Private Placement”).

The Subscription Receipts were issued pursuant to an agency agreement (the “Agency Agreement”) dated June 9, 2021 among the Corporation and Eight Capital and Cormark Securities Inc. (collectively, the “Co-Lead Agents”), and Canaccord Genuity Corp. and M Partners Inc. (collectively, with the Co-Lead Agents, the “Agents”). Each Subscription Receipt entitles the holder thereof to receive, upon satisfaction and/or waiver of the Escrow Release Conditions (as defined herein) prior to the Escrow Release Deadline (as defined herein) and without payment of additional consideration or further action, one Underlying Share in accordance with the provisions of a subscription receipt agreement (“Subscription Receipt Agreement”) dated June 9, 2021 among the Corporation, the Co-Lead Agents and Odyssey Trust Company (“Odyssey”). The date on which the Escrow Release Conditions are satisfied and/or waived being the “Escrow Release Date.” The Offering Price and other terms of the Private Placement were determined by arm’s length negotiations between the Corporation and Eight Capital, on behalf of the Agents. See “Plan of Distribution.”

The Subscription Receipts are not available for purchase pursuant to this prospectus and no additional funds are to be received by the Corporation from the distribution of the securities issuable upon deemed conversion of the Subscription Receipts. The Offering Price of the Subscription Receipts was in US\$.

	Price to the Public	Agents' Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Subscription Receipt.....	US\$0.58	US\$0.029	US\$0.551
Total.....	US\$21,932,499.90	US\$1,094,268.72	US\$20,838,231.18

Notes:

- (1) Pursuant to the terms of the Agency Agreement, the Corporation has agreed to pay the Agents a cash commission and a corporate finance fee in an aggregate amount equal to US\$1,094,268.72 (collectively, the “**Agents’ Fee**”). Half of the Agent’s Fee was paid upon the closing of the Private Placement and the remaining 50% shall be payable on the Escrow Release Date. In addition, the Corporation granted to the Agents, as additional compensation, 1,886,566 non-transferable compensation options (each, a “**Compensation Option**”) that on the Escrow Release Date will entitle the holder thereof to receive without payment of additional consideration or further action, one non-transferable compensation warrant of the Corporation (each, a “**Compensation Warrant**”) for each Compensation Option in accordance with the provisions of the certificate representing the Compensation Option. Each Compensation Warrant entitles the holder thereof to purchase one Underlying Share at an exercise price of US\$0.58 per Underlying Share until the date that is 18 months following the Escrow Release Date. The Compensation Warrants are also qualified for distribution by this prospectus. See “*Plan of Distribution.*”
- (2) After deducting the Agents’ Fee, but before deducting payment of the expenses of the Corporation in connection with the Private Placement and the preparation and filing of this prospectus (estimated to be approximately US\$800,000), which were, and will be, paid out of general funds of the Corporation. See “Use of Available Funds.”

The following table sets out the number of securities that may be issued by the Corporation to the Agents pursuant to the Agency Agreement:

Agents’ Positions	Number of Additional Securities	Exercise Period	Exercise Price
Compensation Warrants (to be issued upon the automatic conversion of the Compensation Options)	1,886,566 Underlying Shares	18 months from the Escrow Release Date	US\$0.58

There is currently no market through which any of the securities being distributed under this prospectus may be sold and purchasers may not be able to resell securities distributed hereunder. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities, and the extent of issuer regulation. **Until and unless a Final Receipt for this prospectus is obtained from the securities regulatory authorities in each of the Qualifying Provinces, securities issued in connection with the Private Placement that remain outstanding will be subject to relevant hold periods under applicable securities legislation.** See “*Risk Factors*” and “*Forward-Looking Statements.*”

As of the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace or a marketplace outside Canada and the United States (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.).

The Corporation has submitted an application to list the Underlying Shares on the TSX Venture Exchange (the “**TSXV**”). The listing will be subject to the Corporation fulfilling all of the initial listing requirements and conditions of the TSXV including prescribed distribution and financial requirements and there is no assurance such a listing will be obtained. See “*Plan of Distribution.*” Subject to approval by the shareholders of the Corporation at the Meeting (as defined herein), prior to the listing of the Underlying Shares on the TSXV, the Corporation intends to amend its articles to change its name to “**Rivalry Corp.**”.

The gross proceeds from the sale of the Subscription Receipts, less 50% of the Agents’ Fee and the Agents’ expenses incurred in connection with the Private Placement (the “**Escrowed Funds**”) were deposited in escrow and are being held by Odyssey pursuant to the terms of the Subscription Receipt Agreement. Provided that the Escrow Release Conditions are satisfied or waived on or before 5:00 p.m. (Toronto time) on October 7, 2021 (the “**Escrow Release Deadline**”), the Escrowed Funds less: (i) 50% of the Agents’ Fee plus the pro rata portion of interest accrued thereon; (ii) the additional Agents’ expenses incurred in connection with the prospectus ((i) and (ii) of which will be released to the Agents); and (iii) the expenses of Odyssey as set out in the Subscription Receipt Agreement (which will be retained by Odyssey), will be released from escrow to the Corporation. The Corporation will use the balance of the

Escrowed Funds released to it, for, among other things, marketing and product innovation, new hires, further development of its betting platform, license acquisition and maintenance and for working capital and general corporate purposes. See “*Use of Available Funds*.”

Each Subscription Receipt will automatically convert, without payment of any additional consideration and without any further action by the holder and subject to adjustment (including the Consolidation (as defined herein)), for one Underlying Share on the satisfaction of the following escrow release conditions (the “**Escrow Release Conditions**”):

- (i) the Corporation obtaining a final receipt for this prospectus from the securities regulatory authorities in each of the Qualifying Provinces (the “**Final Receipt**”);
- (ii) the Corporation obtaining all requisite corporate, shareholder and regulatory approvals in connection with the Corporation’s proposed going public transaction by way of clearing this prospectus in connection with the listing of the Underlying Shares on the TSXV (the “**Liquidity Event**”), including without limitation, the conditional approval from the TSXV or such other recognized Canadian stock exchange acceptable to the Co-Lead Agents to list the Underlying Shares;
- (iii) the Corporation obtaining requisite shareholder approval for the Reorganization following the issuance of the Final Receipt and promptly filing the articles of amendment required to give effect thereto; and
- (iv) the Corporation and the Co-Lead Agents having delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (i) to (iii) above have been met or waived.

If the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline or prior to the Escrow Release Deadline the Corporation advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions (the date on which either of these occur, being the “**Termination Date**”), the Escrowed Funds shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Offering Price paid by the holders of the Subscription Receipts (plus the accrued interest earned thereon), the Corporation shall be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

Following the issuance of the Final Receipt, the Corporation will hold a special meeting of its shareholders (the “**Meeting**”). At the Meeting, shareholders will be asked to consider and approve a reorganization of the Corporation’s share capital (the “**Reorganization**”), whereby: (a) the common shares of the Corporation (the “**Subordinate Voting Shares**”) will be reclassified as “subordinate voting shares” (the “**New Subordinate Voting Shares**”); (b) the current Class A voting shares of the Corporation (the “**Class A Shares**”) will be reclassified as “multiple voting shares” (the “**Multiple Voting Shares**”); and (c) each Multiple Voting Share shall: (i) carry 100 votes per share on all matters where the holders of shares of the Corporation are entitled to vote and the holders of New Subordinate Voting Shares and Multiple Voting Shares shall vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Corporation’s articles; and (ii) be convertible into one New Subordinate Voting Share at any time at the option of the holder thereof and automatically in certain other circumstances. The New Subordinate Voting Shares will be “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Reorganization is expected to qualify as a “restricted security reorganization” within the meaning of National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”) and a “reorganization” within the meaning of Ontario Securities Commission Rule 56-501 – *Restricted Shares* (“**OSC Rule 56-501**”). All references to New Subordinate Voting Shares in this prospectus shall refer to both the New Subordinate Voting Shares and the Subordinate Voting Shares, as the context requires. All references to Multiple Voting Shares in this prospectus shall refer to both the Multiple Voting Shares and the Class A Shares, as the context requires.

Other than in respect of Subscription Receipts sold to purchasers in the United States and certain other purchasers for which direct registration statements were issued, the Subscription Receipts were registered and deposited directly with CDS Clearing and Depositary Services Inc. (“**CDS**”) or its nominee pursuant to the book-based system administered by CDS, and are being held by, or on behalf of, CDS, as depositary of the Subscription Receipts for the participants of CDS, on a non-certificated basis. No definitive certificates evidencing Subscription Receipts have been issued to

purchasers thereof. Purchasers of Subscription Receipts that were settled in CDS only received a customer confirmation or statement from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Subscription Receipts was purchased. The Underlying Shares to be issued upon the automatic conversion of the Subscription Receipts will also be held by CDS (other than for purchasers in the United States and certain other purchasers (who received direct registration statements to represent their Subscription Receipts), who will be issued direct registration statements) and no definitive certificates representing the New Subordinate Voting Shares will be issued, unless required in limited circumstances. See “*Plan of Distribution*.”

Certain legal matters in connection with the Private Placement and this prospectus have been or will be reviewed on behalf of the Corporation by Dentons Canada LLP and on behalf of the Agents by Cassels Brock & Blackwell LLP.

The Corporation’s head and registered office is located 116 Spadina Avenue Suite 701 Toronto, ON Canada M5V 2K6.

Kevin Wimer, a director of the Corporation, resides outside of Canada and the Corporation’s auditors, Macias Gini & O’Connell LLP, are incorporated or formed under the laws of a foreign jurisdiction. Each of Kevin Wimer and Macias Gini & O’Connell LLP have appointed the following agent for service of process.

Name	Name and Address of Agent
Kevin Wimer	Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1
Macias Gini & O’Connell LLP	Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

As at the completion of the Private Placement and the close of business on September 16, 2021, Mr. Steven Isenberg holds and controls an aggregate of 2,678,291 Subordinate Voting Shares and 1,700,000 Class A Shares of the Corporation and 1,950,000 Subordinate Voting Share purchase warrants representing approximately 13.16% of the voting power attached to all of the issued and outstanding shares at the date hereof (14.34% assuming the completion of the Reorganization and satisfaction of the Escrow Release Conditions, but not considering the coming into effect of the Founders’ Agreement (as defined herein)), in each case on a non-dilutive basis. Mr. Isenberg is the Chief Executive Officer and a principal of M Partners Inc. and is also a director of the Corporation (and additionally controls direction over 930,476 Subordinate Voting Share broker warrants and 282,985 Compensation Options). In addition to the foregoing, pursuant to the terms of the Founders’ Agreement, Mr. Isenberg is expected to have direction (but not ownership or control) over 1,000,000 Class A Shares. As a result of the foregoing, the Corporation may be considered a “connected issuer” and at the time of completion of the Private Placement, a “related issuer” for the purposes of National Instrument 33-105 (“NI 33-105”). See “Relationship between the Corporation and the Agents.”

The Corporation has not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this prospectus. An investment in the securities of the Corporation is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this prospectus should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See “*Risk Factors*.” Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

TABLE OF CONTENTS

GENERAL MATTERS	1	CERTAIN CANADIAN FEDERAL INCOME	
MARKET RESEARCH AND PUBLIC DATA	1	TAX CONSIDERATIONS	37
CURRENCY PRESENTATION AND		Holders Resident in Canada	38
EXCHANGE RATES	1	Holders Not Resident in Canada	40
FORWARD-LOOKING STATEMENTS	1	CONSOLIDATED CAPITALIZATION	41
PROSPECTUS SUMMARY	3	OPTIONS TO PURCHASE SECURITIES	42
CORPORATE STRUCTURE	7	Options, Restricted Share Units and	
Name, Address and Incorporation	7	Restricted Stock	42
Intercorporate Relationships	7	Compensation Options	43
DESCRIPTION OF THE BUSINESS	8	PRIOR SALES	43
Overview of the Corporation	8	ESCROWED SECURITIES AND SECURITIES	
Corporation History	14	SUBJECT TO CONTRACTUAL	
Summary of Financial Information	15	RESTRICTION ON TRANSFER	44
Specialized Skill and Knowledge	16	Voluntary Lock-Ups	44
Intangible Properties	17	PRINCIPAL SHAREHOLDERS	45
Economic Dependence	17	DIRECTORS AND OFFICERS	46
Employees	18	Directors and Executive Officers	46
Geographic Information	18	Biographies	48
Reorganizations	18	Corporate Cease Trade Orders,	
USE OF AVAILABLE FUNDS	18	Bankruptcies, Penalties and Sanctions	49
Available Funds and Principal Purposes	18	Conflicts of Interest	50
Business Objectives and Milestones	22	DIRECTOR AND EXECUTIVE	
REGULATORY FRAMEWORK	24	COMPENSATION	50
Types of Licences	24	Compensation Discussion and Analysis	51
Summary of Global Regulations	25	Compensation of NEOs and Directors,	
Description of the IOM Licence and		Excluding Compensation Securities	51
Applicable Regulatory Regime	25	Employee Agreements and Termination and	
Description of the Australia Conditional		Change of Control Benefits	52
License and the Applicable Regulatory		Outstanding Security-Based Awards	53
Regime	26	Former Stock Option Plan	54
Key Markets and Regulatory Regimes	27	Equity Incentive Plan	54
Regulatory Strategy – Jurisdictions under		External Management Companies	56
Consideration	28	INDEBTEDNESS OF DIRECTORS AND	
DIVIDEND POLICY	28	SENIOR OFFICERS	57
DESCRIPTION OF SECURITIES	29	AUDIT COMMITTEE	57
Subordinate Voting Shares	29	Audit Committee Charter	57
Class A Shares	29	Composition of the Audit Committee	57
New Subordinate Voting Shares	30	Relevant Education and Experience	57
Multiple Voting Shares	31	Reliance on Certain Exemptions	58
Take-Over Bid Protection	32	Exemption for Venture Issuers	58
Founders' Agreement	33	Pre-Approval Policies and Procedures	58
Subscription Receipts	34	External Auditors Service Fees	58
PLAN OF DISTRIBUTION	35	CORPORATE GOVERNANCE	58
RELATIONSHIP BETWEEN THE		Board of Directors	58
CORPORATION AND THE AGENTS	37		

Participation of Directors in Other Reporting		ENFORCEMENT OF JUDGMENTS AGAINST	
Issuers	60	FOREIGN PERSONS	83
Orientation and Continuing Education	60	INTERESTS OF MANAGEMENT AND	
Ethical Business Conduct	60	OTHERS IN MATERIAL TRANSACTIONS	83
Nomination of Directors	61	AUDITORS, TRANSFER AGENT AND	
Compensation	61	REGISTRAR	84
Other Committees	61	Auditors	84
Insider Trading Policy	62	Transfer Agent and Registrar	84
Disclosure Policy	62	MATERIAL CONTRACTS	84
RISK FACTORS	63	EXPERTS	84
Risks Related to the Regulatory		STATUTORY RIGHTS OF WITHDRAWAL	
Environment	63	AND RESCISSION	84
Risks Related to the Corporation's Business	66	CONTRACTUAL RIGHT OF ACTION FOR	
Risks Related to the Private Placement and		RESCISSION	85
Securities of the Corporation	78	SCHEDULE "A" PMML FINANCIAL	
PROMOTERS	82	STATEMENTS AND MD&A	A-1
LEGAL PROCEEDINGS AND		SCHEDULE "B" AUDIT COMMITTEE	
REGULATORY ACTIONS MATTERS	83	CHARTER	B-1
Legal Proceedings	83	CERTIFICATE OF THE CORPORATION	C-1
Regulatory Actions	83	CERTIFICATE OF PROMOTERS	C-2
		CERTIFICATE OF THE AGENTS	C-3

GENERAL MATTERS

Unless the context otherwise requires, any references in this prospectus to the “Corporation” or “PMML” refer to PMML Corp. and its subsidiaries.

MARKET RESEARCH AND PUBLIC DATA

This prospectus also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation believes these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. Neither the Corporation nor the Agents has independently verified any of the data from third party sources referred to in this prospectus and accordingly, the accuracy and completeness of such data is not guaranteed. In addition, projections, assumptions and estimates of the Corporation’s future performance or the future performance of the industry and markets in which the Corporation operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this prospectus under “Risk Factors” and “Forward-Looking Statements.”

CURRENCY PRESENTATION AND EXCHANGE RATES

Unless the context otherwise requires, all references to “\$”, “C\$” and “dollars” mean references to the lawful money of Canada. All references to “US\$” refer to United States dollars.

The following table sets forth, for each of the periods indicated, the period end exchange rate, the average exchange rate and the high and low exchange rates of one United States dollar in exchange for Canadian dollars, based on the daily exchange rates, as reported by the Bank of Canada.

	Six Months Ended June 30, 2021	Year Ended December 31	
	US\$	2020 US\$	2019 US\$
High.....	1.2828	1.4496	1.3600
Low.....	1.2040	1.2718	1.2988
Average.....	1.2470	1.3415	1.3269
Period End.....	1.2394	1.2732	1.2988

On September 16, 2021, the daily exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = \$1.2674.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements and forward looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to the Corporation’s current expectations and views of future events or future performance. All statements other than statements of historical fact may be forward-looking statements. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary”, “Description of the Business”, “Management’s Discussion and Analysis” and “Risk Factors.”

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. These statements involve known and unknown risks, uncertainties and other

factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Corporation's expectations regarding its consolidated revenue, expenses and operations;
- the Corporation's anticipated cash needs, its needs for additional financing, and changes to its dividend policies;
- the Corporation's intention to complete the listing of the Underlying Shares on the TSXV;
- the completion of the Reorganization;
- the legalization and regulatory control of sports and esports betting and online gaming in Canada, the United States and elsewhere including federal, state and municipal regulations pertaining thereto and the related timing thereof and the Corporation's intention and ability to participate in such markets;
- the preparation and filing of this prospectus;
- the impact of competition on the Corporation;
- the intentions of the board of directors of the Corporation (the "**Board of Directors**") with respect to the executive compensation plans and corporate governance plans described herein;
- the intentions of the Board of Directors with respect to future acquisitions;
- the sufficiency of cash flows and working capital to achieve the Corporation's stated business objectives;
- the Corporation entering into new markets;
- the development and function of the Corporation's products; and
- the Corporation's ability to market successfully to customers.

Certain of the forward-looking statements and forward-looking information and other information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunities and market share, is based on estimates prepared by the Corporation using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. While the Corporation is not aware of any misstatement regarding any industry or government data presented herein, the esports industry involves risks and uncertainties that are subject to change based on various factors and the Corporation has not independently verified such third party information. See "*Market Research and Public Data*."

Forward-looking statements are based on certain assumptions and analyses made by the Corporation in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*."

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements, which could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Information contained in forward-looking statements in this prospectus is provided as of the date of this prospectus, and each of the Corporation and the Agents disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Prospective investors should carefully consider, among other things, the matters discussed under “**Risk Factors**.”

The Issuer: On October 28, 2016, the Corporation was incorporated under the *Ontario Business Corporations Act* (“**OBCA**”) as “**PMML Corp.**” The Corporation’s head and registered office is located at 116 Spadina Avenue Suite 701 Toronto, ON Canada M5V 2K6. See “*Corporate Structure*.” Subject to approval by the shareholders of the Corporation at the Meeting, prior to the listing of the Underlying Shares on the TSXV, the Corporation intends to amend its articles to change its name to “**Rivalry Corp.**”

Business of Issuer: PMML is the parent company of Rivalry Limited (“**Rivalry**”), a leading sports betting and sports media company offering fully regulated online wagering on esports, traditional sports, and casino games. Rivalry Limited currently holds an online gambling Isle of Man licence (the “**IOM Licence**”). The IOM Licence was granted in January 2018, and Rivalry officially launched in August 2018. In addition, in March 2021, the Corporation’s wholly-owned subsidiary Rivalry Australia Pty. Ltd (“**Rivalry Australia**”) was conditionally granted a sports bookmaker licence (the “**Australia Conditional Licence**”) in the Northern Territories, Australia by the Northern Territory Racing Commission (Australia) (the “**NTRC**”) pursuant to the *Racing and Betting Act 1983*. The Corporation also has a variety of originally developed products, including Quest, a rewards based on-site engagement program, and an original casino game called Rushlane that currently functions as a business-to-consumer product and potentially a business-to-business product in the future. See “*Description of the Business*.”

Summary Financial Information The following table sets forth selected financial information for the periods indicated. The selected financial information for the years ended December 31, 2020 and December 31, 2019 have been derived from the Corporation’s audited financial statements and accompanying notes, while the selected financial information for the three and six months ended June 30, 2021 has been derived from our unaudited interim condensed financial statements and accompanying notes, in each case prepared in accordance with IFRS and presented elsewhere in this prospectus.

The selected financial information should be read in conjunction with the Corporation’s management’s discussion and analysis (the “**MD&A**”) for the three and six months ended June 30, 2021 and the fiscal year December 31, 2020 and the financial statements and accompanying notes contained elsewhere in this prospectus. The selected financial information set out below may not be indicative of the Corporation’s future performance. See “*Description of the Business – Summary of Financial Information*” and “*Management’s Discussion and Analysis*.”

	Six Month Period Ended June 30, 2021 (Unaudited) \$	Year Ended December 31, 2020 (Audited) \$	Year Ended December 31, 2019 (Audited) \$
Revenue	\$5,228,874	\$1,545,314	\$517,826
Total expenses	\$10,991,556	\$8,400,038	\$4,588,773
Net comprehensive income (loss)	\$(5,762,682)	\$(6,854,724)	\$(4,070,947)
Current assets	\$44,094,728	\$6,999,926	\$4,007,327
Total assets	\$44,624,163	\$7,623,341	\$4,898,800
Current liabilities	\$894,222	\$586,438	\$343,865
Total liabilities	\$1,017,695	\$814,621	\$751,338
Shareholders’ equity (deficiency)	\$43,606,468	\$6,808,720	\$4,147,462

The Private Placement: The Corporation completed the Private Placement and issued 37,814,655 Subscription Receipts at a price of US\$0.58 per Subscription Receipt for aggregate gross proceeds of US\$21,932,499.90 prior to the date of this prospectus. Each Subscription Receipt entitles the holder thereof to receive, on the Escrow Release Date, one Underlying Share. See the face pages to this prospectus and the disclosure under the headings “*Description of the Business – Corporation History*” and “*Description of Securities*.”

Escrowed Funds: The gross proceeds of the Private Placement, less 50% of the Agents' Fee and the Agents' expenses, being an aggregate of US\$21,251,154.80 were deposited into an escrow account with Odyssey, pending satisfaction and/or waiver of the Escrow Release Conditions.

Escrow Conditions:

- (i) The Corporation obtaining the Final Receipt;
- (ii) the Corporation obtaining all requisite corporate, shareholder and regulatory approvals in connection with the Liquidity Event, including without limitation, the conditional approval from the TSXV or such other recognized Canadian stock exchange acceptable to the Co-Lead Agents to list the Underlying Shares;
- (iii) the Corporation obtaining requisite shareholder approval for the Reorganization following the issuance of the Final Receipt and promptly filing the articles of amendment required to give effect thereto; and
- (iv) the Corporation and the Co-Lead Agents having delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (i) to (iii) above have been met or waived.

Use of Available Funds: The following table sets forth the anticipated net proceeds of the Private Placement upon satisfaction of the Escrow Release Conditions:

	<u>Amount</u>	<u>Total</u>
Gross Proceeds	US\$21,932,499.90	
Total Agents' Fee	(US\$1,094,268.72)	
Expenses and costs ⁽²⁾	(US\$800,000)	
Net proceeds raised from Private Placement		\$20,038,231.18⁽¹⁾

Notes:

- (1) Does not include any interest which may have accrued on the Escrowed Funds.
- (2) Estimated costs relating to the Private Placement and this prospectus which includes costs of: (i) the Agents (including legal costs); (ii) legal counsel to the Corporation; (iii) the auditors with respect to the preparation and audit of the audited financials for the Corporation and preparation and review of the interim financial statements; (iv) securities commission and SEDAR filing fees; (v) stock exchange fees; and (vi) other similar incidental costs relating to the foregoing.

In addition to the net proceeds described above, as at July 31, 2021, the Corporation had cash and cash equivalents of US\$13,954,556 on hand.

The Corporation has used, or intends to use, the net proceeds of the Private Placement and its other available funds as follows:

Item	Approximate Amount (US\$)
Marketing	US\$18,800,000
New Hires	US\$3,600,000
Platform Development	US\$3,600,000
Licence Application, Acquisition and Maintenance	US\$1,800,000
Working Capital and General Corporate Purposes	US\$6,192,787
	US\$33,992,787

While the Corporation currently intends to use the available funds for the purposes set out herein, it will have discretion in the actual application of available funds, and may elect to use such funds differently than as described herein, if management of the Corporation believes it is in its best interests to do so.

The Corporation had negative operating cash flow for its most recent financial year. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow.

See “*Use of Available Funds*” and “*Risk Factors*.”

Voting Rights and Conversion Rights

The Corporation has two classes of shares outstanding: Subordinate Voting Shares and Class A Shares. Following the issuance of the Final Receipt, the Corporation will hold the Meeting. At the Meeting, shareholders will be asked to consider and approve the Reorganization, whereby: (a) the Subordinate Voting Shares will be reclassified as “New Subordinate Voting Shares”; (b) the Class A Shares will be reclassified as “Multiple Voting Shares”; and (c) each Multiple Voting Share shall: (i) carry 100 votes per share on all matters where the holders of shares of the Corporation are entitled to vote and the holders of New Subordinate Voting Shares and Multiple Voting Shares shall vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Corporation’s articles; and (ii) be convertible into one New Subordinate Voting Share at any time at the option of the holder thereof and automatically in certain other circumstances. The New Subordinate Voting Shares will be “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Reorganization is expected to qualify as a “restricted security reorganization” within the meaning of NI 41-101 and a “reorganization” within the meaning of OSC Rule 56-501. See “*Description of Securities*.”

Take-Over Bid Protection

In accordance with applicable regulatory requirements designed to ensure that, in the event of a take-over bid, the holders of New Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, following the Reorganization the Corporation, the holders of the Multiple Voting Shares and a trustee for the benefit of the holders of New Subordinate Voting Shares intend to enter into a coattail agreement (the “**Coattail Agreement**”). The Coattail Agreement will contain provisions customary for multi-class corporations designed to prevent transactions that otherwise would deprive the holders of New Subordinate Voting Shares of rights under applicable takeover bid legislation in Canada to which they would have been entitled if the Multiple Voting Shares had been New Subordinate Voting Shares. See “*Description of Securities – Take-Over Bid Protection*.”

Risk Factors

An investment in the securities of the Corporation is speculative and involves a high degree of risk due to the nature of the business of the Corporation. Many of these risks, uncertainties and other factors are beyond the control of the Corporation and could influence actual results. The Corporation cannot assure that it will successfully address any or all of these risks. Readers should carefully consider the information set out under “*Risk Factors*” and the other information in this prospectus.

CORPORATE STRUCTURE

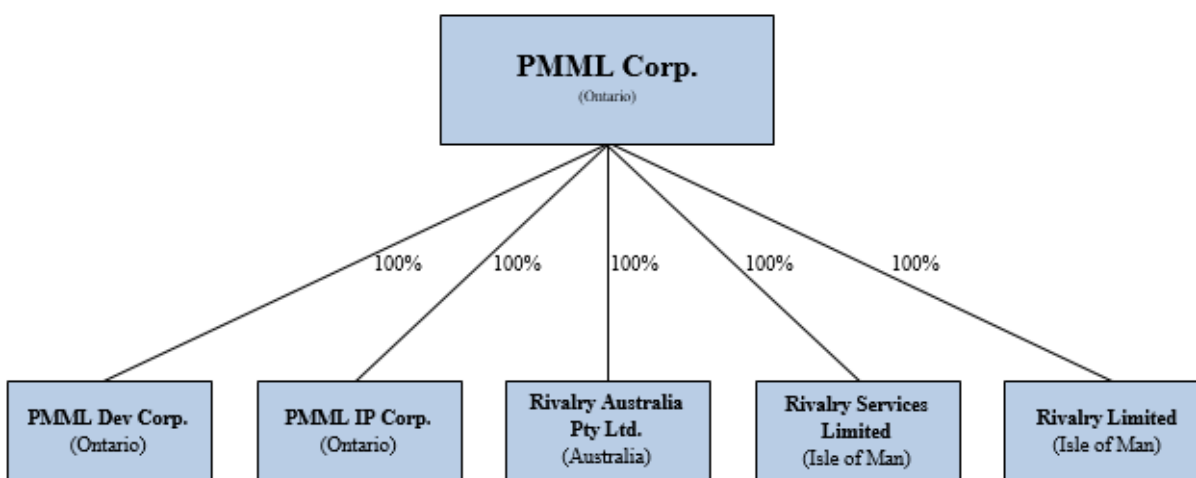
Name, Address and Incorporation

On October 28, 2016, the Corporation was incorporated under the OBCA as “PMML Corp.” The Corporation’s head and registered office is located at 116 Spadina Avenue Suite 701 Toronto, ON Canada M5V 2K6.

Subject to approval by the shareholders of the Corporation at the Meeting, prior to the listing of the Underlying Shares on the TSXV, the Corporation intends to amend its articles to change its name to “Rivalry Corp.”

Intercorporate Relationships

The following chart outlines the inter-corporate relationships between the Corporation and its material wholly-owned subsidiaries.



To the Corporation’s knowledge, nearly all regulated sports and esports betting and online gaming markets require a local entity to hold the applicable licence. As such, Rivalry holds the IOM Licence, and the Corporation’s wholly-owned subsidiary Rivalry Australia was conditionally granted the Australia Conditional Licence. The Corporation anticipates that all future licences will be held similarly in local entities that are either direct or indirect wholly-owned subsidiaries of the Corporation.

PMML Dev Corp. (“**PDC**”) was incorporated on February 9, 2017 under the OBCA. PDC is the entity where all full-time staff and contractors of the Corporation are employed. The Corporation elected to create PDC to maximize its ability to earn Canadian innovation credits and grants, as instructed.

PMML IP Corp. (“**PIC**”) was incorporated on December 15, 2020 under the OBCA. PIC is the registered holder of all the Corporation’s intellectual property.

Rivalry is an Isle of Man limited company incorporated on June 29, 2017. Rivalry is the holder of the IOM Licence.

Rivalry Services Limited (“**RSL**”) is an Isle of Man limited company incorporated September 6, 2017. RSL is the entity that is party to the majority of the various operating and marketing agreements in respect of the Corporation’s business operations.

Rivalry Australia is an Australian limited company incorporated November 20, 2020 in connection with the application for the Australia Conditional Licence. The Corporation will effect all of its Australian sports wagering business through Rivalry Australia, and have all local staff employed directly through the entity as well. These are

both requirements of the Australia Conditional Licence. See “*Regulatory Framework - Description of the Australia License and the Applicable Regulatory Regime.*”

DESCRIPTION OF THE BUSINESS

Overview of the Corporation

PMML commenced operations in October 2016 with the goal of developing esports and gaming media focused assets. At the outset, the Corporation’s founders identified three key criteria for assets that they believed would have potentially uncapped upside within the industry. Specifically, the assets had to be:

- 1) agnostic of the video game publisher’s intellectual property (“**IP**”), given the economic cost of licencing and/or franchise fees;
- 2) agnostic of any monopoly third-party application programming interface so as to avoid reliance on a third-party outside of the Corporation’s control; and
- 3) game cycle agnostic, as it is historically challenging to predict the longevity of a new game title release by a game publisher.

As a result of this analysis, the Corporation pursued sports betting as a vertical that met the three criteria outlined above, and with a focus on the core demographic consuming esports and gaming content - young Millennials and Gen Z generations (collectively, the “**Next Generation**”).

The Corporation’s first step in building its next generation sports betting platform was to obtain a blue-chip global online gambling licence. The Corporation believes that Gibraltar, Malta and the Isle of Man are generally considered Tier 1 with respect to global online gaming licences. Among country specific licences, the Corporation believes that the United Kingdom is considered the model by which most other licencing are based. For example, the Isle of Man, being a crown dependency of the United Kingdom, has established its licencing regime based on the United Kingdom’s gambling licence standards. The Australian regulatory regime is also premised off the United Kingdom license standards. The Corporation chose the Isle of Man as management believed that a license from the Isle of Man is generally considered to be among the most respected in the gambling industry. Accordingly, the Corporation believes that this reputational benefit has made certain operational matters easier, including contracting with key suppliers that look to the licensing jurisdiction when deciding which companies to work with. The Isle of Man issues among the fewest licences per year of the three Tier 1 global jurisdictions and is considered by many to have the most robust licensing and compliance standards.

In February of 2017 the Corporation began working on its application for an Isle of Man gambling licence from the Isle of Man Gambling Supervisions Commission (“**GSC**”). An Isle of Man licence allows licenced operators to accept bets from a variety of global markets where it is legal to do so. The IOM Licence restricts numerous markets which are often termed ‘black markets,’ such as Afghanistan, Libya, and Nigeria, in addition to restricting all regulated markets, such as the United Kingdom, United States, Sweden, Spain, and others. Additionally, the Corporation considers markets that require a legal opinion as markets that represent at least 5% of the Corporation’s total monthly turnover. Although this is not a requirement under the IOM Licence, this has been the Corporation’s practice to date. These legal opinions typically outline risks, precedent and other pertinent information relating to the services offered by the Corporation in these markets.

Management of the Corporation believes an Isle of Man licence represents one of the highest standards of the available global online gambling licencing regimes given it has one of the most comprehensive application processes which includes detailed background checks for directors, executives, and shareholders. This approval process spans the suitability of the applicant company’s founders, directors and executives, in addition to a detailed approval process of the company’s technical systems, security, know your customer (“**KYC**”) procedure, anti-money-laundering framework, and responsible gambling protocol. For the Corporation this process included submitting more than 700 bespoke pages of due diligence on the Corporation, its founders, senior executives, directors, technical systems, KYC and anti-money laundering procedures as part of its application. The application included submitting:

- personal declaration forms from all of the Corporation’s founders, directors and executive officers;
- certified copies of all corporate documents of the Corporation and all subsidiaries;
- a detailed business plan and financial model outlining the first three (3) years of business; and
- detailed policies covering all elements of the business from anti-money laundering to gift-giving policies.

Following the submission of the above, the GSC engaged in a process known as “Questions and Queries”, where the GSC spent approximately three (3) months reviewing the Corporation’s application package and engaging directly with the Corporation in respect of any comments and questions. Following the “Questions and Queries” phase, a hearing was held on the Isle of Man with senior executives and directors of the Corporation whereby the GSC conducted a review of all key elements of the Corporation’s submission and business plan. Once the submission and business plan were approved, the Corporation received conditional approval and had several months to launch its operations, pending technical and compliance approval. The Corporation completed this phase in four (4) months. The process involved the GSC acting as if they were a customer on the Corporation’s site to enable the GSC to test every element from self-exclusion, deposit limits, KYC, reviewing Terms & Conditions and other items. Once the Corporation completed this process, its website was approved for launch. Furthermore, approximately every 12 months the Corporation undergoes a full audit by the GSC to ensure all systems and compliance controls remain in compliance with applicable regulation.

As an Isle of Man licenced operator, all of the Corporation’s customer data is protected by the *Isle of Man Data Protection Act 2018* and the *General Data Protection Regulation (EU 2016/679)* (“**GDPR**”) as applied in the Isle of Man in accordance with the *Data Protection (Application of the GDPR) Order 2018*, the *Data Protection (Application of the LED) Order 2018* and the *GDPR and LED Implementing Regulations 2018* and all other legislation and regulatory requirements in force from time to time applicable to the use of personal data. At any time customers may request that the Corporation delete its data as per GDPR standards, and the Corporation undertakes with the utmost care and expediency to do so as outlined under the law and as obligated under the IOM Licence. The GDPR standards as of the date of this prospectus may be found at <https://gdpr-info.eu/art-17-gdpr/>.

In parallel with the IOM Licence application, the Corporation began developing its sports betting product. This includes the frontend public-facing part of the platform, and the backend, which is what makes the platform function. In online sports betting this is atypical, as the vast majority of operators will opt for a white label turnkey product offered by many third-party companies (e.g. Bet.Works and Kambi). Although these products offer a quicker path to technical approval from the regulator¹, the Corporation elected to develop its own platform with the belief that in order to effectively acquire, retain, and entertain the Next Generation, the entire user journey and user experience needed to be rebuilt from the ground up. Management of the Corporation believes that the white label products are typically built for the core existing demographic of sports bettors which is on average over 30 years of age and trends into the mid-40’s, which is well-above the targeted Next Generation. Due to the generational difference in technological capability among the Next Generation, it was important to recognize the different expectations for user experience, brand, customer service, speed, and overall product expectations from bettors under 30 years of age. For this reason, the Corporation developed its own platform in-house, ultimately owning the core intellectual property that makes Rivalry unique. Rivalry’s platform is utilized on both desktop and mobile. The Corporation currently sees the majority of customer interactions through mobile, and expects this will continue.

While the Corporation developed its own platform, there are certain components and services that the Corporation outsources including: (a) a KYC provider; (b) payment service providers (“**PSP**”); and (c) an odds provider. Under the IOM Licence, the Corporation is required to work with a regulator approved KYC provider. With regard to PSPs,

¹ A white label product by its very nature is one that is approved by the major global regulatory bodies as it is sold by business-to-business (“**B2B**”) companies for the purpose of being used by a business-to-customer sportsbook. Most B2B white label providers will therefore ensure the platform is compliant in all major global jurisdictions, such as the Isle of Man, and country specific ones such as the UK and Australia. By ensuring the platform is current and compliant with such standards, it allows a new operator to receive approval from their chosen regulator to launch in a more streamlined fashion.

as a result of the various local nuances of processing payments on a country by country basis, and the specific localized expertise required therein, the Corporation elected to work with multiple third-party PSPs on a country by country basis. Finally, odds provision in sports betting is a highly resource intensive task. Given the Corporation's initial size and limited capital, the Corporation could not accommodate this requirement in-house. The Corporation also believes in many ways odds provision is not the unique selling point of any betting product given betting lines trend close to one another as operators do not want to seem materially over-priced or under-priced relative to peers. As a result, management of the Corporation believes that true product differentiation lies in the core user experience, the brand, and other innovations throughout the product, all of which is developed in-house by the Corporation.

The Corporation began developing the Rivalry brand by launching multiple social media and content channels on Twitter, Facebook, Instagram, and YouTube, building the foundation of the Corporation's now effective customer acquisition strategy. Creating a betting brand with global resonance among the Next Generation was the second key pillar of the Corporation's business strategy with the first being an originally developed and owned product as described above. Management of the Corporation believes that consumer brands for this demographic are also media companies. An individual who is a member of the Next Generation is more likely to make a purchase decision based on social media discovery, often via influencers and creators they follow, in addition to the online communities they are part of rather than traditional forms of marketing.² By developing a collection of targeted social and content channels that directly connect with the relevant esports communities in the key markets that Rivalry was intending to operate in, management of the Corporation believes it had established an optimal access point to building brand recognition with the Next Generation.

In January 2018 the IOM Licence was formally granted, and Rivalry executed a soft launch in February 2018. In May 2018, the Corporation closed a brokered private placement of Subordinate Voting Shares for aggregate gross proceeds of US\$5,448,580 which was followed by a second closing in August 2018 for gross proceeds of US\$535,345. Additionally, the Corporation officially launched Rivalry to the public in August 2018.

Through the rest of 2018 and 2019 the Corporation focused on building its esports betting offerings, developing innovative products such as its originally developed rewards based on-site engagement program called Quest, and continued building its content and social media properties to be one of the most recognized in the world within esports betting.³ The Corporation went from a single English and single Spanish social media channel to nearly fifteen (15) social media channels during this period, adding additional language properties, expanding from just Twitter, to Twitter, Facebook, Instagram, and YouTube. Consistent with Rivalry's community focus, each new property that was established was focused on a single language and single esports title, catered to fans within a specific country or region. This nuanced approach created substantial fan engagement. When paired with a highly active social media influencer and content creator sponsorship portfolio, the Corporation had a significant amount of growth on its content and social media properties throughout 2018 and 2019. By Q4/2019 measured engagement on Rivalry's social and content properties exceeded that of its competitors, making Rivalry the most engaged brand in esports betting globally which it has sustained until today.³

Quest is a customer rewards system designed around retention and developing customer loyalty. It gives Rivalry customers a way to earn extra bonus rewards in return for their continued play on Rivalry, in addition to various other activities. This is similar to a typical V.I.P. program on a traditional gambling site which is also designed to enhance customer value. On Rivalry, customers are given different betting and non-betting tasks called "Quests." Completing these "Quests" will earn them experience points, which contribute towards a greater account level. Each time the account level increases, the user is given the opportunity to earn rewards. By creating this meta layer of engagement across the entire Rivalry product offering, management of the Corporation believes it is creating an innovative experience for the next generation of sports bettors. Critically, Rivalry always keeps responsible gambling front of mind and ensures that Quest remains compliant with such requirements, and strives to develop Quests that promote

² See Shopify "Future of Commerce 2021" (accessed 16 June 2021), online: <https://cdn.shopify.com/static/future-of-commerce/Shopify%20Future%20of%20Commerce%202021.pdf> at p 8.

³ Source: Twitonomy, SocialBook, YouTube and Analisa.io

responsible gambling and education on wallet management. The Corporation continues to add new features and develop Quest.

In 2020, the Corporation launched traditional sports betting on the Rivalry platform. Rivalry's traditional sports betting product has a similar user experience to its esports platform, which management of the Corporation believes is more suited to a Next Generation coming into the fold of sports betting for the first time. Shortly after the release of the traditional sports betting platform, the COVID-19 (as defined herein) pandemic began. Although this initially hampered growth in Rivalry's traditional sports betting product given the near complete global shutdown of all traditional sports, it proved to be a boon to esports viewership and thus betting. With COVID-19 and the lockdown measures taken by many jurisdictions across the globe, video games became an optimal medium to connect with others. This resulted in a surge in sales, and viewership on live streaming platforms of general gaming content. Esports hit all-time monthly viewership records, which consequently drove significant interest in esports betting.⁴ In the month of April 2020, the Corporation saw its highest ever month-over-month growth rate, more than doubling March's total betting handle.⁵ The Corporation then continued to grow off this level resulting in just over 800% growth year over year in betting handle in 2020.

The principal adverse effect of COVID-19 on the Corporation's operations has been related to in-office staffing requirements in the Northern Territories which is tied to the Corporation's launch in Australia. It is expected that all Northern Territory licenced operators have an office in the Northern Territories, commonly in the city of Darwin. It was the Corporation's expectation to relocate staff from elsewhere in Australia (specifically Sydney and Melbourne) or elsewhere in the world, to Darwin. The stringent COVID-19 lockdowns in Australia restricted travel within the country and hindered the processing of international visas – as such the Corporation had to reconsider its Northern Territory staffing needs with new hires already in Darwin (see “*Regulatory Framework – Description of the Australia Conditional License and the Applicable Regulatory Regime*”).

In March 2021 the Corporation completed a non-brokered private placement of Subordinate Voting Shares for aggregate gross proceeds of US\$21.5M.

In March 2021, Rivalry Australia was conditionally granted the Australia Conditional Licence. The Corporation is targeting launching in Australia in Q4/21.

In May 2021, Rivalry soft launched its first originally developed casino game called Rushlane. The Corporation had been internally developing this casino product for nearly twelve months, and following full regulatory approval from the GSC and a third-party provably fair certification from Gaming Laboratories International (“GLI”), the game was soft launched to the public. The purpose of the soft launch is to test user behaviours and overall appetite and iterate the product ahead of a more significant marketing push. Consistent with technology development generally, a soft launch was done to determine which parts of the product and original design work resonated with customers and to understand which did not. As a result of this soft launch, the Corporation has generated a significant volume of user feedback which allows the Corporation's development team to enhance the product to increase odds of user success and monetization for the Corporation. To date, no material revenue has been generated by Rushlane. The Corporation anticipates that beginning in early Q4/21 Rushlane will begin to be more meaningfully marketed to its user base, cross-sold through other products, and generate increased revenue for the Corporation.

Rushlane represents Rivalry's first major step toward innovating the casino category for the next generation of sports bettors. The Corporation intends to continue internally developing original casino games for its Next Generation. Since the Corporation has developed Rushlane internally, the expenditures to date have been minimal, with the sole cost being the overhead of the internal game development team. The Corporation's plan for Rushlane is for the

⁴ See World Economic Forum, “How COVID-19 is taking gaming and esports to the next level” (15 May 2020), online: <https://www.weforum.org/agenda/2020/05/covid-19-taking-gaming-and-esports-next-level/>.

⁵ The Company defines “Betting Handle” or “Handle” as the total dollar value accepted in wagers, adjusted for cancellations and corrections. Betting handle is a performance metric that is distinct from revenue. The Corporation defines revenue as the total dollar value accepted in wagers less payouts to customers, adjusted for the fair value of open betting positions.

development team to continue to focus on building its core feature suite of race tracks, updates to user avatars, emotes, winning dances, among other features in R&D.

PMML Corp. Operating Segments

(1) Sportsbook

The Corporation's primary revenue generating operating segment, at more than 99% of current revenue, and in Fiscal 2018, 2019, and 2020, 100%, is gross gaming revenue ("GGR") generated by its fixed odds betting offerings on Rivalry. The offerings spans esports and traditional sports. The vast majority of esports betting globally, and on Rivalry, takes place on three (3) major game titles: League of Legends, Counter-Strike: Global Offensive ("CS:GO"), and Dota 2. These three (3) esports typically make up more than 95% of all esports betting handle on Rivalry. The Corporation offers nearly twenty additional esports titles in addition to these three. Traditional sports is primarily driven by soccer at Rivalry, making up approximately 60% of the Corporation's traditional sports betting handle, followed by basketball at approximately 30%. Despite having a primary focus on two traditional sports, Rivalry does offer many of the other most common traditional sports such as hockey, boxing, and more.

Within Rivalry's fixed odds betting offering is a mix of pre-match and in-play betting. An example of a pre-match market would be a simple winner market, which is who is going to win the game. Alternatively, in-play betting is live betting while the match is active. An example of an in-play bet would be who is going to get the fourth goal in an NHL game after three have already been scored in total. The bookmaker will populate this betting line at that time and offer it live to its customers.

A sportsbook generates GGR through margin generated on its sports betting lines. For any given match, the different types of sports betting lines are called markets. For example, CS:GO, one of the most popular esports titles, will often have competitive outcomes determined by the winning team in a best of three games. Each game is played on a different map in the video game. The most common, and often bet on market, is simply the winner market, i.e. who will win the entire match. Another market would be who is going to win map one, or map two. Each market will most often have a two-way betting line, for example: Team A pays 1.6 if they win, Team B 2.25. This means if a customer bets \$10 on Team A and is victorious they will receive \$16. So the initial \$10 wager + another \$6, i.e. $\$10 \times 1.6$. If the customer bets on Team B and is victorious they will receive \$22.50 ($\$10 \times 2.25$).

A simple example to understand margin generation on sports betting and thus GGR is a coin toss. The probability of a coin landing on heads or tails is 50%, respectively. As such, a fair market would be represented by both heads and tails having decimal odds of 2.0. A \$10 wager on heads would yield a \$20 payout, the original \$10 stake plus a \$10 profit. Theoretically, since the odds are fair, the sportsbook would expect to get a fairly equal volume of wagers on both heads and tails and therefore they could take the wagers from the losing side in order to pay the winners and breakeven. In order to drive revenue, the sportsbook will build in a spread between what they offer as the payout on an outcome, and what the fair value of the payout should be. In the coin toss example, the sportsbook may pay out using odds of 1.9, meaning that a bettor would have to wager more than \$10 in order to return the same \$20 payout. This helps the sportsbook by creating a margin of error that can help to ensure that when there are small pricing errors they can mitigate against a potential loss, and in turn when their prices are correct, captures the excess stake as revenue or GGR for the sportsbook.

The Corporation handles nearly all risk management internally through a variety of mechanics, primarily being liability management and customer risk profiling. The odds provider provides tools that help Rivalry manage these factors to create a more seamless risk management integration and better customer experience. Markets with the highest betting interest, such as the pre-match winner market, will have the highest level of liability set. This is the maximum loss that Rivalry could take on an individual market. Once the liability is near the limit the sportsbook team at Rivalry will receive an alert and can decide to increase liability or maintain. Beneath the liability limit is 'bet factor.' The bet factor is how much of remaining available liability an individual bettor can take up. Both liability limits and bet factor help control the maximum risk the Corporation takes on a sportsbook. A general rule of thumb is the lower the expected volume on a market is, the lower the liability limit and bet factor would be set. This reduces downside risk both overall and on a per customer basis. By creating a ceiling liability, the Corporation knows the maximum risk it is taking on any given day. Control of risk is further impacted by user profiling. The Corporation reacts to higher risk customers through a variety of control mechanisms in order to contain and monitor behaviour. The combination

of both a ceiling liability and user profiling serves to enhance the probability of positive margin per market and the overall GGR of Rivalry.

As of the date of this prospectus, the Corporation uses a third-party as its odds provider (the “**Odds Provider**”). The Odds Provider must abide by the standards of its local jurisdiction and licences to operate and maintain its licence. Additionally, the GSC requires that its operators (including the Corporation) conduct due diligence on all third-party providers it works with. This due diligence is to the same standard that the Corporation is held to, and requires that politically exposed person checks and a review of the corporate structure and all 10%+ shareholders, directors and officers must be completed before the Corporation is able to work with any third-party. These materials were also submitted by the Corporation to the GSC.

The Corporation has systems in place that flag users according to the Corporation’s risk matrix in its Customer Due Diligence Policy (the “**CDDP**”). Depending on the amount deposited, played, or withdrawn, and depending on the payment method, users will go into different risk categories that require different levels of monitoring and due diligence to determine various matters such as source of wealth. This is a requirement of the GSC. During audits, the GSC will assess random batches of players from the Corporation’s database and ensure that the Corporation has an audit log that adheres to the CDDP.

(2) Casino

In May 2021, Rivalry released its first casino game called Rushlane. This operating segment currently represents less than 1% of the total of the Corporation’s revenue.

As a business, Rivalry is looking to innovate in the category of both sports betting and casino games. The Corporation’s user demographic for sports betting and casino products is predominantly the Next Generation. The vast majority of other operators in the online gambling space will see their average sports bettor be over the age of 30, and average casino player over the age of 40.⁶ Management of the Corporation believes the standard form of casino games such as slot machines are less appealing to the Next Generation. The Corporation also believes a certain cultural stigma is associated with these kinds of traditional casino games amongst the Next Generation. As a result, the Corporation decided to build its own original casino game tailored for the next generation of casino players.

In early 2020 Rivalry developed an in-house ‘games’ team led by an experienced indie video game developer, building in the Unity engine (“**Unity**”); one of the most popular video game engines in the world.⁷ Over the following year the in-house games’ team built the concept, developed, and tested its first casino game called Rushlane. In March of 2021, following months of testing, the Corporation received approval from a GSC approved third-party testing house, GLI. Following this approval, and sign off from the GSC, the Corporation soft launched Rushlane in May 2021.

Rushlane mixes social video game structures such as multiplayer experience and live chat, with a highly rendered video-game-like environment, packaged in a fully regulated and provably fair casino game format. Rushlane is a live multiplayer race between up to 25 customers in monocycles on Rivalry where they proceed through a cyberpunk themed track, which includes many visual elements of familiar video games, and lasts for an average of just over one minute. The randomness in the game that makes it provably fair and legal is the result of the physics game engine within Unity itself. Customers’ monocycles bump against one another, interact with obstacles, and the physics engine generates real-world-like consequences for these impacts which randomly leads to a winner. To enter, Rushlane customers place a fixed stake, and depending on the number of players Rivalry will pay out the top 5 winners proportionally and keep 5% of the overall staked pot. Similar to a traditional casino and table game format, the Corporation anticipates offering various staked rooms, analogous to what one would find in a traditional casino (tables with a minimum bet of \$5.00 and other tables of the same game with a minimum bet of \$1,000.00).

⁶ See Canadian Gaming Business, “Today’s Players: Understanding the Changing Casino Demographic (and Buying and Oldsmobile) (accessed 16 June 2021), online: <http://www.canadiangamingbusiness.com/TodaysPlayers.aspx>

⁷ https://www.gamasutra.com/blogs/MarcusToftedahl/20190930/350830/Which_are_the_most_commonly_used_Game_Engines.php

“Provably fair” when used in this prospectus means that the game is truly random and the outcomes have an even probabilistic distribution by the publisher of the game or operator. To determine this, testing houses will run tens of thousands of ‘turns’ of the game to determine if outcomes are truly random. For more simple games such as slot machines the Corporation understands that a testing house performs such tests more than a million times. Additional information about the testing standards as of the date of this prospectus may be found on GLI’s website at <https://gaminglabs.com/gli-standards/>.

Rivalry intends to develop additional casino games in-house to continue innovating the category and offering a purpose-filled experience for the next generation of bettors.

Corporation History

Since late 2015, certain of the Corporation’s founders had been operating a global in-game item trading marketplace and through that realized there was also a growing consumer demand for betting from the Next Generation that was not being met by existing regulated operators. Accordingly, the Corporation’s founders sought to build a regulated sports betting product, that put responsible betting first, and offered a brand, user journey, and user experience catered to the Next Generation. This led to the creation of Rivalry in October 2016.

Fiscal 2018

In January 2018 Rivalry was issued the IOM Licence and Rivalry entered a soft launch later in February 2018.

In May 2018, the Corporation closed a brokered private placement of Subordinate Voting Shares for aggregate gross proceeds of US\$5,448,580 which was followed by a second closing in August 2018 for gross proceeds of US\$535,345. Additionally, the Corporation prepared a variety of initial launch campaigns for August 2018, the most active month in the esports calendar, and fully launched Rivalry.

Through the rest of 2018 and 2019 the Corporation focused on building its esports betting offerings, developing innovative products such as its originally developed rewards based on-site engagement program called Quest, and continued building its content and social media properties.

Fiscal 2019

The Corporation continued its efforts to build an above market esports betting service and product, and by Q4/2019, the Corporation had achieved this goal. With measured engagement in Rivalry’s social and content properties, Rivalry surpassed all competitors, making Rivalry the most engaged brand in esports betting which it has sustained until today.

Fiscal 2020

In 2020, the Corporation launched traditional sports betting on the platform. Rivalry’s traditional sports betting product has a similar user experience to its esports, which management of the Corporation believes is more suited to a Next Generation coming into the fold of sports betting for the first time.

In early 2020 the Corporation developed an in-house ‘games’ team led by an experienced indie video game developer, building in Unity, which is one of the most popular video game engines in the world.

In April 2020, the Corporation saw its highest ever month-over-month growth rate, more than doubling March 2020’s total betting handle. The Corporation then continued to grow off this level resulting in just over 800% growth year over year in betting handle in 2020.

As a result of this significant growth, PMML embarked on an equity financing round in late 2020, which closed in March 2021, raising US\$21.5M.

Recent Developments

In March 2021, Rivalry Australia was conditionally granted the Australia Conditional Licence. The Corporation is targeting launching in Australia in Q4/21.

In May 2021 Rivalry released its first casino game called Rushlane. The Corporation had been internally developing this casino product for nearly twelve months, and following full regulatory approval the game was soft launched to the public.

On June 9, 2021, the Corporation completed the Private Placement for aggregate gross proceeds of US\$21,932,499.90. See “*Plan of Distribution.*”

On August 17, 2021, the Corporation completed a non-brokered private placement of 862,069 Subordinate Voting Shares at a price of US\$0.58 per share and for aggregate gross proceeds of approximately US\$500,000.

Upon obtaining a receipt for this prospectus from securities regulatory authorities in the Qualifying Provinces, the Corporation will become a reporting issuer in the Qualifying Provinces. The Corporation has submitted an application to list the Underlying Shares on the TSXV. The listing will be subject to the Corporation fulfilling all of the initial listing requirements and conditions of the TSXV including prescribed distribution and financial requirements and there is no assurance such a listing will be obtained.

Summary of Financial Information

The following table sets forth selected financial information for the periods indicated. The selected financial information for the years ended December 31, 2020 and December 31, 2019 have been derived from the Corporation’s audited financial statements and accompanying notes, while the selected financial information for the three and six months ended June 30, 2021 has been derived from our unaudited interim condensed financial statements and accompanying notes, in each case prepared in accordance with IFRS and presented elsewhere in this prospectus.

Operations Highlights

	Six Months ended June 30, 2021 (Unaudited) \$	Year Ended December 31, 2020 (Audited) \$	Year Ended December 31, 2019 (Audited) \$
Revenue	5,228,874	1,545,314	517,826
Total expenses	10,991,556	8,400,038	4,588,773
Net comprehensive income (loss)	(5,762,682)	(6,854,724)	(4,070,947)

Financial Position Highlights

	Three Months ended June 30, 2021 (Unaudited) \$	Year Ended December 31, 2020 (Audited) \$	Year Ended December 31, 2019 (Audited) \$
Current assets	44,094,728	6,999,926	4,007,327
Total assets	44,624,163	7,623,341	4,898,800
Current liabilities	894,222	586,438	343,865
Total liabilities	1,017,695	814,621	751,338
Shareholders’ equity (deficiency)	43,606,468	6,808,720	4,147,462

Scientific Research and Experimental Development Tax Credits

The Corporation is entitled to scientific research and experimental development tax credits, which are accounted for using the cost reduction approach. Under this approach, tax credits are recognized as a deduction from the related expenses or capital expenditures in the period in which those expenditures are incurred. These credits are also subject to a review by the tax authorities. Any differences between the credits granted and the credits recognized will be recorded in net income. As at June 30, 2021 and December 31, 2020, these amounts totaled \$205,864 and \$205,864, respectively.

Specialized Skill and Knowledge

Management of PMML believes various nuanced skills and knowledge sets are required to successfully execute its business plan.

The Corporation breaks out its workforce into the following departments:

- **Product:** This represents the entire engineering team, being software developers, server architecture staff, project managers, and product owners that build, maintain, and innovate the Rivalry betting platform. The Corporation takes care and time in sourcing engineering talent. Management of the Corporation believes that product is the core foundation upon which the rest of Rivalry is built on, and as such, it invests a significant amount of time in developing its product team.
- **Design:** The design team encompasses product design and user experience design. Rivalry building its core product in-house requires novel and innovative design to attract the Next Generation and have them navigate the product successfully. As such, good Design is a key differentiator of Rivalry and high impact.
- **Games:** This department includes producers, 3D graphic artists, and Unity engineers. Given the innovation and originality of Rivalry's Rushlane casino product, the development and training of this team is critical to the continued execution of Rivalry's casino game ambitions and target milestones.
- **Retention:** This department is comprised of customer communication staff, analysts, and customer success representatives. Everything that Rivalry does to engage active customers, and re-engage churned customers is executed by this team.
- **Country Teams:** In any country market that Rivalry launches in and finds success in, the Corporation will hire local teams that are best suited to ensure the Rivalry product is meeting the specific needs of that local audience. This includes the country lead, partnership managers, and in some cases community managers. In Rivalry's regulated country markets (the first being its pending Australia launch expected in Q4/21), the Corporation also hires staff that specialize in the regulatory requirements of that specific country.
- **Search Engine Optimization ("SEO"):** One of Rivalry's customer acquisition methods is SEO. As such the Corporation has developed a dedicated team of SEO specialists focused on this.
- **Sportsbook:** All activities related to sportsbook management, risk management, and performance analysis is executed by this team. It is composed of sportsbook managers, analysts, and spotters.
- **Payments:** As an online sportsbook, Rivalry relies on an extensive network of PSPs to ensure customers in any active market have access to multiple deposit and withdrawal methods. The payments team is therefore responsible for the establishing of, and maintaining of PSP relationships, performance analysis, and cashier management.
- **Compliance:** Being in a highly regulated industry of online gambling, Rivalry has created a culture of compliance throughout the organization. The department is run by a collection of experienced compliance professionals, (with support from members of management). The compliance department manages the Corporation's ongoing

compliance, anti-money-laundering and fraud operations. The compliance department regularly coordinates with the executive team.

- **Customer Support:** As a consumer facing online business, Rivalry has a well-staffed customer support team which have been internally referred to as “Heroes.” The business does not exist without customers, and therefore the day-to-day interaction with customers done through the customer support team is of the utmost importance to the Corporation. This department has more than a dozen Heroes located across the world covering nearly every major time zone. The Corporation spends a great deal of time sourcing Heroes in every new market it launches in. A Hero needs to reflect the culture and ethos of Rivalry as they are an extension and the most direct touch point with its customers. As a result, management of the Corporation believes its Customer Support division and the highly specialized and targeting sourcing of new Heroes represents a specialized skill that is an important piece of achieving its business objectives.
- **Finance:** The Corporation staffs an in-house accounting team and this division is headed by the Chief Financial Officer, who closely coordinates with the Chief Executive Officer. As a regulated online gambling company, Rivalry has to provide regular reporting to regulatory bodies including financial audits.
- **Social & Content:** Building Rivalry’s global brand recognition is a critical part of its acquisition strategy, and the majority of this work is done by the Social & Content team. Rivalry currently operates approximately twenty (20) social media and content channels. This department is staffed with multiple social media specialists covering specific esports titles in specific languages, editors, producers, and videographers. As the core engagement engine with the Corporation’s target demographic, the selection of staff and training provided represents a highly nuanced and specialized operational skill set that management of the Corporation believes creates a competitive advantage in a consumer industry that is mature and features hundreds of brands.
- **Creative & Brand:** This department is headed by the Corporation’s Creative Director and staffed with brand designers and graphic designers. Connecting the external brand work executed by the Social & Content and marketing teams with Rivalry’s sports betting platform and having the two feel like a consistent experience for a customer is the key objective of this department. The execution of this is highly specialized and an important part of the Corporation’s long-term strategy.

Intangible Properties

The Corporation’s Rivalry brand is of critical importance to the Corporation. The online sports betting industry is mature and features hundreds of brands. New companies are being founded in the space regularly, and the battle for customer attention and thus dollars is fierce. Online gambling as a consumer industry has a notoriously high cost of customer acquisition and often represents the most expensive sponsor category across all traditional sports and esports. It is arguably one of the most coveted dollars in a sports fan’s wallet.

As a result, the development of brand, and recognition therein from customers is essential to creating long-term sustainable success. As such the Corporation places a great deal of value on its brand, and the enhancement of its global brand equity through the release of new innovative product and social media & content as the core driving force of those efforts.

Through its sports betting platform “Rivalry”, innovative retention program “Quest,” and casino game “Rushlane,” all originally developed, the Corporation places a high degree of importance in maintaining its brands. The Corporation has applied to register trademarks for its key brands, most notably Rivalry and Rushlane. The Corporation has filed trademark applications for Rushlane, Rivalry, and related logos and design marks in Canada and Australia.

Economic Dependence

As a sportsbook Rivalry has two key third-party dependencies:

- **Odds Provider:** Rivalry receives sports betting odds feeds for its esports sportsbook and traditional sportsbook offering through a third-party provider. This is typical for most sportsbooks that are small-medium size given the

resource requirements to produce and manage odds in-house across every major esports and traditional sport is significant.

- **PSP's:** All sports betting businesses globally rely on a variety of third-party PSP's to help its customers deposit and withdraw funds from their site. This includes local banks, credit card providers, pre-paid card providers and others.

Employees

As at the date of this prospectus, the Corporation has 29 full-time employees (27 in Canada and two in Australia), 4 part-time employees (one in Canada and three in Australia) and 51 independent contractors.

Geographic Information

Rivalry is directly engaged in accepting esports and sports betting wagers, and Rushlane stakes, in all legal jurisdictions as permitted under the IOM Licence. Rivalry's primary operating markets currently are: (a) South America, where the Corporation sees approximately 80% of monthly betting handle; (b) approximately 10% from Europe and the Commonwealth of Independent States region; and (c) approximately 10% from the Southeast Asia region.

Reorganizations

Since incorporation, the Corporation has not completed any material reorganization. Other than as set out herein, no material reorganization is currently proposed for the current financial year.

Following the issuance of the Final Receipt, the Corporation will hold the Meeting. At the Meeting, shareholders will be asked to consider and approve the Reorganization, whereby: (a) the Subordinate Voting Shares will be reclassified as "New Subordinate Voting Shares"; (b) the Class A Shares will be reclassified as "Multiple Voting Shares"; and (c) each Multiple Voting Share shall: (i) carry 100 votes per share on all matters where the holders of shares of the Corporation are entitled to vote and the holders of New Subordinate Voting Shares and Multiple Voting Shares shall vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Corporation's articles; and (ii) be convertible into one New Subordinate Voting Share at any time at the option of the holder thereof and automatically in certain other circumstances. The New Subordinate Voting Shares will be "restricted securities" within the meaning of such term under applicable Canadian securities laws. The Reorganization is expected to qualify as a "restricted security reorganization" within the meaning of NI 41-101 and a "reorganization" within the meaning of OSC Rule 56-501. See "*Description of Securities*."

At the Meeting, the Corporation will also be asked to approve a consolidation of the Corporation share capital (the "**Consolidation**"), on the basis of up to five (5) pre-Consolidation shares for every one (1) post-Consolidation share.

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

The Corporation is not raising any funds in connection with the filing of this prospectus and, accordingly, there are no proceeds to be raised by the Corporation pursuant to this prospectus. Upon the satisfaction of the Escrow Release Conditions, the balance of the Escrowed Funds will be released to the Corporation from escrow.

The following table sets forth the anticipated net proceeds of the Private Placement upon satisfaction of the Escrow Release Conditions:

	<u>Amount</u>	<u>Total</u>
Gross Proceeds of Private Placement	US\$21,932,499.90	
Total Agents' Fee	(US\$1,094,268.72)	
Expenses and costs ⁽²⁾	(US\$800,000)	
Net funds raised from Private Placement		\$20,038,231.18⁽¹⁾

Notes:

- (1) Does not include any interest which may have accrued on the Escrowed Funds.
(2) Estimated costs relating to the Private Placement and this prospectus which includes costs of: (i) the Agents (including legal costs); (ii) legal counsel to the Corporation; (iii) the auditors with respect to the preparation and audit of the audited financials for the Corporation and preparation and review of the interim financial statements; (iv) securities commission and SEDAR filing fees; (v) stock exchange fees; and (vi) other similar incidental costs relating to the foregoing.

In addition to the net proceeds described above, as at July 31, 2021, the Corporation had cash and cash equivalents of US\$13,954,556 on hand. The Corporation has used, or intends to use, the net proceeds of the Private Placement and its other available funds as follows:

Item	Approximate Amount (US\$)
Marketing	US\$18,800,000
New Hires	US\$3,600,000
Platform Development	US\$3,600,000
Licence Application, Acquisition and Maintenance	US\$1,800,000
Working Capital and General Corporate Purposes	US\$6,192,787
	US\$33,992,787

Marketing

Due to its business-to-consumer nature, Rivalry has a highly active and multi-faceted marketing approach, requiring significant investment in its marketing initiatives. As Rivalry seeks to expand in existing markets and launch into new markets, the Corporation intends to use approximately US\$18,800,000 to heighten its marketing efforts. The Corporation has found increasing success in a number of key marketing channels and given the intended expansion of the Corporation's geographic footprint, combined with an anticipated launch in Australia and in other markets permitted under the IOM Licence, the Corporation expects a material increase in its marketing spend when compared to prior years.

The Corporation's marketing spend is principally divided into the following categories: (a) Content Creators and Influencers; (b) Social Media and Content; (c) Sponsorships; and (d) Search Engine Optimization. The use of available funds across these categories is fluid based on market dynamics and the timing of esports and sports events. Generally, the Corporation anticipates that 50% of its marketing spend will be allocated to Content Creators and Influencers with the balance being distributed among other categories. The allocation of marketing spend and expected effect of such marketing initiatives is to acquire customers for the Corporation, enhance brand awareness and loyalty, and create goodwill among the gaming and sports communities in which the Corporation operates in or anticipates operating in. The exact marketing spend by category is determined by several factors, including: (a) anticipated total addressable/available market; (b) potential growth rate of the market for the Corporation; (c) projected cost of customer acquisition; (d) projected engagement and impressions from account activations; and (e) expected conversion rates per marketing category. The Corporation will then deploy its marketing spend after consideration of these various factors and the anticipated marketing categories that would generate the lowest cost of customer acquisition, combined with the benefits of brand awareness and community goodwill.

Content Creators and Influencers:

This category is often contracted via monthly sponsorship fees, and in some cases, monthly revenue share similar to a traditional gambling affiliate structure. Rivalry utilizes a vast network of content creators and influencers to help market the Corporation and elevate its brands. Rivalry uses local content creators and influencers depending on the audience it is targeting in any particular market. As a result, the Corporation expects to use a portion of its available funds to expand its network of content creators and influencers locally in all communities it has a presence in and communities in which the Corporation intends to have a future presence.

Social Media and Content:

The expenses for social media and content are a combination of production costs, travel budgets, and other creative costs incurred from time to time (ex: animation, 3D art). The Corporation currently operates approximately twenty (20) social media accounts and content properties and intends to develop more. Currently, the Corporation has channels on YouTube, Facebook, Twitter and Instagram. Through these channels, in combination with the Corporation's sponsored content creators and influencers, Rivalry develops a global-brand presence across all relevant gaming and esports communities in which it is active. The Corporation intends to use available funds to expand and develop its social media presence and content.

Sponsorships:

The Corporation is involved in various sponsorships initiatives such as sponsoring esports teams, leagues, and events. These agreements are typically structured as monthly fees until the termination of the agreement with the counterparty. The Corporation utilizes these broader brand sponsorships to further develop its brand and support in the gaming and esports community. The Corporation intends to use available funds to continue to support existing relationships and build new ones with the hopes of them becoming effective acquisition methods.

Search Engine Optimization (SEO):

The Corporation relies on its presence online through the search of terms on the internet. The Corporation pays for the publication of articles for the purposes of back-linking relevant search terms for Rivalry. As a result, when users use a search engine, the probability that Rivalry will show up first in the search results is higher as a result of the SEO. This leads to the acquisition of new customers. The Corporation intends to use available funds to continue funding the SEO to create more momentum for Rivalry's SEO program.

New Hires

The Corporation intends to use approximately US\$3,600,000 to invest in talent across all departments of the Corporation. Specifically, the Corporation is expanding its software development team with both new frontend and backend developers. Additionally, the Corporation intends to create security and systems related engineering roles. As part of the Corporation's ongoing growth in new markets under the IOM Licence, and the anticipated launch in Australia in Q4/21, the Corporation is adding additional marketing staff, partnership managers, social media specialists, and customer support staff on a market-by-market basis. Finally, the Corporation is growing a number of operational roles in project management, human resources, payments, and compliance.

For certainty, not all new hires will be devoted to achieving the key milestones set out herein (see "*Business Objectives and Milestones*"). The Corporation has staff serving numerous functions across its business operations from customer support to accounting to managing influencer sponsorships – such functions are not reflected in the costs associated with achieving a particular milestone. Furthermore, the Corporation is also continuously updating various components of its website.

Platform Development

The Corporation intends to use approximately US\$3,600,000 to further innovate its sports betting platform. This will be achieved through enhancing its current product suite of Rivalry Quest, and Rushlane, in addition to a material

design and user experience overhaul to its primary betting page called Bet Center. The release of the new Bet Center is referred to as Bet Center 3.0. Rivalry prides itself on the innovation and in-house development of nearly all core components of its betting platform, and believes it is critical to always be investing behind its technology. As a consumer product built for the Next Generation, the expectations on product speed, look and feel, and ongoing innovation are high, and thus the Corporation expects to utilize available funds to continue meeting such expectations.

Licence Application, Acquisition and Maintenance

The Corporation's business relies on maintaining licences in multiple jurisdictions. As a result, the Corporation intends to use approximately US\$1,800,000 to continue to support strategic growth opportunities in other jurisdictions by submitting applications to new jurisdictions. Costs of new licences vary widely, but it is important to note that they all include a requisite level of legal and accounting services to establish a local entity and support with the licence application. The Corporation expects that these legal and accounting services associated with potential new licences will be ongoing. Further, the Corporation needs to maintain fulfilling its obligations under the current regimes it has licences in. Thus, the Corporation must continue to pay annual membership fees to remain in good standing.

The Corporation is continually evaluating the viability of obtaining new regional licences. The Corporation is also considering the most optimal way to enter the growing United States state-by-state sports betting market, though PMML currently prohibits United States customers. Please see *"Regulatory Framework - Regulatory Strategy – Jurisdictions under Consideration."*

For certainty, as of the date of this prospectus no such potential acquisition has materialized to the stage that the Corporation believes that such transaction is probable.

Working Capital and General Corporate Purposes

The Corporation intends to use approximately US\$6,192,787 of available funds for general corporate and working capital purposes. The Corporation expects that such funds will be primarily allocated to employee payroll, consulting fees, technology costs, legal costs, accounting costs and additional costs that the Corporation expects to incur as a result of becoming a reporting issuer.

The aforementioned estimated use of funds for general corporate and working capital purposes is based on the Corporation's current annual pay roll (approximately US\$4,500,000) after factoring in planned growth. As such, when including estimated consulting fees, the Corporation has budgeted approximately US\$5,500,000 for payroll for the 12 month period immediately following becoming a reporting issuer. The Corporation also estimates approximately US\$500,000 in technology costs and US\$200,000 in legal and accounting costs for the same 12 month period.

If the Escrow Release Conditions are met, the Corporation intends to use the funds available to it as stated herein, however there may be circumstances where, for business and operations reasons, a reallocation of funds may be necessary, as may be determined at the discretion of management. See: *"Risk Factors."*

Until applied, the available funds will be held as cash balances in the Corporation's bank account or invested in certificates of deposit, short-term investment grade securities or other instruments issued by banks or obligations of or guaranteed by the Government of Canada or a province thereof, at the discretion of management.

The Corporation had negative operating cash flow for its most recent financial year. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow. See *"Risk Factors."*

At this time, it is difficult for the Corporation to precisely project spending of the available funds. Notwithstanding the foregoing, the Corporation's model of conservative spending, and assuming no occurrence of extraneous events or material changes in the Corporation's business plan, the Corporation anticipates that the available funds will last 18-24 months following the Escrow Release Date.

Business Objectives and Milestones

PMML intends to carry on the business of Rivalry. Rivalry is an emerging sports betting and sports media company with the ambition to become a leader in both esports and sports betting for the Next Generation. Rivalry has developed a technology platform and created a single offering, namely, an online, general betting book with fixed odds to bet on sports and esports. As sports and esports betting is a regulated industry (see “*Regulatory Framework*”), on January 19, 2018, Rivalry Limited was granted the IOM Licence to operate by the GSC, pursuant to the *Online Gambling Regulation Act 2011* (as amended) (“**OGRA**”). The IOM Licence allows Rivalry Limited to offer multiple forms of sports betting such as esports and traditional sports and casino games. The Corporation has found success in a number of jurisdictions as permitted under the IOM Licence. Rivalry Limited’s primary operating markets currently are: (a) South America, where the Corporation sees approximately 80% of monthly betting handle; (b) 10% from Europe and the Commonwealth of Independent States region; and (c) 10% from the Southeast Asia region. In March 2021, Rivalry Australia was conditionally granted the Australia Conditional Licence. The Corporation anticipates launching in Australia in Q4/21, and therefore will continue to see increased geographic mix in its business.

The Corporation will continue to evaluate the application for additional licences to further expand its active legal betting markets. With this in mind, the Corporation also recognizes that it may, from time to time, be required to comply with regulatory bodies. The Corporation will ensure that when seeking licences, it has understood the requirements in each market it operates in and will maintain and develop protocols to address compliance. Finally, the Corporation endeavours to develop and maintain the appropriate financial processes to provide transparency to shareholders.

Together with its management team, the Corporation continues to work towards delivering a profitable betting business. The Corporation will continue to try to identify strategic investments and partnerships to expand the Corporation’s network. The Corporation is continually reviewing potential acquisitions and strategic partnerships and joint ventures and it is in the normal course of the Corporation’s business to routinely put offers on assets or acquisitions that fit within its business model.

The following is a summary of the principal milestones necessary to be achieved by the PMML in order for the Corporation to successfully complete its business plan over the next 12 months.

Management of PMML believes that the value proposition of PMML is that: (a) it delivers an esports and sports betting website that is both easy to use and authentic to the target Next Generation; (b) it offers betting on every major esports event, and the majority of traditional sports events; (c) in addition to pre-match markets, PMML has consistently available markets for live matches in esports, and the majority of traditional sports; (d) it provides an innovative casino experience – Rushlane; (e) it provides an innovative engagement program – Quest; (f) it allows its users the ability to watch and bet in real time for all live matches; (g) it has developed global brand resonance in esports betting that creates brand loyalty and engagement; (h) it regularly innovates product for the Next Generation in a manner that is consistent with the rapidly evolving consumer appetite; and (i) it has a safe environment by ensuring that there are no underage bettors and that the users bet responsibly.

PMML’s overall strategic vision is to market and grow its existing sportsbook and build out Rivalry into a positive cash flow business. The Corporation views its overall strategy in three (3) broad pillars, which are reflected in the following milestones: (1) continued market leading product innovation; (2) ongoing expansion into new jurisdictions under the Corporation’s existing IOM Licence and new regulated market licences such as its recently conditionally granted Australia Conditional Licence; and (3) developing best in class video content and social media properties to create global brand resonance for the brand Rivalry.

By completing the below noted milestones, management believes the Corporation can become a leading sports betting and sports media property for the Next Generation. As a generational cohort, Gen Z, a major part of the Next Generation is the most populous generation on earth at more than 1/3 of the population, and is projected to shortly be

approximately 25% of the world's workforce.⁸ As a result the Corporation believes the potential sports betting revenue of this market may exceed all prior generational cohorts.

The Corporation anticipates that the available funds will be sufficient to achieve the Corporation's objectives over the next twelve months.

PMML has the following key milestones for the next 12 months:

Milestone	Target Date	Estimated cost
Release Bet Center 3.0, Rivalry's fully redesigned sports betting experience	Q3/21	US\$300,000
Launch in Australia	Q4/21	US\$500,000
Added product suite depth and features to Rivalry Quest	Q4/21	US\$250,000
Multiple feature updates to Rivalry's first internally developed casino game, Rushlane	H2/21	US\$250,000
Material increase in Rivalry produced video content	H2/21	US\$2,000,000
Additional new market launches as permitted under the IOM Licence	Q4/21-H2/22	US\$1,000,000
Release internal developed cashier system	Q1/22	US\$300,000

Bet Center 3.0

Rivalry prides itself on offering a premier sports betting experience to the Next Generation. In an effort to consistently offer this experience, the Corporation constantly innovates the core features of its sports betting platform, specifically Rivalry's Bet Center which is the primary navigation tool on the Rivalry website to search for, filter and bet on matches. The next update to Rivalry's Bet Center is referred to as Bet Center 3.0. With improved navigation features, general design aesthetic, and simplicity, the Corporation anticipates that Bet Center 3.0 will result in greater customer success in match and bet discoverability. The costs associated with developing Bet Center 3.0 are principally labour costs related to the new design and functionality of Bet Center 3.0.

Launch in Australia

The Corporation's launch in Australia is contingent on satisfying the conditions set out in the Australia Conditional Licence, the most significant being technical approval from the NTRC. This approval is a full systems and policy check to ensure that Rivalry's consumer facing product in Australia meets all NTRC regulations. Certain of these checks focus on storage and architecture of the player database and ensuring certain bonus offers and products that are not legally permitted in Australia are not offered to customers using the website out of Australia.

Following approval from the NTRC, the Corporation anticipates completing a soft launch wherein marketing spend will be limited to ensure the product works and any initial friction points in the customer experience are addressed (consistent with the Corporation's best practices). Once the Corporation is satisfied that the customer has met the required standards, including a number of internal key performance indicators, the Corporation intends to significantly increase its marketing efforts in connection with a full launch with the aim of acquiring new users.

⁸ See Deloitte "Understanding Generation Z in the workplace" (accessed 16 June 2021), online: <https://www2.deloitte.com/us/en/pages/consumer-business/articles/understanding-generation-z-in-the-workplace.html>

Rivalry Quest

Rivalry Quest is a customer loyalty system. All new products on Rivalry, such as Rushlane, are reflected in Rivalry Quest via the addition of Rushlane specific Quests. The new feature suite Rivalry is developing represents a deeper level of profile customization, avatars and reward system based on progression of a player's account through the various levels of Rivalry Quest. The costs associated with adding increased depth to Rivalry Quest relate principally to labour costs of the Corporation's software development team.

Rushlane

Rushlane is the first original casino game built by Rivalry. The Corporation intends to add new elements to the Rushlane race with the aim of increasing the game lore, playable tracks, and non-monetary player engagement. The costs associated with adding increased depth to Rushlane relate principally to labour costs of the Corporation's game and software development team.

Rivalry Produced Video Content

Rivalry's social media and video content is critical to increasing global brand resonance for the Corporation. By enhancing brand equity, the Corporation believes customer acquisition costs can be reduced and user retention increased. The Corporation's video content is a major feature of this brand-first thinking and the Corporation intends on using proceeds from the Private Placement to materially enhance the quality, style, and variety of video content produced. Such costs will principally focus on the creation, development, and production of new video content.

Market Launches

Under the IOM Licence, the Corporation is legally permitted to operate in numerous markets where the Corporation does not currently have active business. The Corporation would like to utilize the broad scope of the IOM Licence and launch in these additional markets. The Corporation intends to use proceeds of the Private Placement to hire new team members with specialization in these new markets, retain legal counsel and commence initial marketing spend for launch.

Cashier System

A critical feature for the Corporation's new customer conversion and new market launches is low friction deposit and withdrawal. The customer journey to both deposit and withdraw predominately takes place in the cashier system of the operator. A number of operators will utilize pre-built software for the cashier, while others opt to build internally. In efforts to create a distinct user experience for the Next Generation, the Corporation intends to use proceeds from the Private Placement to develop an in-house cashier system that the Corporation believes will materially reduce deposit and withdrawal friction, be more familiar and intuitive to the Next Generation and have more flexibility as Rivalry plans to scale into new markets and under different regulatory regimes. The costs associated with adding an in-house cashier system relate principally to labour costs of the Corporation's software development team.

REGULATORY FRAMEWORK

Types of Licences

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 IOM Licence, enable gaming companies to operate in 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.

Summary of Global Regulations

There are three different types of regulatory regimes for gaming markets in the world:

- (a) Those where the offering of gaming services in all forms, whether or not offered from inside or outside the jurisdiction, is expressly illegal.
- (b) Those where the offering of gaming services is allowed only if the operator holds a local licence.
- (c) Those where the laws do not expressly make it illegal for an entity located outside of the jurisdiction to operate offshore licenced gaming.

The benefits to local licences include strong player protections, good access to marketing channels and more available payment processors given the legal nature of the market domestically. Additionally, local licences tend to be more difficult to obtain as the threshold for quality companies with clean corporate structures is on average higher than the offshore licences. This, in many instances, provides a substantial barrier to entry for competitors of incumbent licenced operators. In contrast, multi-jurisdictional licences offer faster access to market. In some jurisdictions, a licence may be acquired in a few months with relatively little compliance and regulatory requirements. At the other end of the spectrum, licences from Malta or the Isle of Man (including the IOM Licence) are similar to the strictest of local licences, such as in the United Kingdom in the amount of compliance required, timeline to obtain a licence, as well as player protections. In fact, following the latest Council of Europe's MONEYVAL Evaluations' report in September 2020, it was announced that due to the Isle of Man's progress in addressing technical compliance deficiencies, the Isle of Man would no longer be subject to annual reviews.

The GSC has a broad and robust regulatory framework which places regulatory obligations and licence conditions on all its operators, including mandatory customer due diligence and enhanced due diligence thresholds, obligations to report suspicious activity to the Isle of Man Financial Intelligence Unit, making an annual social responsibility contribution to a responsible gambling organisation and submitting audited accounts to the GSC within 6 months after the financial year end. Additionally, as part of its regulatory oversight, the GSC requires operators to submit quarterly regulatory returns including operational data, anti-money laundering and combatting the financing of terrorism matters, information technology infrastructure and financial data, as well as undertaking periodic (annual or every 18 months) desk-based and on-site inspections to assess an operator's compliance with applicable laws and regulations. Furthermore, players who gamble with operators licensed by the Isle of Man benefit from a number of protections. One of these is the way players' money is protected. In order for an operator to obtain a licence in the Isle of Man, it must agree to protect players' money. Players' money is classified as deposits plus winnings plus any bonuses that have been earned. Players' money must be protected by a mechanism approved by the GSC.

Another key factor in the development of a gaming licence strategy is scalability. Multi-jurisdictional licences typically enable an operator to accept player registrations in approximately 30% of the world. To expand beyond this an operator would need to start acquiring local licences.

The Corporation chose to start with the IOM Licence for a number of reasons, including its reputation, legitimacy and its focus on player protections. The IOM Licence allows the Corporation to have access to over 100 global markets. In the early stages of building the Corporation, when it was not as well capitalized as it is presently, having this broad market access allowed the Corporation to demonstrate proof of concept and raise new capital. As the Corporation expands its business, it intends to enter multiple additional licenced jurisdictions and has built its platform with a view to facilitating the addition of new local licences. In May 2021, Rivalry Australia was granted the Australia Conditional Licence and anticipates launching in Q4/21. Coupled with PMML's management team's experience, management believes the IOM Licence provides the Corporation with a key competitive advantage in being able to add new licences more easily and more quickly than many of its competitors.

Description of the IOM Licence and Applicable Regulatory Regime

The OGRA is the primary legislation in the Isle of Man regulating the online gaming industry and is designed to ensure the gaming industry is kept crime-free, protects the young and vulnerable, and ensures that the facilities offered

by licencees are fair and that players receive their true winnings. Many established multi-national online gaming companies hold a licence from the GSC.⁹

The Isle of Man as a jurisdiction has a number of key legislative and regulatory requirements of which all licensees must abide by. Key pieces of legislation that governs Rivalry's operation and all GSC licence holders would be the *Online Gambling Regulation Act 2001*, *Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018*, *Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code 2019*, *Proceeds of Crime Act 2008*, *Anti-Terrorism and Crime Act 2003* and *Terrorism & Other Crimes Financial Restrictions Act 2014*. In addition, as a Crown Dependency, the Isle of Man is also subject to MONEYVAL Evaluations. MONEYVAL is the common and official name of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism. MONEYVAL is a monitoring body of the Council of Europe, with 47 member states, reporting directly to its principal organ, the Committee of Ministers of the Council of Europe. MONEYVAL is entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. MONEYVAL also conducts thematic typologies research of money laundering and terrorist financing methods, trends and techniques.

Additionally, as an Isle of Man licenced operator, all of the Corporation's customer data is protected by the *Isle of Man Data Protection Act 2018* and the *General Data Protection Regulation* (EU 2016/679) ("**GDPR**") as applied in the Isle of Man in accordance with the Data Protection (Application of the GDPR) Order 2018, the Data Protection (Application of the LED) Order 2018 and the GDPR and LED Implementing Regulations 2018 and all other legislation and regulatory requirements in force from time to time applicable to the use of personal data. At any time customers may request that the Corporation delete its data as per GDPR standards, and the Corporation undertakes with the utmost care and expediency to do so as outlined under the law and as obligated under the IOM Licence.

The IOM Licence prohibits Rivalry from accepting customers in the Restricted Jurisdictions (as defined herein). The Corporation is required to provide the GSC with a quarterly Anti-Money Laundering Return (the "**IOM Report**"). The IOM Report sets forth all active customer deposits and withdrawals within the quarter across every country. The Corporation is also required to disclose to the GSC any crypto transactions, politically exposed person flags, or any other suspicious reports filed in the quarter. The IOM Report is submitted, along with other compliance materials, to the regulator every quarter, which materials are then reviewed by the GSC. If the Corporation were to show active player registration in any Restricted Jurisdiction, the Corporation is required to provide an explanation as to how this occurred and provide evidence that the player was immediately off-boarded. If this occurs in any significant scale and the Corporation cannot evidence compliance, it can result in fines or suspension of the IOM Licence.

Description of the Australia Conditional License and the Applicable Regulatory Regime

The Australian Conditional Licence granted by the NTRC in Australia is established under the *Racing and Betting Act 1983*. There are numerous Federal laws which apply to gambling regulation in Australia, however regulation is largely at a State and Territory level. The key Federal laws are *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), *Financial Transaction Reports Act 1988* (Cth), and *Interactive Gambling Act 2001* (Cth). All online only bookmakers in Australia (often referred to as "corporate bookmakers") are licensed in the Northern Territories and the Northern Territories has no limit on the number of licenses it may issue. It is noteworthy that corporate bookmakers licensed within the Northern Territories are limited to online and phone-based betting activity. The NTRC is responsible for the compliance and licensing of corporate bookmakers that lawfully operate under their jurisdiction. At a government level, the NTRC sits within the Northern Territories department of the Attorney-General and Justice.

The Northern Territories legal environment for gambling is based on the UK Gambling Commission model, considered to be the most stringent and blue-chip country-based online gambling regulation model globally, and accordingly should be viewed as a compatible jurisdiction for a reputation, compliance, and good stewardship perspective. There is a recognition in Australia that the United Kingdom model is a leading example to follow on how

⁹ Examples include SBOBET (<https://www.sbobet.com/>) and .Unikrn (<https://unikrn.com/>).

to handle regulatory challenges in the gambling industry. The Northern Territories' system is stringent for applicants because of its heavily detailed and onerous probity requirements. These probity requirements include a detailed applications containing personal information, a national police certificate, a credit report, a copy of all formal qualification, the last three (3) tax returns, and a curriculum vitae, amongst others.

The Northern Territories also require its operators to abide by the Northern Territory Code of Practice (the “**NT Code**”) which contains several features that are not present in the codes of other Australian jurisdictions. Operators are required to follow the NT Code, which is not a requirement in many other jurisdictions. Additionally, the Northern Territories utilise a similar structure for approval of an operator's wagering platform as the United Kingdom. The Corporation understands that there is regular interaction between the Northern Territories and the United Kingdom regulator to ensure best practices and standards.

Australia has sought to be an early adopter of legislation to protect the public and were fast to implement online Commonwealth gambling legislation in 2001 with the *Interactive Gambling Act 2001* (Cth), and prior to that certain State based legislation. While no regulatory environment is without its limitations, Australian regulators (including in the Northern Territories) and legislators seek best practice by way of modelling entities such as the UK Gambling Commission and engaging in constructive enquiry such as the 2015 published review of the Interactive Gambling Act 2001. Many international wagering operators¹⁰ have chosen Australia as a credible jurisdiction where they may operate in a similarly stringent regulatory environment as the UK.

In March 2021, Rivalry Australia was granted the Australia Conditional Licence from the NTRC. The Australia Conditional Licence will only become operational upon the following conditions having been met subject to the satisfaction of the NTRC: (a) receipt of a bank guarantee in the amount of AUS\$200,000; (b) information technology system approval by the NTRC; (c) completion of satisfactory probity checked by the NTRC on all major shareholders and all key personnel; (d) approval of Rivalry Australia's terms and conditions; and (e) inspection of the licensed premises by the NTRC. Although there is no guarantee that such conditions will be satisfied to the satisfaction of the NTRC, the Corporation does not see significant risk that any of these conditions will not be satisfied.

Since the beginning of the COVID-19 pandemic, Australia has been subject to strict lockdown measures, including a ban on travelling. This has created certain difficulties for the Corporation to have its team move around the country to complete various approval requirements, such as securing office space, and employing individuals to manage the office. Furthermore, as a result of the travel ban, both internationally and within Australia, the Corporation has had challenges securing staff members to move to the Northern Territories, specifically Darwin, to lead the Australian operations. The NTRC will not complete its inspection of the Corporation's licensed premises (a condition precedent to the Corporation being approved to be operational by the NTRC) until such time as the Corporation's premises is fully staffed.

Key Markets and Regulatory Regimes

In order to discuss the regulatory regimes applicable to PMML in its key markets, it is helpful to identify the markets in which PMML and its subsidiaries do not operate. PMML has chosen not to operate or accept customers from the following:

- (a) Countries where it is illegal to take bets (e.g., Turkey);
- (b) Countries where a local licence is required (e.g., the United Kingdom, United States and Italy);
- (c) Countries with current United Nations sanctions (e.g., North Korea and Iran); and

¹⁰ These international wagering operators include Bet365, DraftKings, Unibet, and Ladbrokes. Further, these operators all hold United Kingdom licences as well.

- (d) Countries which present significant risks of money laundering and terrorist financing activities (e.g., Bosnia and Herzegovina, Iraq, Syria, Uganda, Vanuatu and Yemen),

(collectively, the “**Restricted Jurisdictions**”).

PMML employs robust technology that prevents players who are residents of a Restricted Jurisdiction from participating in games and betting that involve the payment of money. Principally, the Corporation utilizes IP tracking and an effective KYC system upon registration that is GSC approved. With high accuracy, both of these systems combined can determine if the customer registering is in fact who they portray to be, and at that moment in time where they claim to be located. The KYC provider that the Corporation utilizes, like many in the online gambling space, will check a national identification document against the relevant jurisdiction’s database.

The Corporation has obtained legal advice in identifying the key markets that are outside the Restricted Jurisdictions in which it will invest resources in order to acquire customers. The Corporation closely monitors the regulatory situation in its key markets as well as reviewing any markets where the Corporation begins to generate revenue. If any new markets begin to present material revenues to PMML, typically considered to be at least 5% of total monthly turnover during any month, then PMML will seek formal legal advice and act upon said advice by either shutting out the market and adding the market to the list of Restricted Jurisdictions, or continuing to accept play from the market. In making any decision to add a particular market to the list of Restricted Jurisdictions, the Corporation considers the following: current and proposed laws governing gaming, how the market treats offshore gaming operators, if there has been any past regulatory action against offshore gaming operators, the growth prospects for the market and an evaluation of all materials risks. As legislative developments arise, the Corporation will determine on a market-by-market basis if it will participate in any proposed licensing process in order to continue operating in the market.

Regulatory Strategy – Jurisdictions under Consideration

The Corporation is continually evaluating the viability of obtaining new regional licences. The Corporation is also considering the most optimal way to enter the growing United States state-by-state sports betting market, though PMML currently prohibits United States customers.

The Corporation has obtained legal advice in identifying the key territories in which it will invest resources in order to acquire customers. In addition to the key markets mentioned above in *Key Markets and Regulatory Regimes*; in late 2020, Canada’s Federal Government introduced single-event sports betting legislation, Bill C-218 (the “**Canadian Bill**”). “Single-event sports betting” refers to wagering on a certain single event such as the Super Bowl, unlike parlay betting which encompasses propositions on several outcomes at once. The Canadian Bill was voted on and passed at third reading in the House of Commons on April 22, 2021. On June 22, 2021, the Canadian Bill passed on a third reading in the Canadian Senate. The approval of the Canadian Bill by both the House of Commons and the Senate makes it eligible to receive Royal Assent and become law, which would enable lawful betting on individual sports events in Canada. Under the Canadian Bill, each of Canada’s provincial and territorial governments will be given discretion to conduct and manage single-event sports betting in their respective provinces. The Canadian Bill also proposes to decriminalize single-event sports betting, which would present a material revenue opportunity for provincial and territorial governments across Canada. The Corporation expects it will benefit from this regulatory momentum to legalize online sports betting as it will create legitimacy, and interest, for private and public companies in the sector with Canadian investors. See “*Risk Factors*.”

DIVIDEND POLICY

The Corporation has not declared dividends on any of its shares in the past and does not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board of Directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board of Directors deems relevant.

DESCRIPTION OF SECURITIES

The Corporation is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class A Shares. As of the date of this prospectus, there are: (a) 166,351,378 Subordinate Voting Shares; and (b) 10,000,000 Class A Shares issued and outstanding.

Following the issuance of the Final Receipt, the Corporation will hold the Meeting. At the Meeting, shareholders will be asked to consider and approve the Reorganization, whereby: (a) the Subordinate Voting Shares will be reclassified as “New Subordinate Voting Shares”; (b) the Class A Shares will be reclassified as “Multiple Voting Shares”; and (c) each Multiple Voting Share shall: (i) carry 100 votes per share on all matters where the holders of shares of the Corporation are entitled to vote and the holders of New Subordinate Voting Shares and Multiple Voting Shares shall vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Corporation’s articles; and (ii) be convertible into one New Subordinate Voting Share at any time at the option of the holder thereof and automatically in certain other circumstances.

Current Authorized and Issued Securities of the Corporation

Subordinate Voting Shares

- | | |
|--------------------------|---|
| Right to Notice and Vote | Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation. At each such meeting, holders of Subordinate Voting Shares are entitled to one (1) vote in respect of each Subordinate Voting Share held. |
| Dividends | Holders of Subordinate Voting Shares are entitled to receive as and when declared by the Board of Directors out of the monies of the Corporation, properly applicable to the payment of dividends, non-cumulative dividends, at such times and at such rate or rates as may be determined from time to time by resolution of the Board of Directors. The Subordinate Voting Shares shall rank <i>pari-passu</i> with the Class A Shares with respect to the payment of dividends. |
| Participation | In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs, the holders of Subordinate Voting Shares shall be entitled to receive the remaining property of the Corporation pro-rata and <i>pari-passu</i> with the holders of the Class A Shares. |

Class A Shares

- | | |
|---------------|--|
| Right to Vote | Holders of Class A Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation. At each such meeting, holders of Class A Shares are entitled to fifty (50) votes in respect of each Class A Share held. |
| Dividends | Holders of Class A Shares are entitled to receive as and when declared by the Board of Directors out of the monies of the Corporation, properly applicable to the payment of dividends, non-cumulative dividends, at such times and at such rate or rates as may be determined from time to time by resolution of the Board of Directors. The Class A Shares shall rank <i>pari-passu</i> with the Subordinate Voting Shares with respect to the payment of dividends. |
| Participation | In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs, the holders of Class A Shares shall be entitled to receive the |

remaining property of the Corporation pro-rata and *pari-passu* with the holders of the Subordinate Voting Shares.

At the Meeting, the Corporation will also be asked to approve the Consolidation, on the basis of five (5) pre-Consolidation shares for every one (1) post-Consolidation share.

Proposed Classes of Securities of the Corporation Following the Reorganization

The Reorganization

It is the intention of the Corporation that at the Meeting, the shareholders will consider and approve the Reorganization, whereby: (a) the Subordinate Voting Shares of the Corporation will be reclassified as New Subordinate Voting Shares; (b) the current Class A Shares of the Corporation will be reclassified as Multiple Voting Shares; and (c) each Multiple Voting Share shall carry 100 votes per share on all matters where the holders of shares of the Corporation are entitled to vote and the holders of New Subordinate Voting Shares and Multiple Voting Shares shall vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Corporation's articles; and each Multiple Voting Share shall be convertible into one New Subordinate Voting Share at any time at the option of the holders thereof and automatically in certain other circumstances.

The New Subordinate Voting Shares will be "restricted securities" within the meaning of such term under applicable Canadian securities laws. The Reorganization is expected to qualify as a "restricted security reorganization" within the meaning of NI 41-101 and a "reorganization" within the meaning of OSC Rule 56-501 as the Corporation will be a "reporting issuer" following the issuance of the Final Receipt and at the time of Meeting.

Proposed Classes of Securities Following the Reorganization

New Subordinate Voting Shares

Right to Notice and Vote	Holders of New Subordinate Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. At each such meeting, holders of New Subordinate Voting Shares will be entitled to one vote in respect of each New Subordinate Voting Share held.
Class Rights	As long as any New Subordinate Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the New Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the New Subordinate Voting Shares. The holders of New Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of New Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation now or in the future.
Dividends	Holders of New Subordinate Voting Shares will be entitled to receive as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. No dividend will be declared or paid on the New Subordinate Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to New Subordinate Voting Share basis) on the Multiple Voting Shares.
Participation	In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of New Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the New Subordinate

Voting Shares, be entitled to participate *pari-passu* along with all other holders of New Subordinate Voting Shares and the Multiple Voting Shares (on an as-converted to New Subordinate Voting Share basis).

Changes No subdivision or consolidation of the New Subordinate Voting Shares shall occur unless, simultaneously, the Multiple Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Aggregate Voting % Following the Reorganization and satisfaction of the Escrow Release Conditions, it is anticipated that the New Subordinate Voting Shares and Multiple Voting Shares will represent approximately 95.33% and 4.67% of the total issued and outstanding shares, respectively, and approximately 16.95% and 83.05% of the voting power attached to all of the issued and outstanding shares, respectively.

Multiple Voting Shares

Right to Vote Holders of Multiple Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to 100 votes in respect of each Multiple Voting Share held.

Class Rights As long as any Multiple Voting Shares remain outstanding, the Corporation will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares will be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held. The holders of Multiple Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of New Subordinate Voting Shares, bonds, debentures or other securities of the Corporation not convertible into Multiple Voting Shares.

Dividends The holders of Multiple Voting Shares will be entitled to receive as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation, *pari-passu* (on an as converted basis, assuming conversion of all Multiple Voting Shares into New Subordinate Voting Shares). No dividend may be declared or paid on the Multiple Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to New Subordinate Voting Share basis) on the New Subordinate Voting Shares.

Participation In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, holders of Multiple Voting Shares, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Multiple Voting Shares, are entitled to participate *pari-passu* along with all other holders of Multiple Voting Shares (on an as-converted to New Subordinate Voting Share basis) and New Subordinate Voting Shares.

Changes	No subdivision or consolidation of the Multiple Voting Shares shall occur unless, simultaneously, the New Subordinate Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.
Transfer Restrictions	No Multiple Voting Share may be transferred by the holder thereof unless such transfer is to a Permitted Holder (as defined herein).
Right to Convert	Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance, into one fully paid and non-assessable New Subordinate Voting Share. To effect such conversion right, the holder of the Multiple Voting Shares must deliver to the Corporation a notice of such holder's intention to convert with the certificate(s) representing such Multiple Voting Shares the holder is electing to convert.
Automatic Conversion	In the event any Multiple Voting Share is held by or transferred to a person other than a Permitted Holder, the holder of such Multiple Voting Share, without any further action, shall automatically be deemed to have exercised such holder's right to convert such Multiple Voting Share into one fully paid and non-assessable New Subordinate Voting Share.

“Permitted Holders” means (i) any registered holder of Multiple Voting Shares; (ii) any Person (A) controlled, directly or indirectly, by one or more of the Persons referred to in clause (i) or (B) controlling, directly or indirectly, one or more of the Persons referred to in clause (i) as of the date of the Reorganization; and (iii) each of Steven Salz, Steven Isenberg, Ryan White, Kevin Wimer, Thomas Kofman and Michael Krestell.

“Person” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

A Person is **“controlled”** by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons.

Take-Over Bid Protection

Under applicable Canadian securities laws and following the completion of the Reorganization, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase New Subordinate Voting Shares. In accordance with the rules of the TSXV, in order to ensure that, in the event a take-over bid is made for the Multiple Voting Shares, the holders of New Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares. CrayneAce Inc. (a private company controlled equally by each of Kevin Wimer and the spouse of Ryan White), 2550170 Ontario Inc. (a private company controlled by Steven Isenberg), 2538373 Ontario Inc. (a private company controlled by Steven Salz), Thomas Kofman and Michael Krestell (collectively, the **“MVS Holders”**), as the owners of all the outstanding Class A Shares (and following the Reorganization, the Multiple Voting Shares), will enter into a customary coattail agreement with the Corporation and Odyssey Trust Company as trustee (the **“Coattail Agreement”**). The Coattail Agreement will contain provisions

customary for dual class, TSXV-listed corporations designed to prevent transactions that otherwise would deprive the holders of New Subordinate Voting Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Multiple Voting Shares had been New Subordinate Voting Shares.

The undertakings in the Coattail Agreement will not apply to prevent a sale by the MVS Holders of Multiple Voting Shares if concurrently an offer is made to purchase New Subordinate Voting Shares that:

- (a) offers a price per New Subordinate Voting Share at least as high as the highest price per share paid pursuant to the take-over bid for the Multiple Voting Shares (on an as-converted to New Subordinate Voting Share basis);
- (b) provides that the percentage of outstanding New Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for New Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- (d) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the restrictions contained in the Coattail Agreement will not prevent the transfer or sale of Multiple Voting Shares by an MVS Holder to a Permitted Holder (as defined in the Coattail Agreement), provided such transfer or sale is not or would not have been subject to the requirements to make a take-over bid or constitute or would constitute an exempt take-over bid (as defined under applicable securities legislation). The conversion of Multiple Voting Shares into New Subordinate Voting Shares, whether or not such New Subordinate Voting Shares are subsequently sold, would not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any disposition of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into New Subordinate Voting Shares in accordance with the articles of the Corporation.

The Coattail Agreement will contain provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the New Subordinate Voting Shares. The obligation of the trustee to take such action will be conditional on the Corporation or holders of the New Subordinate Voting Shares providing such funds and indemnity as the trustee may require.

The Coattail Agreement will provide that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSXV and any other applicable securities regulatory authority in Canada; and (b) the approval of at least 66 2/3% of the votes cast by holders of New Subordinate Voting Shares excluding votes attached to New Subordinate Voting Shares held by the MVS Holders (or their Permitted Holders).

No provision of the Coattail Agreement will limit the rights of any holders of New Subordinate Voting Shares under applicable law.

Founders' Agreement

Following completion of the Reorganization, it is expected that that holders of the Multiple Voting Shares will enter into an agreement (the “**Founders' Agreement**”) providing for certain rights and obligations in respect of the voting and conversion of the Multiple Voting Shares.

The Founders' Agreement is expected to provide for the following:

- Holders of Multiple Voting Shares shall not be entitled to encumber their Multiple Voting Shares.
- Other than in connection with a transaction with an affiliate thereof, a Holder of Multiple Voting Shares shall not be entitled to transfer, sell, assign, convert or otherwise deal with any or all of their Multiple Voting Shares without providing the other holders of Multiple Voting Shares with a right of first refusal to acquire such Multiple Voting Shares at a price per share equal to the lesser of (i) the 10 day volume weighted average trading price of the New Subordinate Voting Shares on the stock exchange on which such shares are primarily traded; and (ii) 115% of the market price of the New Subordinate Voting Shares as determined in accordance with section 1.11 of National Instrument 62-104 – *Take-over Bids and Issuer Bids*.
- Upon the occurrence of a Triggering Event (as defined below) in respect of a holder of Multiple Voting Shares (a “**Triggering Holder**”), the other holders of Multiple Voting Shares may require the Triggering Holder to enter into a voting trust agreement pursuant to which the voting control of the Multiple Voting Shares owned by the Triggering Holder may be transferred to another holder of the Multiple Voting Shares in accordance with the terms of the Founders' Agreement. For the purpose of the Founders' Agreement, a “**Triggering Event**” shall mean any of the following, to the extent applicable to each holder of Multiple Voting Shares: (i) termination of the employment of the beneficial owner of the Multiple Voting Shares (a “**Beneficial Owner**”) by the Corporation with cause, and provided that such Beneficial Owner is no longer a director or officer of the Corporation; (ii) death of a Beneficial Owner; (iii) the mental disability of a Beneficial Owner; (iv) the resignation or removal of a Beneficial Owner as an officer or director of the Corporation and provided that such Beneficial Owner is no longer a director or officer of the Corporation; (v) the insolvency of a holder of Multiple Voting Shares or a Beneficial Owner; or (vi) a breach by a holder of Multiple Voting Shares of the Founders' Agreement which is not otherwise cured in accordance with the terms of the Founders' Agreement.
- Steven Isenberg shall have voting control over the Multiple Voting Shares held by Michael Krestell.
- Steven Salz shall have voting control over the Multiple Voting Shares held by Thomas Kofman.

Subscription Receipts

The Subscription Receipts were issued pursuant to and are governed by the Subscription Receipt Agreement. As of the date of this prospectus, the Corporation has 37,814,655 Subscription Receipts issued. The following summary of certain provisions of the Subscription Receipt Agreement does not purport to be complete and is qualified in its entirety by reference to the provisions of the Subscription Receipt Agreement, which has been filed on SEDAR and a copy of which may be obtained on request without charge from the Corporation at 116 Spadina Avenue Suite 701 Toronto, ON Canada M5V 2K6.

Each Subscription Receipt will entitle the holder thereof to receive, upon satisfaction and/or waiver of the Escrow Release Conditions prior to the Escrow Release Deadline and without payment of additional consideration or further action, one Underlying Share, subject to adjustment in accordance with the terms of the Subscription Receipt Agreement.

If the Escrow Release Conditions are not satisfied and/or waived on or before the Escrow Release Deadline or prior to the Escrow Release Deadline the Corporation advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Funds shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Offering Price paid by the holders of the Subscription Receipts (plus the accrued interest earned thereon), the Corporation shall be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall. See “*Risk Factors*.”

The Subscription Receipt Agreement provides that in the event of certain alterations of the outstanding Underlying Shares, including any subdivision, consolidation (including the Consolidation) or reclassification (including the Reorganization), an adjustment shall be made to the terms of the Subscription Receipts such that the holders shall,

upon the exercise of the Subscription Receipts following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had the Subscription Receipts been exercised prior to the occurrence of those events. No fractional Underlying Shares will be issued upon the exercise of the Subscription Receipts. The holding of Subscription Receipts does not make the holder thereof a shareholder of the Corporation or entitle the holder to any right or interest granted to shareholders. The Subscription Receipt Agreement provides that all holders of Subscription Receipts shall be bound by any resolution passed by written instrument or at a meeting of the holders of Subscription Receipts held in accordance with the provisions of the Subscription Receipt Agreement.

In addition to the foregoing description of the rights of the Subscription Receipts, each holder of the Subscription Receipts is entitled to a contractual right of rescission. For details regarding such right, please see “*Contractual Right of Action for Rescission*.”

None of the Subscription Receipts or the Underlying Shares have been or will be registered under the U.S. Securities Act.

PLAN OF DISTRIBUTION

This prospectus is being filed in the Qualifying Provinces to qualify the distribution of 37,814,655 Underlying Shares issuable upon the automatic conversion of 37,814,655 Subscription Receipts. The 37,814,655 Subscription Receipts were issued in the Qualifying Provinces and outside of Canada pursuant to the Private Placement in accordance with the terms of the Agency Agreement and the Subscription Receipt Agreement.

The Subscription Receipts are not available for purchase pursuant to this prospectus and no additional funds are to be received by the Corporation from the distribution of the Underlying Shares.

The Subscription Receipts were issued and sold to purchasers at a price of US\$0.58 per Subscription Receipt for aggregate proceeds of US\$21,932,499.90, of which an amount of US\$21,251,154.80 was deposited into escrow pursuant to the terms of the Subscription Receipt Agreement. Provided that the Escrow Release Conditions are satisfied and/or waived on or before the Escrow Release Deadline, the Escrowed Funds less (i) 50% of the Agents’ Fee plus the *pro rata* portion of interest accrued thereon; (ii) the additional Agents’ expenses incurred in connection with the prospectus ((i) and (ii) of which will be released to the Agents); and (iii) the expenses of Odyssey as set out in the Subscription Receipt Agreement (which will be retained by Odyssey), will be released to the Corporation. The Offering Price was determined by arm’s length negotiation between the Corporation and Eight Capital, on behalf of the Agents.

Each Subscription Receipt entitles the holder thereof to receive on the Escrow Release Date, without payment of any additional consideration and without any further action on the part of the holder thereof, and subject to adjustment (including in connection with the Consolidation), one Underlying Share.

If the Escrow Release Conditions are not satisfied and/or waived on or before the Escrow Release Deadline or prior to the Escrow Release Deadline the Corporation advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Funds shall be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Offering Price paid by the holders of the Subscription Receipts (plus the accrued interest earned thereon), the Corporation shall be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

In connection with the Private Placement, the Corporation agreed to pay the Agents’ Fee. Half of the Agents’ Fee was paid upon the closing of the Private Placement and the remaining 50% of the Agents’ Fee (plus the *pro rata* portion of interest accrued thereon) shall be payable upon the satisfaction of the Escrow Release Conditions. As additional consideration, the Corporation also granted to the Agents, 1,886,566 Compensation Options. On the Escrow Release Date, each Compensation Option shall entitle the holder thereof to receive without payment of additional consideration or further action, one Compensation Warrant in accordance with the provisions of the certificate representing the Compensation Options. Each Compensation Warrant entitles the holder thereof to purchase one Underlying Share at

an exercise price of US\$0.58 per Underlying Share until the date that is 18 months following the Escrow Release Date. The Compensation Warrants are also qualified for distribution by this prospectus.

The Subscription Receipts were sold to purchasers pursuant to private placement exemptions from the prospectus requirements of applicable securities legislation in the Qualifying Provinces and in jurisdictions outside Canada in compliance with laws applicable to each subscriber, respectively. Until and unless a Final Receipt for this prospectus is obtained from the securities regulatory authorities in the Qualifying Provinces, securities issued in connection with the Private Placement that remain outstanding will be subject to relevant hold periods under applicable securities legislation.

The Corporation has covenanted to use its commercially reasonable efforts to (i) prepare and file a preliminary long form prospectus with the securities regulatory authorities in the Qualifying Provinces and obtain a receipt therefor, (ii) satisfy all comments of the securities regulatory authorities in the Qualifying Provinces after receipt of such comments, and (iii) prepare and file a final long form prospectus with the securities regulatory authorities in the Qualifying Provinces and obtain the Final Receipt, all as soon as reasonably practicable following the closing date of the Private Placement, and in any event prior to the Escrow Release Deadline.

Pursuant to the Agency Agreement, the Corporation has agreed that it shall not directly or indirectly issue, sell, offer, grant any option or right in respect of (or agree to or publicly announce an intention to do any of the foregoing), any additional debt, Subordinate Voting Shares, New Subordinate Voting Shares or securities convertible or exchangeable into Subordinate Voting Shares or New Subordinate Voting Shares, until the date which is the earlier of (i) 120 days following the Escrow Release Date, or (ii) the Termination Date, without the prior written consent of the Co-Lead Agents (on behalf of the Agents), such consent not to be unreasonably withheld or delayed, other than pursuant to: (i) the Private Placement, (ii) the grant or exercise of stock options and other similar issuances (including for certainty, RSUs (as defined herein)) pursuant to any stock option plan or similar security based compensation arrangement existing as at the closing date of the Private Placement or as may be approved by the board of directors or shareholders of the Corporation, and in all cases that comply with the policies of the TSXV as applicable; (iii) pursuant to the exchange, transfer, conversion or exercise of existing outstanding securities or existing commitments or obligations outstanding as at March 15, 2021, or (v) in connection with any arm's length acquisition transaction.

The Corporation has also caused its directors and officers (and covenanted to cause any new directors or officers that may be appointed prior to the Escrow Release Date or the Termination Date) to enter into lock up agreements in favour of the Agents, whereby they have agreed not to directly or indirectly, offer, sell, contract to sell or otherwise dispose of or enter into any transaction or arrangement that has the effect of transferring any of the economic consequences of any securities of the Corporation owned, directly or indirectly (or announce any intention to do any of the foregoing) until the date which is the earlier of (i) 120 days following the Escrow Release Date, or (ii) the Termination Date, without the prior written consent of the Co-Lead Agents, such consent not to be unreasonably withheld or delayed, or in accordance with the limited exceptions as set out in the lock-up agreements. See *"Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer."*

The Agency Agreement also provides that the Corporation will indemnify the Agents and their directors, officers, employees, securityholders and agents against certain liabilities and expenses.

Other than in respect of the Subscription Receipts sold to purchasers in the United States or in certain other circumstances for which direct registration statements were issued, the Subscription Receipts were registered and deposited directly with CDS or its nominee pursuant to the book-based system administered by CDS, and are being held by, or on behalf of, CDS, as depositary of the Subscription Receipts for the participants of CDS, on a non-certificated basis. No definitive certificates evidencing Subscription Receipts were issued to purchasers in connection with the Private Placement. Purchasers of Subscription Receipts that were settled in CDS only received a customer confirmation or statement from an Agent or another registered dealer who is a CDS participant and from or through whom a beneficial interest in the Subscription Receipts was purchased. The Underlying Shares to be issued upon the conversion of the Subscription Receipts will also be held by CDS (other than for purchasers who received direct registration statements to evidence their Subscription Receipts, who will be issued direct registration statements) and no definitive certificates representing the Underlying Shares will be issued, unless required in limited circumstances.

The Subscription Receipts have not been and will not be registered under the U.S. Securities Act. Accordingly, the Subscription Receipts, and the securities underlying the Subscription Receipts, may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the U.S. Securities Act, as amended, applicable state securities laws and the terms of the Subscription Receipt Agreement.

As of the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace or a marketplace outside Canada and the United States.

The Corporation has submitted an application to list the Underlying Shares on the TSXV. The listing will be subject to the Corporation fulfilling all of the initial listing requirements and conditions of the TSXV including prescribed distribution and financial requirements and there is no assurance such a listing will be obtained.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENTS

As at the completion of the Private Placement and the close of business on September 16, 2021, Mr. Steven Isenberg holds and controls an aggregate of 2,678,291 Subordinate Voting Shares, 1,700,000 Class A Shares of the Corporation and 1,950,000 Subordinate Voting Share purchase warrants representing approximately 13.16% of the voting power attached to all of the issued and outstanding shares at the date hereof (14.34% assuming the completion of the Reorganization and satisfaction of the Escrow Release Conditions, but not considering the coming into effect of the Founders' Agreement), in each case on a non-dilutive basis. Mr. Isenberg is the Chief Executive Officer and a principal of M Partners Inc. and is also a director of the Corporation (and additionally controls direction over 930,476 Subordinate Voting Share broker warrants and 282,985 Compensation Options). In addition to the foregoing, pursuant to the terms of the Founders' Agreement, Mr. Isenberg is expected to have direction (but not ownership or control) over 1,000,000 Class A Shares. As a result of the foregoing, the Corporation may be considered a "connected issuer" and at the time of completion of the Private Placement, a "related issuer" for the purposes of NI 33-105.

In connection with the Private Placement, Eight Capital acted as the "independent underwriter" for the purposes of NI 33-105 and negotiated the structuring and pricing of the Private Placement. Eight Capital together with its counsel completed transactional due diligence in connection with the Private Placement and M Partners was not involved in the structuring or pricing of the Private Placement. The Private Placement was not required by, suggested by, or subject to the consent of M Partners or any member of its "professional group" (within the meaning of such term under NI 33-105). None of the proceeds of the Private Placement will be applied to the benefit of M Partners or any member of its "professional group" thereof except to the extent that they receive a pro rata benefit as a holder of the Subordinate Voting Shares and Class A Shares of the Corporation and will receive a portion of the Agents' Fee payable by the Corporation to the Agents in connection with the Private Placement. Neither M Partners nor any member of its "professional group" purchased any Subscription Receipts as part of the Private Placement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is an overview, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") that are generally applicable to a beneficial owner of Subscription Receipts who acquires Underlying Shares pursuant to the automatic exercise of the Subscription Receipts and who, for the purposes of the application of the Tax Act and at all relevant times: (i) deals at arm's length and is not affiliated with the Corporation; and (ii) holds the Subscription Receipts and Underlying Shares as capital property (referred to as a "**Holder**" or "**Holders**"). This overview is intended only to address such Holders. Subscription Receipts and Underlying Shares will generally be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This overview is not applicable to a Holder: (i) that is a "financial institution", as defined in the Tax Act for the purpose of the mark-to-market rules; (ii) that is, or an interest in which would be a "tax shelter investment", as defined in the Tax Act; (iii) that is a "specified financial institution", as defined in the Tax Act; (iv) that has made an election under the Tax Act to determine its Canadian tax results in a foreign currency; (v) that enters into, with respect to their New Subordinate Voting Shares, a "derivative forward agreement" or "synthetic disposition arrangement", as defined in

the Tax Act; or (vi) that receives dividends on the Underlying Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Subscription Receipts. Such Holders are advised to obtain their own tax advice.

Additional considerations not discussed in this summary may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Underlying Shares, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm’s length for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Underlying Shares.

This overview is based on the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) and the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published by it in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”). No assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This overview does not discuss all possible Canadian federal income tax considerations and other than the Proposed Amendments, does not otherwise contemplate any changes in law and does not consider provincial or territorial laws, the laws of any other jurisdiction or the administrative policies or assessing practices of the CRA.

This overview is provided for information purposes only and is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder. Holders are advised to obtain their own tax advice having regard to their particular circumstances.

Currency Conversion

For purposes of the Tax Act, all amounts related to the acquisition, holding or disposition of Subscription Receipts and Underlying Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in a foreign currency must be converted into Canadian dollars using the appropriate exchange rate determined in accordance with the detailed rules contained in the Tax Act in this regard.

Acquisition of Underlying Shares Received on the Exercise of Subscription Receipts

No gain or loss will be realized by a Holder upon the automatic exercise of a Subscription Receipt for an Underlying Share. When a Subscription Receipt is exercised for an Underlying Share on the Escrow Release Date and without further action of the Holder, the aggregate cost of the Underlying Share will be equal to the Holder’s adjusted cost base of the Subscription Receipt. The adjusted cost base of a Holder’s Underlying Shares will be determined by averaging such cost with the adjusted cost base to the Holder of all Underlying Shares owned by the Holder as capital property immediately prior to such exercise.

Holders Resident in Canada

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a “**Canadian Holder**”). Certain Canadian Holders who might not otherwise be considered to hold their Underlying Shares as capital property may, in certain circumstances, be entitled to have their Underlying Shares and all other “Canadian securities” (as defined in the Tax Act) owned by such holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Canadian Holders should consult their own tax advisors regarding this election.

Dividends

Dividends received or deemed to be received by a Canadian Holder on the Underlying Shares will be included in computing the Canadian Holder’s income pursuant to the Tax Act. If the Canadian Holder is an individual (other than

certain trusts), such dividends will be subject to the “gross-up” and “dividend tax credit” rules normally applicable to taxable dividends received from taxable Canadian corporations. Such dividends will also be subject to the enhanced gross-up and dividend tax credit provisions where the Corporation provides notice to the recipient designating the dividend as an “eligible dividend” pursuant to the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as “eligible dividends.”

Dividends received or deemed to be received on the Underlying Shares by a Canadian Holder that is a corporation will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Canadian Holder that is a corporation as proceeds of disposition or a capital gain. Canadian Holders that are corporations are advised to obtain their own tax advice having regard to their particular circumstances.

A Canadian Holder that is a “private corporation” (as defined in the Tax Act) or any other corporation controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Underlying Shares to the extent that such dividends are deductible in computing the Canadian Holder’s taxable income. Canadian Holders to whom these rules may be relevant should consult their own tax advisors.

Dispositions of Underlying Shares

Upon a disposition or deemed disposition of an Underlying Share (except to the Corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), a capital gain (or loss) will generally be realized by a Canadian Holder in the year of disposition to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Underlying Share to the Canadian Holder immediately before the disposition. Any such capital gain (or loss) arising from a disposition or deemed disposition is discussed more fully below.

Capital Gains and Capital Losses

Generally, in computing its income for a taxation year a Canadian Holder is required to include one-half of the amount of any capital gain realized in the year (a “**taxable capital gain**”). Subject to and in accordance with the provisions of the Tax Act, a Canadian Holder is required to deduct one-half of the amount of any capital loss realized in a taxation year from taxable capital gains realized in the year by such Canadian Holder (an “**allowable capital loss**”). Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following taxation year against net taxable capital gains realized in such year, in accordance with the provisions of the Tax Act.

Where the Canadian Holder is a corporation, the amount of a capital loss, if any, realized on a disposition of Underlying Shares may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Underlying Shares, in accordance with the Tax Act. Similar rules may apply where an Underlying Shares is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Canadian Holders to whom these rules may be applicable are advised to obtain their own tax advice.

A Canadian Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for an additional tax, (which is generally refundable, subject to the detailed rules of the Tax Act) on its “aggregate investment income” (as defined in the Tax Act), which includes amounts in respect of taxable capital gains.

Alternative Minimum Tax

Capital gains realized and dividends received by a Canadian Holder that is an individual or a trust, other than certain specified trusts, may give rise to an alternative minimum tax under the Tax Act. Canadian Holders should consult their own tax advisors with respect to the application of minimum tax.

Eligibility for Investment

The Corporation's shares are not currently listed on a designated stock exchange and the Corporation expresses no opinion on the eligibility for investment of any of the Subscription Receipts and Underlying Shares in a registered plan.

Holders intending to hold Underlying Shares in a registered plan are urged to consult their tax advisors.

Holders Not Resident in Canada

The following summary applies to a beneficial owner of Subscription Receipts who acquires Underlying Shares and who, at all relevant times, for purposes of the Tax Act and any relevant income tax treaty or convention: (i) is neither resident nor deemed to be resident in Canada; and (ii) does not, and is not deemed to, use or hold the Subscription Receipts or Underlying Shares in carrying on a business in Canada (a "**Non-Canadian Holder**"). This summary does not apply to a Holder that is an "authorized foreign bank" (within the meaning of the Tax Act) and special rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere. Such Holders should consult their own tax advisors.

Dividends

Any dividends paid or credited, or deemed to be paid or credited, on the Underlying Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the Non-Canadian Holder's country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Income Tax Convention (1980)* as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%. Non-Canadian Holders should consult their own tax advisors in this regard.

Dispositions of Underlying Shares

A Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of an Underlying Share nor will a capital loss arising on a disposition or deemed disposition of an Underlying Share be recognized under the Tax Act unless the Underlying Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Canadian Holder is resident.

The Underlying Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless at any time during the 60 month period immediately preceding the disposition more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, in certain circumstances Underlying Shares may otherwise be deemed to be taxable Canadian property to a Non-Canadian Holder for purposes of the Tax Act.

A Non-Canadian Holder contemplating a disposition of Underlying Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

In the event that an Underlying Share constitutes taxable Canadian property of a Non-Canadian Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax treaty or convention, the income tax consequences discussed above for Canadian Holders under "*Capital Gains and Capital Losses*" will generally apply to the Non-Canadian Holder.

CONSOLIDATED CAPITALIZATION

The articles of the Corporation currently authorize the issuance of an unlimited number of: (a) Subordinate Voting Shares; and (b) voting Class A Shares. Each Subordinate Voting Share entitles the holder thereof to one (1) vote per share. Each Class A Share entitles the holder thereof to fifty (50) votes per share. The Subordinate Voting Shares and Class A Shares have the same rights with respect to dividends and entitlements in the event of windup or dissolution. Currently, the Class A Shares are not exchangeable for Subordinate Voting Shares.

Following the issuance of the Final Receipt from the securities regulatory authorities in the Qualifying Provinces for this prospectus, the shareholders will be asked to consider and approve the Reorganization at the Meeting, whereby: (a) the Subordinate Voting Shares shall be reclassified as New Subordinate Voting Shares; (b) the Class A Shares shall be reclassified as Multiple Voting Shares; and (c) the terms of the Multiple Voting Shares shall be amended such that (i) each Multiple Voting Share shall carry 100 votes per share on all matters where the holders of shares of the Corporation are entitled to vote and the holders of New Subordinate Voting Shares and Multiple Voting Shares shall vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Corporation's articles; and (ii) each Multiple Voting Share shall be convertible into one New Subordinate Voting Share at any time at the option of the holders thereof and automatically in certain other circumstances.

The following table sets forth the share capital of the Corporation as at December 31, 2020 and also June 30, 2021 (both before and after the Reorganization and the exercise of all of the Subscription Receipts) and in all instances, not taking into consideration the Consolidation. The table should be read in conjunction with, and is qualified in its entirety by, the Corporation's audited financial statements and accompanying notes for the year ended December 31, 2020 and the Corporation's unaudited interim condensed financial statements and accompanying notes for the three and six months ended June 30, 2021.

	As at December 31, 2020 (in thousands)	As at June 30, 2021 (in thousands)	As at June 30, 2021 after giving effect to the Reorganization and the Satisfaction and/or Waiver of the Escrow Release Conditions (in thousands)
Shareholder Equity			
Share Capital	\$20,787	\$37,925 ⁽¹⁾	\$63,178 ⁽⁶⁾
Subordinate Voting Shares (unlimited)	117,432	163,089 ⁽²⁾	200,904 ⁽⁷⁾
Multiple Voting Shares (unlimited)	10,000	10,000	10,000 ⁽⁸⁾
Compensation Warrants ⁽³⁾	494	1,726	3,612
Stock options ⁽⁴⁾	5,778	7,360	7,360
Warrants ⁽⁵⁾	49,540	44,985	44,985

Notes:

- (1) This number does not include any of the gross proceeds from the Private Placement.
- (2) On August 17, 2021, the Corporation issued an aggregate of 862,069 Subordinate Voting Shares pursuant to a non-brokered private placement at a subscription price of US\$0.58 per share.
- (3) On August 6, 2020, the Corporation issued 494,294 finders warrants with each such warrant entitling the holder to purchase one Subordinate Voting Share on or before August 6, 2022 at a price of US\$0.34 per share. On March 3, 2021, the Corporation issued 1,231,246 finders warrants with each such warrant entitling the holder to purchase one Subordinate Voting Share on or before March 3, 2023 at a price of US\$0.34. In connection with the closing of the Private Placement, the Corporation granted to the Agents 1,886,566 Compensation Options. On the Escrow Release Date, each Compensation Option entitles the holder thereof to receive without payment of additional consideration or further action, one Compensation Warrant. Each Compensation Warrant entitles the holder thereof to purchase one Underlying Share at an exercise price of US\$0.58 until the date that is 18 months following the Escrow Release Date. See "Plan of Distribution."
- (4) See "Options to Purchase Securities."
- (5) The warrants outstanding include: (i) 9,500,000 warrants exercisable for Subordinate Voting Shares at a price of \$0.05 per share and expiring December 12, 2021, (ii) 21,700,000 warrants exercisable for Subordinate Voting Shares at a price of \$0.05 per share and expiring December 14, 2021, (iii) 2,910,000 warrants exercisable for Subordinate Voting Shares at the exercise price of \$0.05 and expiring February 3, 2022, and (iv) 10,875,000 warrants exercisable for Subordinate Voting Shares at the exercise price of \$0.25 and expiring December 12, 2021.

- (6) The net proceeds of the Private Placement have been converted from U.S. dollars (US\$20,838,231) to Canadian dollars (\$25,252,624) using an exchange rate of 1:1.2118.
- (7) Assumes completion of the Reorganization (but not the Consolidation) and that such shares will be New Subordinate Voting Shares.
- (8) Assumes completion of the Reorganization (but not the Consolidation) and that such shares will be Multiple Voting Shares.

OPTIONS TO PURCHASE SECURITIES

Options, Restricted Share Units and Restricted Stock

As at the date of this prospectus, an aggregate of 8,799,175 options to acquire 8,799,175 Subordinate Voting Shares (the “**Options**”) are outstanding pursuant to the Former Stock Option Plan (as defined herein) and the Equity Incentive Plan (as defined herein), all of which are held by the groups specified below. On August 26, 2021, the Board of Directors: (a) granted 1,439,555 Options; (b) granted 14,433,310 restricted share units (“**RSUs**”); and (c) approved the grant of 10,558,307 Restricted Shares (as defined in the Equity Incentive Plan) to certain directors, officers, employees and consultants of the Corporation – all such securities are subject to approval and ratification by shareholders at the Meeting. Following the Meeting and subject to the election of Stephen Rigby and Kirstine Stewart to the Board of Directors, it is expected that each of Mr. Rigby and Ms. Stewart will be granted 300,000 RSUs, with such RSUs vesting in equal monthly installments over a period of 24 months.

The table below summarizes the Options granted as at the date of this prospectus.

Holder of Options	Number of Optionees	Number of Subordinate Voting Shares Underlying Convertible Securities	Exercise Price (\$)	Expiry Date
Executive officers	1	700,000	US\$0.23	October 30, 2024 – January 30, 2026
Directors (other than those who are also executive officers)	Nil	Nil	Nil	Nil
Current and former employees	20	4,078,000	US\$0.23 – US\$0.58	October 30, 2024 – April 12, 2030
Consultants	52	4,021,175	US\$0.23 – US\$0.58	October 30, 2024 – April 19, 2030

The table below summarizes the RSUs outstanding as at the date of this prospectus. Such RSUs have been issued but the vesting thereof is subject to the approval of the Equity Incentive Plan and ratification of the grant of the RSUs by the shareholders of the Corporation at the Meeting.

Holder of RSUs	Number of RSU Holders	Number of Subordinate Voting Shares Underlying Convertible Securities
Executive officers	2	9,457,569
Directors (other than those who are also executive officers)	1	2,736,258
Current and former employees	21	2,239,483
Consultants	Nil	Nil

The table below summarizes the Restricted Shares approved for grant as at the date of this prospectus. Such Restricted Shares have not yet been granted and the issuance thereof remain subject to the approval of the Equity Incentive Plan and ratification of the grant thereof at the Meeting.

Holder of Restricted Shares	Number of Restricted Share Holders	Number of Subordinate Voting Shares Underlying Convertible Securities
Executive officers	2	9,696,238
Directors (other than those who are also executive officers)	Nil	Nil
Current and former employees	Nil	Nil
Consultants	1	862,069

For a summary of the Former Stock Option Plan and the Equity Incentive Plan see “*Executive Compensation – Former Stock Option Plan*” and “*Executive Compensation – Equity Incentive Plan*”, respectively.

Compensation Options

In connection with the private placement, the Corporation granted to the Agents 1,886,566 Compensation Options that on the Escrow Release Date will entitle the holder thereof to receive without payment of additional consideration or further action one Compensation Warrant for each Compensation Option in accordance with the provisions of the certificate representing the Compensation Options. Each Compensation Warrant entitles the holder thereof to purchase one Underlying Share at an exercise price of US\$0.58 until the date that is 18 months following the Escrow Release Date. The Compensation Warrants are also qualified for distribution by this prospectus.

PRIOR SALES

The following table summarizes details of the securities issued by the Corporation during the 12-month period prior to the date of this prospectus.

Date of Issuance	Description of Transaction	Price/Exercise Price per Security	Number of Securities
September 18, 2020	Exercise of Subordinate Voting Share Warrants	\$0.05	700,000
October 1, 2020	Issuance of Subordinate Voting Share Options	US\$ 0.34	100,000
October 5, 2020	Issuance of Subordinate Voting Share Options	US\$ 0.34	205,000
October 6, 2020	Exercise of Subordinate Voting Share Warrants	\$0.05	1,000,000
October 13, 2020	Issuance of Subordinate Voting Share Options	US\$ 0.34	25,000
October 19, 2020	Issuance of Subordinate Voting Share Options	US\$ 0.34	145,000
December 4, 2020	Exercise of Subordinate Voting Share Warrants	\$0.05	40,000
December 16, 2020	Issuance of Subordinate Voting Share Options	US\$ 0.34	170,000
December 23, 2020	Issuance of Subordinate Voting Shares	US\$0.34	13,020,532
January 14, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	9,120
January 15, 2021	Issuance of Subordinate Voting Shares	US\$0.34	6,442,778
January 20, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	25,000
January 22, 2021	Issuance of Subordinate Voting Shares	US\$0.34	1,724,841
January 29, 2021	Exercise of Subordinate Voting Share Warrants	\$0.05	200,000
February 1, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	382,000
February 2, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	50,000
February 4, 2021	Issuance of Subordinate Voting Shares	US\$0.34	12,703,799
February 12, 2021	Issuance of Subordinate Voting Shares	US\$0.34	4,753,413
February 22, 2021	Issuance of Subordinate Voting Shares	US\$0.34	2,618,589
February 22, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	500,000
February 24, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	30,000
March 3, 2021	Issuance of Subordinate Voting Shares	US\$0.34	12,788,234
March 3, 2021	Issuance of Compensation Warrants ⁽¹⁾	US\$ 0.34	1,231,246

Date of Issuance	Description of Transaction	Price/Exercise Price per Security	Number of Securities
April 1, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	51,000
April 12, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	140,000
April 13, 2021	Exercise of Subordinate Voting Share Warrants	\$0.05	1,000,000
April 19, 2021	Issuance of Subordinate Voting Share Options	US\$ 0.34	295,000
April 23, 2021	Exercise of Subordinate Voting Share Warrants	\$0.10	69,000
April 23, 2021	Exercise of Subordinate Voting Share Warrants	US\$0.23	70,193
May 3, 2021	Exercise of Subordinate Voting Share Warrants	\$0.05	2,175,000
May 5, 2021	Exercise of Subordinate Voting Share Warrants	\$0.10	111,250
June 3, 2021	Exercise of Subordinate Voting Share Warrants	\$0.05	1,000,000
June 9, 2021	Subscription Receipts	US\$0.58	37,814,655
June 9, 2021	Compensation Options ⁽²⁾	US\$0.58	1,886,566
August 19, 2021	Exercise of Subordinate Voting Share Warrants	\$0.05	400,000
August 19, 2021	Exercise of Subordinate Voting Share Warrants	\$0.05	2,000,000
August 19, 2021	Subordinate Voting Shares	US\$0.58	862,069
August 26, 2021	Issuance of Subordinate Voting Share Options ⁽³⁾	US\$0.58	1,439,555
August 26, 2021	RSUs ⁽⁴⁾	N/A	14,433,310
August 26, 2021	Restricted Shares ⁽⁵⁾	N/A	10,558,307

Notes:

- (1) Each compensation warrant entitles the holder to purchase one Subordinate Voting Share on or before the second anniversary of issuance at a price of US\$0.34 per Subordinate Voting Share.
- (2) Each Compensation Option automatically converts into one Compensation Warrant on the Escrow Release Date, with each Compensation Warrant entitling the holder to purchase one Underlying Share at a price of US\$0.58 until the date that is 18 months following the Escrow Release Date.
- (3) Such securities have been issued but any vesting thereof is subject to the approval of the Equity Incentive Plan and the ratification of such securities by the shareholders of the Corporation at the Meeting.
- (4) Such securities have been issued but the vesting thereof is subject to the approval of the Equity Incentive Plan and the ratification of such securities by the shareholders of the Corporation at the Meeting.
- (5) Such securities have been approved for grant by the Board of Directors, but the issuance thereof is subject to the approval of the Equity Incentive Plan and the ratification of such securities by the shareholders of the Corporation at the Meeting.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The provisions of National Policy 46-201 – Escrow for Initial Public Offerings (“**NP 46-201**”) relating to the escrow of securities held by principals of issuers, is not applicable where the issuer qualifies as an “exempt issuer.” As the Corporation currently has a market capitalization of at least \$100 million, the Corporation is an exempt issuer, as defined in NP 46-201. The Corporation has received confirmation from the TSXV that the Corporation’s securities are not expected to be escrowed pursuant to NP 46-201. Accordingly, as at the date of this prospectus, there are no securities of the Corporation expected to be subject to statutory escrow restrictions.

Voluntary Lock-Ups

In connection with the Private Placement, the directors and officers of the Corporation holding an aggregate of 9,328,591 Subordinate Voting Shares and 8,000,000 Class A Shares have entered into lock-up agreements (the “**Lock-Ups**”) with the Co-Lead Agents. Pursuant to the Lock-Ups, the directors and officers of the Corporation may not sell, transfer, pledge or otherwise dispose of any securities of the Corporation until 120 days after the date on which the Escrow Release Conditions are satisfied without the prior consent of the Co-Lead Agents (such consent not to be unreasonably withheld), subject to customary and other exclusions to be set forth in the Lock-Ups.

In addition, certain holders of Subordinate Voting Shares holding an aggregate of 111,907,073 Subordinate Voting Shares and the holders of all of the Class A Shares have entered into lock-up agreements (the “**Shareholder Lock-Ups**”). Pursuant to the Shareholder Lock-Ups, such shareholders may not sell, transfer, pledge or otherwise dispose

of any securities of the Corporation held thereby without the prior consent of the Corporation (such consent not to be unreasonably withheld), subject to customary exclusions, as follows:

- An aggregate of 10,000,000 Subordinate Voting Shares and 10,000,000 Class A Shares are subject to Shareholder Lock-Ups pursuant to which (i) 50% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 18 months following the date on which the Corporation has a class of its securities listed on a recognized stock exchange (the “**Listing Date**”); and (ii) 50% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 24 months following the Listing Date.
- An aggregate of 50,685,250 Subordinate Voting Shares are subject to Shareholder Lock-Ups pursuant to which (i) 25% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 3 months following the Listing Date; (ii) 25% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 6 months following the Listing Date; (iii) 25% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 9 months following the Listing Date; and (iv) 25% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 12 months following the Listing Date.
- An aggregate of 34,813,128 Subordinate Voting Shares are subject to Shareholder Lock-Ups pursuant to which (i) 33.33% of such securities will be free trading on the Listing Date; (ii) 33.33% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 3 months following the Listing Date; and (iii) 33.33% of such securities shall cease to be subject to such Shareholder Lock-Up on the date that is 6 months following the Listing Date.
- An aggregate of 6,408,695 Subordinate Voting Shares are subject to Shareholder Lock-Ups with varying lockup periods including certain of these securities being free trading on the Listing Date and others with lockup periods ending not later than the date that is 12 months following the Listing Date.

It is expected that on the Listing Date, approximately 87,449,800 of the issued and outstanding New Subordinate Voting Shares and 10,000,000 Multiple Voting Shares will be subject to contractual restrictions on transfer.

PRINCIPAL SHAREHOLDERS

The following table shows the name and information about the Multiple Voting Shares (assuming completion of the Reorganization and satisfaction and/or waiver of the Escrow Release Conditions) that will be owned by each person or company which, as at the date of this prospectus, owns of record, or, to the Corporation’s knowledge, owns beneficially, directly or indirectly, 10% or more of the Class A Shares outstanding; Pursuant to the Reorganization, the Class A Shares (currently carrying 50 votes per share) will be reclassified and amended as Multiple Voting Shares (carrying 100 votes per share). On the basis of the foregoing, holders of the Multiple Voting Shares following the Reorganization and satisfaction and/or waiver of the Escrow Release Conditions will hold approximately 83.05% of the votes attached to all the outstanding shares of the Corporation.

Name	Number and type of securities ⁽¹⁾	Type of Ownership	Percentage of Class upon satisfaction of the Escrow Release Conditions	Percentage of Class on a Fully Diluted Basis as of the date of this prospectus
CrayneAce Inc. ⁽²⁾	5,000,000 Multiple Voting Shares	Beneficial and of record	50%	50%
2550170 Ontario Inc. ⁽³⁾	1,700,000 Multiple Voting Shares	Beneficial and of record	17%	17% ⁽⁷⁾
2538373 Ontario Inc. ⁽⁴⁾	1,300,000 Multiple Voting Shares	Beneficial and of record	13%	13% ⁽⁸⁾
Thomas Kofman ⁽⁵⁾	1,000,000 Multiple Voting Shares	Beneficial and of record	10%	10% ⁽⁸⁾
Michael Krestell ⁽⁶⁾	1,000,000 Multiple Voting Shares	Beneficial and of record	10%	10% ⁽⁷⁾

Notes:

- (1) The information as to shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been derived from sources available to the Corporation.
- (2) CrayneAce Inc. is an entity that is owned equally by each of Kevin Wimer and the spouse of Ryan White and under the equal control of each of Messrs. White and Wimer. CrayneAce Inc. also owns 5,000,000 Subordinate Voting Shares and 10,000,000 Subordinate Voting Share purchase warrants as of the date of this prospectus.
- (3) 2550170 Ontario Inc. is an entity that is owned and controlled by Steven Isenberg. Mr. Isenberg also holds or controls 2,678,291 Subordinate Voting Shares, 1,950,000 Subordinate Voting Share purchase warrants, 930,476 Subordinate Voting Share broker warrants and 282,985 Compensation Options.
- (4) 2538373 Ontario Inc. is an entity that is owned and controlled by Steven Salz. Mr. Salz also holds or controls 1,250,000 Subordinate Voting Shares and 2,500,000 Subordinate Voting Share purchase warrants as of the date of this prospectus.
- (5) Thomas Kofman also owns 2,775,000 Subordinate Voting Shares and 1,000,000 Subordinate Voting Share purchase warrants as of the date of this prospectus.
- (6) Michael Krestell also owns 1,000,000 Subordinate Voting Shares and 2,000,000 Subordinate Voting Share purchase warrants as of the date of this prospectus.
- (7) In addition to the 1,700,000 Multiple Voting Shares registered to 2550170 Ontario Inc., Mr. Isenberg is expected to have voting direction, but not ownership or control over the 1,000,000 Multiple Voting Shares owned and controlled by Mr. Krestell pursuant to the terms of the Founders' Agreement.
- (8) In addition to the 1,300,000 Multiple Voting Shares registered to 2538373 Ontario Inc., Mr. Salz is expected to have voting direction, but not ownership or control over the 1,000,000 Multiple Voting Shares owned and controlled by Mr. Kofman pursuant to the terms of the Founders' Agreement.

To the knowledge of the Corporation, there is no person or company who beneficially owns, or controls or directs, directly or indirectly Subordinate Voting Shares carrying 10% or more of the voting rights attached to the Subordinate Voting Shares.

DIRECTORS AND OFFICERS

The following table sets out, for each of the directors and executive officers of the Corporation, the person's name, province or state and country of residence, position with the Corporation, principal occupation and, if a director, the date on which the person became a director. Our directors are expected to hold office until the next annual general meeting of shareholders. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. Assuming completion of the Reorganization and the Escrow Release Date, as a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 9,328,591 New Subordinate Voting Shares and 8,000,000 Multiple Voting Shares, representing 5.61% of the New Subordinate Voting Shares and 80.0% of the Multiple Voting Shares.

Directors and Executive Officers

Name, Province or State and Country of Residence	Position Held	Director/ Executive Officer Since	Principal Occupation for the 5 Preceding Years	Securities of the Corporation Beneficially Owned, Directly or Indirectly, or over which control or direction is exercised
Steven Salz ⁽³⁾ Ontario, Canada	Chief Executive Officer and Director	2016	Mr. Salz is the Co-Founder and Chief Executive Officer of PMML (2016-2021).	2,300,000 Multiple Voting Shares 1,250,000 Subordinate Voting Shares ⁽⁴⁾
Steven Isenberg ⁽²⁾ ⁽³⁾ Ontario, Canada	Director	2016	Mr. Isenberg is the Chief Executive Officer of a Toronto-based investment bank called M Partners (2016-2021)	2,700,000 Multiple Voting Shares 2,678,291 Subordinate Voting Shares ⁽⁵⁾

Name, Province or State and Country of Residence	Position Held	Director/ Executive Officer Since	Principal Occupation for the 5 Preceding Years	Securities of the Corporation Beneficially Owned, Directly or Indirectly, or over which control or direction is exercised
Ryan White Ontario, Canada	Chief Technology Officer and Director	2016	Mr. White is the Co-Founder and Chief Technology Officer of PMML (2016-2021).	5,000,000 Multiple Voting Shares 5,000,000 Subordinate Voting Shares ⁽⁶⁾
Kevin Wimer Ohio, USA	Chief Operating Officer and Director	2016	Mr. Wimer is the Co-Founder, Chief Marketing Officer (2016-2021) and Chief Operating Officer (2021) of PMML.	5,000,000 Multiple Voting Shares 5,000,000 Subordinate Voting Shares ⁽⁷⁾
Stephen Rigby ^{(1) (2) (3)} Ontario, Canada	Director	2021 ⁽¹⁾	Mr. Rigby was President and CEO of the Ontario Lottery and Gaming Corporation (2015-2020).	Nil
Kirstine Stewart ^{(1) (2)} California, United States	Director	2021 ⁽¹⁾	Ms. Stewart is the Chief Revenue Officer of Pex (July 2021 – present) and was Head of the Future of Media at World Economic Forum (November 2018 – 2021), President of TirbalScale (2018) and Chief Strategy Officer of GoViral (2016-2018).	Nil
Kejda Qorri Ontario, Canada	Chief Financial Officer	2017	Ms. Qorri is the Chief Financial Officer of PMML (2017-present). Prior to employment with PMML, Ms. Qorri was the Chief Financial Officer for a regulated investment bank.	400,000 Subordinate Voting Shares ⁽⁸⁾

Notes:

- (1) Proposed nominee to be elected as a director of the Corporation at the Meeting.
- (2) Anticipated member of the Audit Committee (as defined herein).
- (3) Anticipated member of the Compensation Committee (as defined herein).
- (4) Securities are owned by 2538373 Ontario Inc., an entity that is owned and controlled by Steven Salz. Mr. Salz also holds 2,500,000 Subordinate Voting Share purchase warrants. Mr. Salz is expected to have voting direction, but not ownership or control over 1,000,000 of these Multiple Voting Shares pursuant to the terms of the Founders' Agreement. In addition to the foregoing, Mr. Salz holds 6,457,569 RSUs, the vesting thereof subject to approval of the Equity Incentive Plan and the ratification of such RSUs by the shareholders of the Corporation.
- (5) Securities are owned by 2550170 Ontario Inc., an entity that is owned and controlled by Steven Isenberg. Mr. Isenberg also holds or controls 1,950,000 Subordinate Voting Share purchase warrants, 930,476 Subordinate Voting Share broker warrants and 282,985 Compensation Options. Mr. Isenberg is expected to have voting direction, but not ownership or control over 1,000,000 of these Multiple Voting Shares pursuant to the terms of the Founders' Agreement. In addition to the foregoing, Mr. Isenberg holds 2,736,258 RSUs, the vesting thereof subject to the approval of the Equity Incentive Plan and the ratification of such RSUs by the shareholders of the Corporation.
- (6) Securities are owned by CrayneAce Inc., an entity that is owned equally by each of Kevin Wimer and the spouse of Ryan White and under the equal control of each of Messrs. White and Wimer. CrayneAce Inc. also holds 10,000,000 Subordinate Voting Share purchase warrants. Also see note (7) below which relates to the same securities. In addition to the foregoing, the Board of Directors has also approved the grant of 4,848,119 Restricted Shares to Mr. White, with the grant thereof subject to the approval of the Equity Incentive Plan and the ratification of such Restricted Shares by the shareholders of the Corporation.
- (7) Securities are owned by CrayneAce Inc., an entity that is owned equally by each of Kevin Wimer and the spouse of Ryan White and under the equal control of each of Messrs. White and Wimer. CrayneAce Inc. also holds 10,000,000 Subordinate Voting Share purchase warrants. Also see note (6) above which relates to the same securities. In addition to the foregoing, the Board of Directors has also approved the grant of 4,848,119 Restricted Shares to Mr. Wimer, with the grant thereof subject to the approval of the Equity Incentive Plan and the ratification of such Restricted Shares by the shareholders of the Corporation.
- (8) Ms. Qorri also holds 700,000 Options and 200,000 Subordinate Voting Share purchase warrants. In addition to the foregoing, Ms. Qorri holds 3,000,000 RSUs, the vesting thereof subject to the approval of the Equity Incentive Plan and the ratification of such RSUs by the shareholders of the Corporation.

Biographies

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years. See also "*Directors and Officers – Conflicts of Interest.*"

Steven Salz, Director and Chief Executive Officer, Age: 30

Mr. Salz's career started with a brief stint in the defence industry, followed by an equity research role at Scotia Capital's Global Portfolio Advisory Group, and then as an Equity Analyst at a boutique investment bank. In his capital market roles, Mr. Salz's developed a toolkit of quantitative analytical skills, accounting frameworks, and mathematical modeling. Following this, Mr. Salz co-founded PMML with Mr. Isenberg, Mr. White and Mr. Wimer and became the Chief Executive Officer of the Corporation as of 2016.

Steven Isenberg, Director, Age: 54

Mr. Isenberg has over 30 years of experience in Canadian capital markets. He sits on the local advisory committee of the TSXV, is founder, director and audit committee member of Urbanfund Corp., a TSXV listed real estate company he founded in 1997, co-founder and former director of PharmaCan Capital, now Cronos Group, a CAD\$3.5B+ cannabis company, founder and CEO of Toronto-based investment bank M Partners Inc. and co-founder of Toronto based mortgage lender Tembo Financial.

Ryan White, Director and Chief Technology Officer Age: 40

Mr. White is an experienced technologist. Most of Ryan's career has been made up of entrepreneurial initiatives apart from recently acting as Head of Interactive Development for global innovation and strategy firm Idea Couture. Along with Mr. Salz, Mr. Isenberg and Mr. Wimer, Mr. White co-founded PMML and became Chief Technology Officer of PMML. Mr. White also developed an in-game item marketplace called Loot Market.

Kevin Wimer, Director and Chief Operating Officer, Age: 37

Mr. Wimer was a professional gamer in the early 2000's and became top 10 worldwide in Unreal Tournament and top tier in StarCraft. Mr. Wimer funded and built half a dozen successful internet companies, with particular expertise in customer acquisition. Along with Mr. Salz, Mr. Isenberg and Mr. White, Mr. Wimer co-founded PMML and became the Chief Marketing Officer (2016-2021) and Chief Operating Officer (2021) of PMML.

Stephen Rigby, Director Age: 64

Mr. Rigby was President and CEO of the Ontario Lottery and Gaming Corporation from January 2015 to October 2020. From 2010 until 2015, he held the Deputy Ministerial position of National Security Advisor to the Prime Minister of Canada. In that role, he was responsible for the provision of strategic policy and operational advice to the Prime Minister and the Cabinet on all significant national security, foreign and defence policy issues facing the country. From the period of 2008 until 2010, Mr. Rigby was President of the Canada Border Services Agency, responsible for the trade and security management of all Canada's international borders. Further, he held the positions of Associate Deputy Minister of Foreign Affairs and Executive Vice President of the Canada Border Service Agency. Both positions focused on foreign policy, international and domestic security and trade issues. Prior to becoming a Deputy Minister, he held a number of senior positions in the Canada Revenue Agency (previously Revenue Canada), including Assistant Commissioner for Policy and Planning and Chief Financial Officer.

Kirstine Stewart, Director Age: 54

Ms. Stewart has spent a career working globally at the intersection of media and technology. As VP North America Media at Twitter, Ms. Stewart led teams across the US driving partnerships in news, entertainment, government and sports, transitioning to this role after she founded and built Twitter's fastest-growing global ad sales office. Before moving to Twitter, Ms. Stewart was the head of the Canada Broadcast Corporation. Ms. Stewart is credited with reviving the broadcaster, introducing such hit shows as Dragons' Den (Shark's Tank), Murdoch Mysteries, Heartland,

Being Erica and the development of Schitt's Creek. Over her career, Ms. Stewart held a series of executive positions in Canada and the US focused on the global and regional expansion of US brands including HGTV and Food Network and managing programming of 37 international channels for Hallmark Entertainment. Ms. Stewart is currently the CRO of Pex, a three-sided marketplace bringing together rightsholders, platforms, and creators to simplify the existing licensing process.

Ms. Stewart has served on a number of public, private and non-profit boards including The Score, WOW and Ryerson University's tech incubator DMZ. She currently sits as a founding member of Innovation Leaders Against Racism hosted by MarS and the CAMH Foundation Board and the Prosperity Project focused on the socio-economic post pandemic recovery of women in the workforce.

Kejda Qorri, Chief Financial Officer Age: 31

Being a Chartered Professional Accountant, Certified Management Accountant, Chartered Business Valuator, and holding a Masters in Accounting, Ms. Qorri is a highly qualified and experienced finance professional. Ms. Qorri spent nearly a decade in financial services and most recently acted as Chief Financial Officer for a regulated investment bank. Ms. Qorri is PMML's Chief Financial Officer.

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director or executive officer of PMML is, as at the date of this prospectus, or was, within 10 years before the date of this prospectus, a director, chief executive officer or chief financial officer of any company (including PMML), that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days:

- that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of PMML, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of PMML:

- is, as at the date of the prospectus, or has been within the 10 years before the date of the prospectus, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act 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; or
- has, within the 10 years before the date of the prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Other than as disclosed herein, no director or executive officer of PMML, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to (a) 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) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On June 28, 2018, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) accepted a settlement agreement (the “**Settlement Agreement**”), with sanctions, between IIROC staff and M Partners Inc. and Steven Isenberg. The Settlement Agreement was entered into with respect to the failure by M Partners Inc. to comply with certain trading supervisions and audit trail obligations. Mr. Isenberg was the ultimate designated person of M Partners Inc. at the time of such compliance failures. Pursuant to the Settlement Agreement, M Partners Inc. paid a fine of \$120,000 and Mr. Isenberg paid a fine of \$70,000. A copy of the Settlement Agreement is available on the IIROC website.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Corporation also holding positions as directors or officers of other companies. Such persons also invest and may invest in businesses, including in the esports or gambling sectors that compete directly or indirectly with the Corporation or act as customers or suppliers of the Corporation. Some of the individuals that are directors and officers of the Corporation have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Corporation will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies provided under applicable laws.

To the best of the Corporation’s knowledge, there are no known existing or potential material conflicts of interest among the Corporation or a subsidiary of the Corporation and a director or officer of the Corporation or a subsidiary of the Corporation as a result of their outside business interests except that: (i) certain of the Corporation’s or its subsidiaries’ directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies, and (ii) certain of the Corporation’s or its subsidiaries’ directors and officers have portfolio investments consisting of minority stakes in businesses that may compete directly or indirectly with the Corporation or act as a customer of, or supplier to, the Corporation.

DIRECTOR AND EXECUTIVE COMPENSATION

Prior to obtaining a Final Receipt for this prospectus from the securities regulatory authority in each of the Qualifying Provinces, the Corporation was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”) has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

As an “**IPO venture issuer**” in accordance with Form 51-102F6V, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to directors and NEOs (as defined herein), once the Corporation becomes a reporting issuer, to the extent this compensation has been determined. Notwithstanding that the Corporation has not been a reporting issuer at any time prior to the date of this prospectus, the following disclosure also contains a summary of compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for the most recently completed financial years.

In this section, “**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 chief executive officer and the chief financial officer at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Form 51-102F6V, and (d) each individual who would be a NEO 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. For the purposes of this prospectus, as of the date of this prospectus, the Corporation had 2 NEOs, namely: Steven, Salz and Kejda Qorri.

Compensation Discussion and Analysis

The Corporation operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Corporation must attract, retain and motivate a highly talented team of executive officers and directors. The Corporation expects its team of executive officers to possess and demonstrate strong leadership and management capabilities, as well as foster a culture of innovation, which is at the foundation of the Corporation's success and remains a pivotal part of its operations. In order to achieve this, the Corporation emphasizes the hiring and retention of its executive team through competitive compensation practices. This effort has historically been undertaken by the Board of Directors. Following the Meeting and the satisfaction of the Escrow Release Conditions, the Board of Directors is expected to establish a compensation committee (the "**Compensation Committee**") to be responsible for assisting the Board of Directors in fulfilling its governance and supervisory responsibilities, and overseeing the human resources, succession planning, and compensation policies, processes and practices. It is expected that the Compensation Committee will also be responsible for ensuring that the compensation policies and practices provide an appropriate balance of risk and reward consistent with the risk profile of the Corporation. The Board of Directors will adopt a written charter for the Compensation Committee setting out its responsibilities for administering the compensation programs and reviewing and making recommendations to the Board of Directors concerning the level and nature of the compensation payable to the directors and officers. The Compensation Committee's oversight is expected to include reviewing objectives, evaluating performance and ensuring that total compensation paid to the executive officers and various other key employees is fair, reasonable and consistent with the objectives of the philosophy and compensation program.

The Compensation Committee will be expected to evaluate the Corporation's compensation programs as circumstances require and on an annual basis. As part of this evaluation process, the Compensation Committee will be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to the Corporation if it were required to find a replacement for a key employee.

The compensation practices are designed to retain, motivate and reward our executive officers for their performance and contribution to our long-term success. The Corporation seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Corporation's performance. The Corporation seeks to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. Corporate performance goals are based on financial performance of the Corporation during the applicable financial year.

In order to achieve its growth objectives, attracting and retaining the right team members is critical. A key part of this is a well-thought out compensation plan that attracts high performers and compensates them for continued achievements.

As the Corporation transitions from being a privately-held company to a publicly-traded company, it will continue to evaluate its compensation philosophy and compensation program as circumstances require and plan to continue to review compensation on an annual basis.

The Corporation's executive compensation consists primarily of three elements: (a) base salary; (b) short-term incentives; and (c) long-term incentives. See "*Executive Compensation – Employee Agreements and Termination and Change of Control Benefits.*"

Compensation of NEOs and Directors, Excluding Compensation Securities

The following table sets forth the compensation of the NEOs and directors paid by the Corporation for each of the financial years ended December 31, 2018, December 31, 2019 and December 31, 2020.

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 (\$)
Steven Salz	2020	\$94,125	Nil	Nil	Nil	Nil	\$94,125
Director and Chief Executive Officer	2019	\$68,500	Nil	Nil	Nil	Nil	\$68,500
	2018	\$47,500	Nil	Nil	Nil	Nil	\$47,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Steven Isenberg	2019	Nil	Nil	Nil	Nil	Nil	Nil
Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
Ryan White ⁽²⁾	2020	\$93,750	Nil	Nil	Nil	Nil	\$93,750
Chief Technology Officer and Director	2019	\$67,333	Nil	Nil	Nil	Nil	\$67,333
	2018	\$52,000	Nil	Nil	Nil	Nil	\$52,000
Kevin Wimer ⁽²⁾	2020	\$108,154	Nil	Nil	Nil	Nil	\$108,154
Chief Operating Officer and Director	2019	\$95,663	Nil	Nil	Nil	Nil	\$95,663
	2018	\$80,118	Nil	Nil	Nil	Nil	\$80,118
Kejda Qorri	2020	\$150,000	Nil	Nil	Nil	\$10,391	\$160,391
Chief Financial Officer	2019	\$40,000	Nil	Nil	Nil	\$23,782	\$63,782
	2018	\$20,000	Nil	Nil	Nil	Nil	\$20,000

Notes:

- (1) None of the NEOs or directors are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their base salary.
- (2) Compensation paid to each of Messrs. White and Wimer was in respect of their roles as officers of the Corporation.

It is expected that following the Meeting, the Board of Directors will resolve that all directors of the Corporation (who are also not officers of the Corporation) shall receive annual cash compensation in the amount of \$50,000.

Employee Agreements and Termination and Change of Control Benefits

Each of the NEOs and directors listed below (for the purposes of this section, the “**Employees**”) have entered into an employment agreement with the Corporation as described herein. Other than as described herein, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to an NEO or director at, following, or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in an NEO or director’s responsibilities. Such employment agreements include provisions regarding base salary, eligibility for annual bonuses, enrollment of benefits and participation in the Equity Incentive Plan, among other things.

Steven Salz, Chief Executive Officer

On August 26, 2021, the Corporation and Mr. Salz entered into an executive employment agreement (the “**Salz Agreement**”) which provides for an annual base salary of \$275,000. Mr. Salz is also eligible to participate in the Corporation’s bonus plans, Equity Incentive Plan and standard benefit plans. In the event of termination of Mr. Salz without cause, Mr. Salz is entitled to a cash payment in an amount equal to 18 months base salary. In the event of termination of Mr. Salz’s employment within a specified period following a change of control of the Corporation (as a result of certain specified events as set out in the Salz Agreement), Mr. Salz is entitled to a cash payment in an amount equal to 18 months base salary. The Salz Agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 18 months thereafter.

Ryan White, Chief Technology Officer and Director

On August 26, 2021, the Corporation and Mr. White entered into an executive employment agreement (the “**White Agreement**”) which provides for an annual base salary of \$250,000. Mr. White is also eligible to participate in the Corporation's bonus plans, Equity Incentive Plan and standard benefit plans. In the event of termination of Mr. White without cause, Mr. White is entitled to a cash payment in an amount equal to 18 months base salary. In the event of termination of Mr. White's employment within a specified period following a change of control of the Corporation (as a result of certain specified events as set out in the White Agreement), Mr. White is entitled to a cash payment in an amount equal to 18 months base salary. The White Agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 18 months thereafter.

Kevin Wimer, Chief Operating Officer and Director

On August 26, 2021, the Corporation and Mr. Wimer entered into an executive employment agreement (the “**Wimer Agreement**”) which provides for an annual base salary of US\$215,000. Mr. Wimer is also eligible to participate in the Corporation's bonus plans, Equity Incentive Plan and standard benefit plans. In the event of termination of Mr. Wimer without cause, Mr. Wimer is entitled to a cash payment in an amount equal to 18 months base salary. In the event of termination of Mr. Wimer's employment within a specified period following a change of control of the Corporation (as a result of certain specified events as set out in the Wimer Agreement), Mr. Wimer is entitled to a cash payment in an amount equal to 18 months base salary. The Wimer Agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 18 months thereafter.

Kejda Qorri, Chief Financial Officer

On August 26, 2021, the Corporation and Ms. Qorri entered into an executive employment agreement (the “**Qorri Agreement**”) which provides for a signing bonus of \$100,000 and an annual base salary of \$250,000. Ms. Qorri is also eligible to participate in the Corporation's bonus plans, Equity Incentive Plan and standard benefit plans. In the event of termination of Ms. Qorri without cause, Ms. Qorri is entitled to a cash payment in an amount equal to 6 months base salary. In the event of termination of Ms. Qorri's employment within a specified period following a change of control of the Corporation (as a result of certain specified events as set out in the Qorri Agreement), Ms. Qorri is entitled to a cash payment in an amount equal to 6 months base salary. The Qorri Agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 18 months thereafter.

Outstanding Security-Based Awards

The following table discloses all security-based awards granted to each director or NEO by the Corporation that are outstanding as at the date of this prospectus.

Name and Position	Type of compensation security	Compensation Securities			
		Number of Subordinate Voting Shares underlying unexercised Options/RSUs and percentage of class	Date of grant	Exercise price	Expiry Date
Steven Salz, Chief Executive Officer	RSUs ⁽¹⁾	6,457,569 (44.74%)	August 26, 2021	N/A	N/A
Kejda Qorri, Chief Financial Officer	Options	700,000 (8.27%)	October 30, 2018	US\$0.23	October 30, 2024 – January 30, 2026
	RSUs ⁽¹⁾	3,000,000 (20.79%)	August 26, 2021	N/A	N/A
Ryan White, Chief	Restricted Shares ⁽²⁾	4,848,119 (45.92%)	August 26, 2021	N/A	N/A

Name and Position	Type of compensation security	Compensation Securities			
		Number of Subordinate Voting Shares underlying unexercised Options/RSUs and percentage of class	Date of grant	Exercise price	Expiry Date
Technology Officer					
Kevin Wimer, Chief Operating Officer	Restricted Shares ⁽²⁾	4,848,119 (45.92%)	August 26, 2021	N/A	N/A
Steve Isenberg, Director	RSUs ⁽¹⁾	2,736,258 (18.96%)	August 26, 2021	N/A	N/A

Notes:

- (1) Such securities have been issued but the vesting thereof is subject to the approval of the Equity Incentive Plan and the ratification of such securities by the shareholders of the Corporation at the Meeting.
- (2) Such securities have been approved for grant by the Board of Directors, but the issuance thereof is subject to the approval of the Equity Incentive Plan and the ratification of such securities by the shareholders of the Corporation at the Meeting.

No director or NEO exercised compensation securities during the year ended December 31, 2020.

Former Stock Option Plan

On October 30, 2018 the Board of Directors approved a stock option plan (the “**Former Stock Option Plan**”). There are currently 7,359,620 options outstanding under the Former Stock Option Plan. The Former Stock Option Plan provides that the aggregate number of Subordinate Voting Shares that may be issued upon the exercise of options issued thereunder cannot exceed 15% of the total number of Subordinate Voting Shares and Class A Shares issued and outstanding on a fully diluted basis (excluding options granted under the Former Stock Option Plan). The Corporation does not intend to issue any further options pursuant to the Former Stock Option Plan.

Equity Incentive Plan

On August 26, 2021 the Board of Directors approved an equity incentive plan (the “**Equity Incentive Plan**”) and it is proposed to be ratified by the Corporation’s shareholders at the Meeting. The Equity Incentive is a fixed plan and provides that a maximum of 33,473,586 Subordinate Voting Shares (and following the Reorganization, New Subordinate Voting Shares) may be made issuable pursuant to Awards (as defined herein) granted under the Equity Incentive Plan. The term New Subordinate Voting Shares is used throughout the summary below, which assumes the completion of the Reorganization.

The Equity Incentive Plan serves as the successor to the Former Stock Option Plan and no further options will be granted under the Former Stock Option Plan. The purposes of the Equity Incentive Plan is to: (i) provide the Corporation with a mechanism to attract, retain and motivate employees, consultants, executive officers and directors (“**Eligible Participants**”); (ii) align the interests of Eligible Participants in the Equity Incentive Plan with that of other shareholders of the Corporation generally; and (iii) promote the success of the Corporation’s business.

The Equity Incentive Plan is administered by the Board of Directors or a sub-committee appointed by the Board of Directors (the “**Committee**”), in the Board of Director’s sole discretion, and provides that the Board of Directors may, from time to time, in its discretion, and in accordance with TSXV requirements or any other stock exchange on which the New Subordinate Voting Shares are listed (the “**Exchange**”), grant to Eligible Participants, awards (the “**Awards**”). Such Awards include (i) Incentive Stock Options (“**ISOs**”); (ii) Non-Qualified Stock Options; (iii) Restricted Shares; and (iv) Restricted Share Units. The Corporation also has a Canadian sub-plan to the Equity Incentive Plan which provides for the grant of Award to Eligible Participants that are resident in Canada.

The maximum number of New Subordinate Voting Shares for which Awards may be issued to any one Eligible Participant in any 12-month period shall not exceed 5% of the outstanding New Subordinate Voting Shares, unless the Corporation obtains disinterested shareholder approval as required by the policies of the Exchange. The aggregate

number New Subordinate Voting Shares for which options may be issued to any persons retained to provide Investor Relations Activities (as defined in the Equity Incentive Plan) in any 12-month period cannot exceed 2% of the outstanding New Subordinate Voting Shares, calculated on the date an option is granted to such persons, unless the Corporation obtains prior consent of the Exchange. The aggregate number of New Subordinate Voting Shares for which Awards may be issued to any one consultant within any 12-month period shall not exceed 2% of the outstanding New Subordinate Voting Shares, calculated on the date an Award is granted to the consultant, unless the Corporation obtains prior consent of the Exchange.

The Equity Incentive Plan provides for customary adjustments or substitutions, as applicable, in the number of New Subordinate Voting Shares that may be issued under the Equity Incentive Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction.

In the event of an actual or potential Change of Control (as defined in the Equity Incentive Plan) of the Corporation, the Board of Directors shall have discretion as to the treatment of Awards, including whether to (i) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of any Award; (ii) cancel Awards and cause to be paid to the holders of vested Awards the value of such Awards, if any, as determined by the Committee or the Board of Directors, in its sole discretion, it being understood that in the case of any option with an exercise price that equals or exceeds the price paid for a New Subordinate Voting Share in connection with the Change of Control, the Committee or the Board of Directors may cancel the option without the payment of consideration therefor; (iii) provide for the issuance of substitute Awards or the assumption or replacement of such Awards; or (iv) provide written notice to Eligible Participants that for a period of at least ten (10) days prior to the Change of Control, any Awards not to exercised shall terminate and be of no further force and effect.

Stock Options

Stock options (“**Equity Incentive Options**”) granted under the Equity Incentive Plan shall be separately designated ISO or Non-Qualified Stock Options. Each Equity Incentive Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The vesting provisions of individual Equity Incentive Options may vary. Notwithstanding any other provision set out in the Equity Incentive Plan, Equity Incentive Options granted to Eligible Participants conducting Investor Relations Activities will vest (i) over a period of not less than 12 months as to 25% on the date that is three (3) months from the date of grant, and a further 25% on each successive date that is three (3) months from the date of the previous vesting; or (ii) such longer vesting period as the Board of Directors or Committee may determine.

Incentive Stock Options

ISOs may only be granted to employees. A 10% shareholder shall not be granted an ISO unless the option exercise price is at least 110% of the fair market value of the New Subordinate Voting Shares at the grant date and the ISO is not exercisable after the expiration of five (5) years from the grant date. Subject to this shareholder provision, no ISO shall be exercisable after the expiration of 10 years from the grant date; and the option exercise price of each ISO shall not be less than 100% of the fair market value of the New Subordinate Voting Shares on the grant date. Nonetheless, subject to the policies of the Exchange, an ISO may be granted with an exercise price lower than 100% of the fair market value if such Equity Incentive Option is granted pursuant to an assumption or substitution for another Equity Incentive Option in a manner satisfying the provisions of Section 424(a) of the Internal Revenue Code of 1986 (the “**Code**”).

To the extent that the aggregate fair market value (determined at the time of grant) of New Subordinate Voting Shares with respect to which ISOs are exercisable for the first time by any optionholder during any calendar year (under all plans of the Corporation and its affiliates) exceeds \$100,000, the Equity Incentive Options or portions thereof which exceed such limit shall be treated as Non-Qualified Stock Options.

Non-Qualified Stock Options

Non-Qualified Stock Options may be granted to Eligible Participants. The term of a Non-Qualified Stock Option granted under the Equity Incentive Plan shall be determined by the Committee; *provided, however*, no Non-Qualified Stock Option shall be exercisable after the expiration of 10 years from the grant date. The exercise price of each Non-Qualified Stock Option shall not be less than 100% of the fair market value of the New Subordinate Voting Shares subject to the Equity Incentive Option on the grant date. Nonetheless, subject to the policies of the Exchange, an ISO may be granted with an option exercise price lower than 100% of the fair market value if such Equity Incentive Option is granted pursuant to an assumption or substitution for another Equity Incentive Option in a manner satisfying the provisions of Section 409A of the Code.

Restricted Awards

Restricted Shares

Each Eligible Participant granted Restricted Shares shall execute and deliver to the Corporation an Award agreement with respect to the Restricted Share setting forth the restrictions and other terms and conditions applicable to such Restricted Share. Restricted Shares awarded to an Eligible Participant shall be subject to the following restrictions until the expiration of the restricted period, commencing on the grant date and ending at the time or times set forth on a schedule established by the Committee (“**Restricted Period**”) and to such other terms and conditions as may be set forth in the applicable Award agreement: (i) if an escrow arrangement is used or the Corporation is to hold such shares, the Eligible Participant shall not be entitled to delivery of the certificate representing such shares; (ii) such shares shall be subject to the restrictions on transferability set forth in the Award agreement; (iii) such shares shall be subject to forfeiture to the extent provided in the applicable Award Agreement; and (iv) to the extent such shares are forfeited, all rights of the Eligible Participant to such shares and as a shareholder with respect to such shares shall terminate without further obligation on the part of the Corporation.

Upon the expiration of the Restricted Period with respect to any Restricted Shares, the restrictions set forth above and the applicable Award agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement.

Restricted Share Units

Restricted Share Units (as defined in the Equity Incentive Plan) awarded to an Eligible Participant shall be subject to (i) forfeiture until the expiration of the Restricted Period and satisfaction of any applicable performance goals during such period, to the extent provided in the applicable Award agreement, and to the extent such Restricted Share Units are forfeited, all rights of the Eligible Participant to such Restricted Share Units shall terminate without further obligation on the part of the Corporation and (ii) such other terms and conditions as may be set forth in the applicable Award agreement.

Upon the expiration of the Restricted Period with respect to any outstanding Restricted Share Units, the Corporation shall deliver to the Eligible Participant, or his or her beneficiary, without charge, one Subordinate Voting Share for each outstanding Restricted Share Unit and any dividend equivalent payments credited to the Eligible Participant’s account with respect to such Restricted Share Units and the interest thereon, if any; provided, however, that if explicitly provided in the Award agreement, the Committee may, in its sole discretion, elect to pay part cash or part cash and part Subordinate Voting Share in lieu of delivering only Subordinate Voting Shares for vested Restricted Share Units. If a cash payment is made in lieu of delivering Subordinate Voting Shares, the amount of such payment shall be equal to the fair market value of the Subordinate Voting Shares as of the date on which the Restricted Period lapsed.

External Management Companies

None of the directors or NEOs of the Corporation have been retained or employed by an external management company that has entered into an understanding, arrangement or agreement with the Corporation to provide executive management services to the Corporation, directly or indirectly.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the Corporation's directors or officers or any of their respective associates is indebted to the Corporation or has been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE

Audit Committee Charter

Following the Meeting and the satisfaction of the Escrow Release Conditions, the Board of Directors will establish the audit committee of the Corporation (the "**Audit Committee**") to provide assistance to the Board of Directors in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Corporation. The external auditors of the Corporation will report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities will include: (i) reviewing and reporting to the Board of Directors on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and any related MD&A, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Corporation's external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Corporation's external auditor, overseeing the Corporation's internal auditor, and pre-approving any non-audit services to the Corporation; (iv) reviewing at least annually, the Corporation's policies for risk assessment and risk management; (v) reviewing with management and the Corporation's external auditors, at least annually, the integrity of the internal controls over financial reporting and disclosure; (vi) reviewing management reports related to legal or compliance matters that may have a material impact on the Corporation and the effectiveness of the Corporation's compliance policies; and (vii) establishing whistleblowing procedures and investigating any complaints or concerns it deems necessary. The Corporation's Audit Committee will be governed by a charter in substantially the form attached as Schedule B to this prospectus.

Composition of the Audit Committee

Pursuant to section 6.1.1 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), an audit committee of a venture issuer must be composed of at least three members, each of whom must be a director of the issuer. The majority of the members must not be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer. It is anticipated that the Audit Committee will be composed of three directors, being Steven Isenberg (Chair), Stephen Rigby and Kirstine Stewart. All proposed members of the Corporation's Audit Committee are not executive officers, employees or affiliated entities of the Corporation or of an affiliate of the Corporation. Under NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with a director's exercise of independent judgment. The Board of Directors has determined that all proposed members of the Audit Committee are independent directors within the meaning of NI 52-110.

Each proposed member of the Audit Committee is considered financially literate, as they each have a good command of IFRS and the ability to understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements and the internal controls and procedures for financial reporting. See "*Directors and Officers - Biographies*" for a brief summary of the education and experience of each proposed Audit Committee member that will be relevant to his performance as a member of the Audit Committee.

Relevant Education and Experience

The education and experience of each proposed member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found under the heading "*Directors and Officers - Biographies*."

Reliance on Certain Exemptions

At no time since incorporation has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Exemption for Venture Issuers

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee will have authority to engage and communicate with advisors and professionals for non-audit services.

External Auditors Service Fees

The aggregate fees billed by our current and former auditors in each of the last two fiscal years are set out in the table below.

	Fiscal Year Ending	
	December 31, 2020	December 31, 2019
Audit fees⁽¹⁾	\$142,217	\$53,675
Audit-related fees⁽²⁾	\$16,385	Nil
Tax fees⁽³⁾	\$12,148	\$22,713
All other fees⁽⁴⁾	Nil	Nil

Notes:

- (1) Audit fees consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees are fees for assurance and related services related to the performance of the audit or review of the annual financial statements that are not reported under “Audit Fees.” These include due diligence for business acquisitions, audit and accounting consultations regarding business acquisitions, and other attest services not required by statute.
- (3) Tax fees, tax planning, tax advice and various taxation matters.
- (4) All other fees include the aggregate fees billed for products and services provided by the Corporation’s external auditor, other than “Audit fees”, “Audit-related fees” and “Tax fees” above.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board of Directors currently consists of 4 members of whom one (1) has been determined to be independent based upon the tests set forth in NI 52-110. Stephen Rigby and Kirstine Stewart are expected to be nominated for election to the Board of Directors at the Meeting. Following the Meeting, Steven Isenberg, Stephen Rigby and Kirstine Stewart are expected to be independent directors. Whereas, Steven Salz, Ryan White and Kevin Wimer are each not an independent director as each are executive officers of the Corporation.

NP 58-201 suggests that the board of directors of reporting issuers should be constituted with a majority of individuals who qualify as “**independent**” directors. An “**independent**” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship that could, in the view of the board of

directors, reasonably interfere with the exercise of a director's independent judgment. In addition, the independent judgment of the Board of Directors in carrying out its responsibilities is the responsibility of all directors.

The Board of Directors has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Corporation, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Corporation and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Corporation is delegated by the Board of Directors to the senior officers of the Corporation. The Board of Directors will give direction and guidance through the Chief Executive Officer to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board of Directors.

The Board of Directors will recommend nominees to the shareholders for election as directors, and immediately following each annual general meeting will appoint the members of the committees of the Board of Directors.

In addition to the *in camera* sessions to be held by the Corporation's independent directors, the Board of Directors will exercise its independent supervision over management by its policies that (a) periodic meetings of the Board of Directors be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Corporation are subject to prior approval of the Board of Directors. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Corporation.

The mandate of the Board of Directors is to provide governance and stewardship to the Corporation and its business. The mandate sets out the Board of Directors' responsibility for, among other things, (i) participating in the development of and approving a strategic plan for the Corporation; (ii) supervising the activities and managing the investments and affairs of the Corporation; (iii) approving major decisions regarding the Corporation; (iv) reviewing, approving and monitoring annual operating plans and budgets; (v) defining the roles and responsibilities of management and delegating management authority to the Chief Executive Officer; (vi) approving related party transactions; (vii) reviewing and approving the business and investment objectives to be met by management; (viii) assessing the performance of and overseeing management; (ix) reviewing PMML's debt strategy; (x) identifying and managing risk exposure; (xi) ensuring the integrity and adequacy of PMML's internal controls and management information systems; (xii) succession planning; (xiii) establishing committees of the Board of Directors, where required or prudent, and defining their mandate; (xiv) maintaining records and providing reports to shareholders; (xv) ensuring effective communication with shareholders, other stakeholders and the public; (xvi) determining the amount and timing of distributions to shareholders; and (xvii) monitoring the social responsibility, integrity and ethics of the Corporation.

The Board of Directors will adopt a written position description for the chair of the Board of Directors which will set out the chair's key responsibilities, including, as applicable, duties relating to setting Board of Directors meeting agendas, chairing Board of Directors and shareholders meetings, director development and communicating with shareholders and regulators. The Board of Directors will also adopt a written position description for each of the committee chairs which will set out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The activities of the executive officers are subject to the overriding supervision and direction of the Board of Directors. The responsibilities of the executive officers of PMML will include, but is not limited to, the following: (i) providing the Board of Directors with information and advice relating to the operation of PMML's properties, acquisitions, dispositions, developments and financings; (ii) establishing, at least on an annual basis, investment and operating plans for the ensuing period, as approved by the Board of Directors, and implementing such plans and monitoring the financial performance of PMML; (iii) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions, as approved by the Board of Directors; (iv) maintaining the books and financial records of PMML; (v) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of PMML for tax and accounting purposes, as approved by the Board of Directors; (vi) preparing reports and other information required to be sent to shareholders and other disclosure documents, as approved by the Board of Directors; (vii) calculating all distributions, as approved by the Board of Directors; (viii) communicating with shareholders and other persons, including investment dealers,

lenders, investors, and professionals; (ix) administering or supervising the administration, on behalf of the Board of Directors, of the payment of distributions by PMML; and (x) ensuring PMML is in compliance with internal policies and regulatory and legal requirements.

The Board of Directors has adopted a written position description for the Chief Executive Officer which sets out the key responsibilities of each position. The primary functions of the Chief Executive Officer will be to lead the management of the business and affairs of PMML, to lead the implementation of the resolutions and the policies of the Board of Directors, to supervise day to day management and to communicate with shareholders and regulators. Whereas, the Board of Directors considers that the role and responsibilities of the Chief Executive Officer are to develop the Corporation's strategic plans and policies, recommend such plans and policies to the Board of Directors, report relevant matters to the Board of Directors, facilitate communications between the Board of Directors and management, provide executive leadership and identify business risks and opportunities and manage them accordingly. The mandates of the Chief Executive Officer will be considered by the Board of Directors for approval at least annually.

Participation of Directors in Other Reporting Issuers

The following directors and proposed directors of the Corporation currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction):

Name	Name of Reporting Issuer
Steven Isenberg	Urbanfund Corp. (TSXV: UFC)
Kirstine Stewart	Think Research Corporation (TSXV: THNK) Nurosene Health Inc. (TSXV: MEND)

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, orientation of new members of the Board of Directors is conducted by informal meetings with members of the Board of Directors, briefings by management, and the provision of copies of or access to the Corporation's documents.

The Corporation has not adopted formal policies respecting continuing education for members of the Board of Directors. Members of the Board of Directors are encouraged to communicate with management, legal counsel, auditors and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Corporation's operations. Members of the Board of Directors have full access to the Corporation's records.

Ethical Business Conduct

The Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, and the restrictions placed by the OBCA on an individual director's participation in decisions of the Board of Directors in which the director has an interest have helped to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of the Corporation also serves as a director or officer of another company engaged in similar business activities to the Corporation, that director must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Nomination of Directors

The Corporation does not have a stand-alone nomination committee. The Board of Directors has responsibility for identifying potential candidates for the Board of Directors. The Board of Directors assesses potential candidates to fill perceived needs on the Board of Directors for required skills, expertise, independence and other factors. Members of the Board of Directors and representatives of the industry are consulted for possible candidates.

Compensation

It is anticipated that the Compensation Committee will initially consist of three independent directors and one non-independent director and will be charged with reviewing, overseeing and evaluating the compensation policies. It is anticipated that the Compensation Committee will be comprised of Stephen Rigby, who will act as chair of this committee, Steven Isenberg and Steven Salz. The Board of Directors believes that each of these members hold experience with respect to oversight on compensation or executive compensation matters. For information regarding the steps taken to determine compensation for the directors and the executive officers, see “*Executive Compensation*” herein.

Steven Salz is a proposed member of the Compensation Committee and is an officer of the Corporation. Accordingly, Mr. Salz will declare a conflict in respect of any matters related to his compensation and will recuse himself from all deliberations and meetings of the Compensation Committee that may directly or indirectly relate to his compensation. Accordingly, the Board of Directors believes that the Compensation Committee will be able to conduct its activities in an objective manner.

The Board of Directors expects to adopt a written charter setting forth the purpose, composition, authority and responsibility of the Compensation Committee. The Compensation Committee’s purpose will be to assist the Board of Directors in:

- reviewing and approving compensation packages, including goals and objectives against which bonuses are assessed, of the Corporation’s senior officers;
- reviewing and recommending to the Board of Directors for approval all annual cash bonuses and incentive stock option, restricted share and restricted share unit allocations;
- reviewing the compensation practices and policies of the Corporation to ensure that they are competitive and that they provide appropriate motivation for corporate performance and increased shareholder value;
- overseeing the administration of the Corporation’s compensation programs, including any incentive compensation plans and equity-based plans;
- establishing policies and procedures designed to identify and mitigate risks associated with the Corporation’s compensation policies and practices;
- reviewing and making recommendations to the Board of Directors with respect to compensation of directors; and
- reviewing and making recommendations to the Board of Directors regarding the Corporation’s director’s and officer’s liability insurance policies.

Other Committees

The Board of Directors has no other committees other than the Audit Committee and Compensation Committee.

Assessments

The Board of Directors will monitor the adequacy of information given to directors, communication between the Board of Directors and management and the strategic direction and processes of the Board of Directors and

committees. On an ongoing annual basis, the Board of Directors will assess the performance of the Board of Directors as a whole, each of the individual directors and each committee of the Board of Directors in order to satisfy itself that each is functioning effectively.

Insider Trading Policy

The Board of Directors has adopted an insider trading policy to set forth basic guidelines for trading in the Corporation's securities and to preserve its confidential information so as to avoid any situation that might have the potential to damage the Corporation's reputation or which could constitute a violation of federal or provincial securities law by the Corporation, its officers, directors, or employees.

Under this policy, "**insiders**" (i.e., officers, members of the Board of Directors and other individuals having access to material non-public information) are prohibited from trading in securities of the Corporation on the basis of such material non-public information until after the information has been disclosed to the public. All matters regarding the "**materiality**" or "**non-public**" nature of any information shall be determined by the chair or legal counsel of the Corporation.

The obligation not to trade on inside information applies not only to the Corporation and insiders, but also to persons who obtain such information from insiders and use it to their advantage. Thus, liability may be imposed upon the Corporation, its insiders and also outsiders who are the source of leaks of material information not yet disclosed to the public and in circumstances where the leaks coincide with purchases or sales of the Corporation's securities (i) by such insiders or outsiders, (ii) by the Corporation itself, or (iii) by "**tippees**" (including relatives, friends, investment analysts, etc.).

Material non-public information shall not be disseminated to any person outside the Corporation and must be distributed within the Corporation only on a strict "**need to know**" basis. Violation of any of the securities laws described in this policy may result in the institution of a prosecution or an enforcement proceeding against the individual and the Corporation, or both.

In order to provide a degree of certainty as to when insider trading is permissible with respect to the timing of quarterly and annual releases of financial information, the Corporation will establish recurring "**quiet periods**" relative to such releases. Directors, all officers and employees with access to financial results, are not permitted to buy or sell securities of the Corporation during the periods commencing on the first day of each fiscal quarter and ending at the close of business on the second working day after quarterly or annual earnings are released to the public. Trading in securities of the Corporation at other times may be permissible, but all such transactions by directors, officers and other identified employees must be approved in advance by the chair of the Board of Directors and must be reported to the legal counsel after consummating the transaction.

The Corporation may impose additional quiet periods during which trading will not be allowed when there are developments which give rise to the need for public disclosure. Affected stockholders will be advised by memorandum from the chair when these additional quiet periods are in effect. All directors and officers and other specifically identified employees of the Corporation must (i) clear through the chair each and every proposed transaction in Corporation stock before consummating the transaction and (ii) promptly report to the legal counsel the consummation of any transactions, whenever consummated.

The insider trading policy also outlines the Corporation's reporting obligations for changes in securities of the Corporation owned by insiders.

Disclosure Policy

The Board of Directors has adopted a disclosure policy, which aims to promote consistent disclosure practices by the Corporation in connection with the timely disclosure of material information about the Corporation to the market. The disclosure policy applies to all directors, officers, spokespersons and employees of the Corporation and its subsidiaries and covers all methods used by the Corporation to communicate to its shareholders, the media and members of the investment community, including: press releases, written statements made in annual and quarterly reports,

communications to shareholders, documents filed with the securities regulatory authorities, communications made during investor conferences, speeches made by senior management, oral statements made in the course of meetings or calls with securities markets professionals, shareholders, media or other external audiences and website and social media communications (including through corporate blogs, chat boards, Twitter, Facebook, LinkedIn, YouTube and other non-traditional means of communication). The Board of Directors is responsible for the administration and implementation of this disclosure policy.

The disclosure policy sets out a non-exhaustive list of examples of the types of events or information that may be material for the purposes of issuing news releases. Material information will be publicly disclosed promptly by news release. The only exceptions will occur in restricted circumstances where applicable securities laws and stock exchange policies permit the maintenance of confidentiality and regulatory filings on a confidential basis.

The Corporation may provide forward-looking information in appropriate circumstances to enable evaluation of the Corporation's operations and prospects for performance. Forward-looking information will only be released in circumstances determined by the Chief Executive Officer. Forward-looking information may include statements about future or anticipated growth, operating results and performance of the Corporation and business prospects and opportunities.

To the extent that forward-looking information is provided by the Corporation in a disclosure document, news release or statement by a spokesperson, it will be accompanied by: cautionary language to warn of the risk that material factors could cause actual results to differ materially from statements made in the forward-looking information and a statement of material factors or assumptions that were applied in the preparation of the forward-looking information.

The Corporation will also disclaim any intention to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

The disclosure policy also sets out how the Corporation plans to respond to rumours, when to hold conference calls for quarterly and annual financial results, sets out procedures for contact with analysts, investors and the media and includes guidelines for the Corporation's website, use of social media, public presentations and speeches.

RISK FACTORS

All references to New Subordinate Voting Shares shall refer to both the New Subordinate Voting Shares and the Subordinate Voting Shares of the Corporation. All references to Multiple Voting Shares shall refer to both the Multiple Voting Shares and the Class A Shares of the Corporation.

Risks Related to the Regulatory Environment

Esports Betting Industry is Heavily Regulated

PMML 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 PMML 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 PMML'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.

Regulatory regimes imposed upon gaming providers vary by jurisdiction. Typically, however, most regulatory regimes include the following elements:

- a requirement for gaming licence 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 licences;
- 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 its regulatory body 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 PMML's eligibility for such a licence in another jurisdiction, and any of such losses, or potential for such loss, could cause PMML to cease offering some or all of its product offerings in the impacted jurisdictions. PMML 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. PMML'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 PMML, 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 misstatement 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 PMML or any of its directors, officers, employees or associates.

Additionally, PMML'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, PMML may not obtain either of them. If PMML 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 PMML 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. PMML 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 PMML's product offerings. If PMML 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 PMML'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 PMML's business, financial condition and results of operations.

Complex and Evolving Regulatory Environment for Online Gaming Industry

In addition to regulations governing online gaming, PMML 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. PMML 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, PMML 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. PMML 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 PMML 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. For example, in June 2010, Norway enacted a law prohibiting the remittance of monies from Norwegian bank accounts to gaming operators. In January 2020, there were subsequent amendments to this law to further ensure compliance so that not only banks but other companies are required to investigate all payment transactions. Additionally, in July 2018, Italy introduced legislation banning gaming advertising in various forms, with the ban extending to in-game advertising and sponsorships of sports or cultural events beginning on July 1, 2019. This total advertising ban outlaws any form of advertising, even indirect, relating to games or betting with money prizes. Such regulations, if not appropriately mitigated, could materially adversely affect PMML'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 PMML globally or in certain jurisdictions. A supplier could require PMML, 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 PMML 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.

PMML 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 PMML's control. PMML 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 PMML'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 PMML's business, results of operations or financial condition.

PMML 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 PMML 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 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.

Risks Related to the Corporation's Business

PMML has a Limited Operating History

The Corporation began carrying on business in its current capacity in October 2016 and has not yet generated material income. The Corporation is, therefore, subject to many of the risks common to early stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that PMML 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. PMML's lack of operating history may also make it difficult for investors to evaluate PMML's prospects for success and there is no guarantee that PMML's business model will continue to achieve its strategic objectives.

Negative Cash Flow from Operations

During the fiscal years ended December 31, 2020 and December 31, 2019, PMML had negative cash flows from operating activities. Although the Corporation anticipates it will have positive cash flows from operating activities in future periods, to the extent that PMML 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 PMML's Future Revenues

Although management is optimistic about PMML's prospects, there is no guarantee that expected outcomes and sustainable revenue streams will be achieved. PMML faces risks frequently encountered by early-stage companies. In particular, 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 PMML's business, financial condition and results.

Global Economic Risk

While the cancellation or postponement of traditional sports has paved the way for an increase in new opportunities for the industry of esports betting; 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, the Corporation 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 PMML’s ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Corporation. If uncertain market conditions persist, PMML’s ability to raise capital could be jeopardized, which could have an adverse impact on the Corporation’s operations and trading price of the Underlying Shares on the stock exchange.

COVID-19 Risk

PMML’s business could be significantly and adversely affected by the effects of any widespread global outbreak of the 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 PMML’s services and likely impact operating results. In particular, the outbreak of COVID-19 has had a negative impact on global financial conditions. PMML cannot accurately predict the impact COVID-19 will have on PMML’s ability to remain open for business in response to government public health efforts to contain COVID-19. The Corporation cannot accurately predict the impact of COVID-19 on the ability to obtain financing or third parties’ ability to meet their obligations with the Corporation, 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 PMML’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 PMML’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 the Corporation become infected with COVID-19 or similar pathogens, it could have a material negative impact on PMML’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 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 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 PMML’s product offerings, reducing its cash flows and revenues. If the Corporation experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Risks Associated with Future Acquisitions

As part of the Corporation’s overall business strategy, PMML 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 PMML’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.

The presence of one or more material liabilities of an acquired company that are unknown to the Corporation at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Corporation. While the Corporation may obtain appropriate indemnification provisions in connection with its acquisitions and dispositions, the Corporation may still be exposed to significant financial or reputational risk as a result of entering into such transactions.

Operational Risks

PMML will be affected by a number of operational risks and PMML may not be adequately insured for certain risks, including changes in the regulatory environment, difficulty obtaining banking and payment processing for companies involved in online gaming, difficulty in obtaining gaming licences for gaming platforms, changing online gaming regulatory environments 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 and impact of non-compliance with laws and regulations. There is no assurance that the foregoing risks will not result in adverse impacts on PMML's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on PMML's future cash flows, earnings and financial condition. Also, the Corporation may be subject to or affected by liability or sustain loss for certain risks against which the Corporation cannot insure or which the Corporation may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on PMML's future cash flows, earnings, results of operations and financial condition.

Cybersecurity Risks

The Corporation's operations involve the storage and transmission of a large volume of customer data, including personally identifiable information, and security breaches, incidents technical malfunctions, errors or malfeasance could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. To mitigate cybersecurity risks, the Corporation has built a culture around cybersecurity, implementing a variety of information segregation measures, secure password storage, and multiple redundancy measures across different elements of the technology stack. Importantly, access to information and any material technical deployment requires layers of approval that limits access to key technical items to a small number of trusted staff members, and ultimately to the Corporation's Chief Technology Officer, Ryan White. Mr. White has nearly 20 years of experience in cybersecurity, understanding its risk, mitigation measures, and tactics to minimize and handle any threats. PMML 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 PMML 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 PMML's security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to the Corporation systems, data or customers' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in PMML's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Corporation applications, could have a longer and more significant impact on PMML's business operations than any hardware failure. A compromise in PMML's security system could severely harm its business by the loss of customer confidence, damage to its reputation and brands, diminished competitive position and thus the loss of 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 PMML from achieving profitability.

Foreign Operational Risks

The Corporation is domiciled and headquartered in Canada, however a significant portion of the business and operations of the Corporation is conducted in foreign jurisdictions. The Corporation's business and operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of the Corporation, including, but not limited to, renegotiation or nullification of existing contracts or licenses, changes in policies, regulatory requirements or the personnel administering them, economic sanctions, risk of terrorist activities, border disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's business is conducted. The Corporation's operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Corporation's operations in a foreign jurisdiction where the Corporation conducts or will conduct its business, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Corporation's activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a material adverse effect on the Corporation.

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 or sports betting, thereby limiting the number of new jurisdictions into which PMML could expand. Negative public perception could also lead to new restrictions on or to the prohibition of online gaming or sports betting in jurisdictions in which PMML 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 PMML's future operations. If PMML 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.

PMML 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 PMML's reputation could impact employee engagement and retention, and the willingness of future customers and PMML's partners to do business with it, which could have a materially adverse effect on its business, results of operations and cash flows.

Financial Projections May Prove Materially Inaccurate or Incorrect

PMML's financial estimates, projections and other forward-looking information contained in this prospectus were prepared by the Corporation based on its own internal data and research without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. The Corporation's user metrics are based on internal company data that are not independently verified, data from third-party analytics providers that measure the performance of its mobile applications and websites, and/or data from third-party platforms where its content is distributed, such as Facebook, Instagram, Twitter, YouTube and Twitch. While these numbers are based on what the Corporation believes to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across multiple platforms and across the Corporation's large user base around the world. PMML's measures of user growth and user engagement may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. If advertisers, partners or investors do not perceive our user metrics to be accurate representations of our user base or user engagement, or if they discover material inaccuracies in the Corporation's user metrics, our reputation may be harmed and advertisers and partners may be less willing to allocate their budgets or resources to our products and services, which could have a material adverse effect on our prospects,

business, financial condition or results of operations. Further, as PMML's business develops, we may revise or cease reporting metrics if we determine that such metrics are no longer accurate or appropriate measures of our performance. Such forward-looking information is based on assumptions of future events that may or may not occur. Investors should inquire of the Corporation 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 sales and operational results not being maintained in line with historical performance on which such projections may be based or failing to increase along expected trajectories based on past performance, 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 the Corporation and its subsidiaries might achieve.

Difficulty to Forecast

The Corporation 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 the Corporation.

Competition in Esports Betting Industry

The industry within which PMML operates is rapidly evolving and intensely competitive, and is subject to changing technology, shifting customer needs and frequent introductions of new offerings. PMML'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 PMML, which could negatively impact its business. Furthermore, new competitors, whether licenced or not, may enter PMML's key product and/or geographic markets. There is no assurance that PMML will be able to maintain or grow its position in the marketplace.

As a result of the foregoing, among other factors, PMML 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, PMML 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 PMML 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 Continued and Increasing Popularity of Esports Industry

The esports industry is in the early stages of its development. Although the esports industry has experienced rapid growth, consumer preferences may shift and there is no assurance that this growth will continue in the future. Due to the rapidly evolving nature of technology and online gaming, the esports industry may experience volatile and declining popularity as new options for online gaming and esports become available, or consumer preferences shift to other forms of entertainment, and as a consequence, the Corporation's business and results of operations may be materially negatively affected.

Reliance on Third Parties and Third-Party Networks

The Corporation is reliant to an extent on third parties, including information technology service providers, odds providers and payment processors. PMML'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 the Corporation. Moreover, PMML'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 the Corporation.

Further, the delivery of PMML's offerings and a significant portion of PMML'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 the Corporation.

As it relates to its mobile platforms, the Corporation 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, PMML's relationships with mobile partners, manufacturers and carriers, or in their terms of service or policies that degrade PMML'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 PMML'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 PMML'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 PMML's prospects, business, financial condition or results of operations.

Management of Growth

PMML may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of PMML 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 PMML to deal with this growth may have a material adverse effect on PMML's business, financial condition, results of operations and prospects.

Reliance on Management

The success of PMML will be dependent upon the ability, expertise, judgment, discretion and good faith of its key executives, including the directors and officers of PMML 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 PMML's business, operating results, or financial condition. The competition for highly skilled technical, management and other employees in PMML's industry is high and there can be no assurance that PMML will be able to engage or retain the services of such qualified personnel in the future.

Furthermore, equity-based awards comprise a key component of executive and senior management compensation, and if the share price of the New Subordinate Voting Shares declines or is volatile, it may be difficult to retain such individuals. PMML's retention and recruiting may require significant increases in compensation expense, which may adversely affect its results of operation.

Risks Relating to Insurance

PMML intends to insure its operations in accordance with technology industry practice. However, given the novelty of esports gaming and associated businesses, such insurance may not be available, uneconomical for PMML, or the nature or level may be insufficient to provide adequate insurance cover. PMML does not currently have cybersecurity insurance. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on PMML.

Risks Related to Brand Development

The brand identity in Rivalry that PMML has developed has significantly contributed to the success of its business. Maintaining and enhancing the “**Rivalry**” brand is critical to expanding PMML’s customer base. PMML believes that the importance of brand recognition will increase due to the relatively low barrier to entry in the industry. The “**Rivalry**” brand may be negatively impacted by a number of factors, including software malfunctions, and data privacy and security issues. If PMML fails to maintain and enhance its brand, or if PMML incurs excessive expenses in this effort, it could have a material adverse effect on PMML’s prospects, business, financial condition, and results of operations. Maintaining and enhancing the “**Rivalry**” brand will depend largely on PMML’s ability to continue to provide high-quality products and services, which PMML may not continue to do successfully.

Risks Relating to Cryptocurrency Transactions

It is currently intended that PMML will accept cryptocurrencies such as Bitcoin and Ethereum as a payment for certain products or services on its platform and there are risks associated with participating in cryptocurrency transactions. 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 PMML may not be capable of seeking compensation for any such transfer or theft. Although PMML’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 PMML’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.

Success of Esports Betting Products and Outcomes not Guaranteed

The esports betting industry is characterized by elements of chance. Accordingly, PMML 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. PMML 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 PMML'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 gaming. As a result of the variability in these factors, the actual win rates of esports bets may differ from the theoretical win rates estimated and could result in the winnings of PMML's customers exceeding those anticipated. The variability of win rates (hold rates) also have the potential to negatively impact PMML's financial condition, results of operations, and cash flows.

PMML's success also depends in part on its ability to anticipate and satisfy customer preferences in a timely manner. PMML 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. PMML 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. PMML 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.

The Corporation 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. PMML's software applications and systems, and the third-party platforms upon which they are made available could contain undetected errors. PMML's technology infrastructure will be critical to the performance of its platform and offerings and to customer satisfaction. PMML devotes significant resources to network and data security to protect systems and data. However, PMML'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. PMML 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. The Corporation 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 PMML; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with PMML'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 PMML's business, financial condition, results of operations and prospects.

Additionally, PMML'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 PMML platforms is slower than they expect, customers may be unable to place their bets and may be less likely to return to PMML's platforms as often, if at all. Furthermore, programming errors, defects and data corruption could disrupt operations, adversely affect the experience of PMML's customers, harm PMML's reputation, cause customers to stop utilizing PMML platforms, divert resources and delay market acceptance of PMML offerings, any of which could result in legal liability to PMML or harm its business, financial condition, results of operations and prospects.

Risk of Failing to Adapt to Changing Technology and Industry Standards

PMML'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, PMML 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 PMML's research and development costs. If PMML 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. PMML'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 PMML's ability to compete.

Reliance on Information Technology and System Infrastructure

If PMML'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 PMML'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 PMML has started to fully use the underlying equipment or software, that could further degrade the customer experience or increase its costs. As such, PMML could fail to continue to effectively scale and grow its technical infrastructure to accommodate increased demands.

Corporation's products

Because the Corporation's industry is relatively new, there is limited information about comparable companies available for potential investors to review in making a decision about whether to invest in the Corporation.

Shareholders and investors should further consider, among other factors, the Corporation's prospects for success in light of the risks and uncertainties encountered by companies that, like the Corporation, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur and they may result in material delays in the operation of the Corporation's business. The Corporation may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Corporation fails to do so, it could materially harm the Corporation's business to the point of having to cease operations and could impair the value of the securities of the Corporation to the point investors may lose their entire investment.

The Corporation expects to commit significant resources and capital to develop and market existing products and new products and services. These products are relatively untested, and the Corporation cannot assure shareholders and investors that it will achieve market acceptance for these products, or other new products and services that the Corporation may offer in the future. Moreover, these and other new products and services may be subject to significant competition with offerings by new and existing competitors in the business. In addition, new products and services may pose a variety of challenges and require the Corporation to attract additional qualified employees. The failure to successfully develop and market these new products and services could seriously harm the Corporation's business, financial condition and results of operations.

Emerging industry

The esports betting industry is emerging. There can be no assurance that an active and liquid market for shares of the Corporation will develop and shareholders may find it difficult to resell their New Subordinate Voting Shares. Accordingly, no assurance can be given that the Corporation or its business will be successful.

Dependence on key inputs, suppliers and skilled labour

The esports betting business is dependent on a number of key inputs and their related costs including materials, and supplies related to creating new software, building of new games and platforms. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of the Corporation. Some of these inputs may only be available from a single supplier or a limited group of suppliers. Given the COVID-19 risk and the interruption of

global supply chains, it may be even more difficult for the Corporation to obtain the necessary supplies and materials to carry on the business. For example, if a sole source supplier was to go out of business, the Corporation might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Corporation in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, results of operations or prospects of the Corporation.

The Corporation has two key third-party dependencies, namely its odds provider and PSP's. The Corporation receives sports betting odds feeds for its esports sportsbook and traditional sportsbook offering through a third-party provider. Any rapid loss of odds feed could cause a material disruption to the Corporation's business. The Corporation has redundancy measures in the event of such a disruption, however it would still provide impactful to the business while being resolved. PSP's are the gateway for customers to deposit and withdraw funds from the Corporation's website. A loss of particular PSP's in major markets where the Corporation operates would result in customers being unable to get funds onto the website, which would mean an inability to use the service at all. The Corporation has a variety of backup PSP's in the event of such disruption in core markets, however the efficacy of such methods is not always comparable to the primary method. As a result, the loss of primary PSP's could impact the Corporation's business continuity in the markets where such loss occurs.

The ability of the Corporation to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Corporation will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Corporation.

The Corporation's access to affordable skilled labour may be impeded by the existence of unionization or other collective bargaining efforts among the Corporation's employees or independent contractors. The Corporation may also be legally required to participate in or facilitate such unionization or collective bargaining efforts within certain jurisdictions, which could limit the Corporation's access to affordable skilled labour and have a materially adverse impact on the business, financial condition, and results of operations or prospects of the Corporation.

Failure to Retain or Add Customers

The financial performance of PMML will be significantly determined by its success in adding, 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 PMML'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:

- PMML 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 PMML'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 PMML fails to price its product offerings competitively or provide adequate customer service;
- there are decreases in customer sentiment about the quality of PMML's product offerings or concerns related to privacy, safety, security or other factors, or technical or other problems prevent PMML 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 PMML'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 PMML's product offerings that are mandated by legislation, regulatory authorities or litigation, including settlements, or PMML 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;
- PMML adopts policies or procedures related to areas such as customer data and information that are perceived negatively by its customers or the general public;
- PMML 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 PMML, third parties or otherwise;
- customers increasingly engage with the products or services of PMML's competitors; or
- PMML or other companies in the industries in which it operates are the subject of adverse media reports or other negative publicity.

If PMML 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 PMML's products less attractive to customers.

Intellectual Property may be Insufficient

PMML'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. PMML 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 PMML or that its intellectual property will not be successfully challenged or circumvented by competitors.

Source codes for PMML's technology may receive protection under international copyright laws. However, for many third parties who intend to use PMML 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 PMML may need to initiate legal proceedings following such use to obtain orders to prevent further use of the source code.

PMML may also rely on trade secrets and proprietary know-how. Although PMML 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 PMML 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, PMML's proprietary information could become known to or independently developed by competitors. If PMML 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 PMML's intellectual property portfolios are inadequate to deter unauthorized use or appropriation by third parties, the value of PMML'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 PMML's business and financial results. At the same time, PMML 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, PMML's intellectual property may not receive the same degree of protection in each jurisdiction where it operates. PMML'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 PMML 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, PMML's future success may depend upon its ability to obtain licences to use new marks and its ability to retain or expand existing licences for certain products. If PMML is unable to obtain new licences or renew or expand existing licences, 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.

PMML 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 PMML's products, branding or associated marketing materials may be found to have infringed existing third-party rights. When any third-party infringement occurs, PMML 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 licence or otherwise redesign the product, branding or associated marketing materials to avoid further infringement. Such a licence may not be available or may require PMML to pay substantial royalties.

Continued Support of Banks and Payment Processors

We rely on payment processing and banking providers to facilitate the movement of funds between us and our customer base for our sports betting platform. Anything that could interfere with or otherwise harm our relationships with payment and banking service providers could have a material adverse effect on our business, results of operations, financial condition and prospects. Our ability to accept payment from our customers or facilitate withdrawals by them may be restricted by any introduction of legislation or regulations restricting financial transactions with online or mobile sports betting operators or prohibiting the use of credit cards and other banking instruments for online or mobile sports betting transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the gambling industry in particular.

Stricter anti-money laundering regulations may also affect the quickness and accessibility of payment processing systems, resulting in added inconvenience to our customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which could also make an impact on acceptance rates. Card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the online or mobile sports betting industry as a whole or certain operators, such as ourselves. This could be due to reputational and/or regulatory reasons or in light of increased compliance standards of such third parties that seek to limit their business relationships with certain industry sectors considered as "high risk." It may also result in customers being dissuaded from accessing our product offerings if they cannot use a preferred payment option, or the quality or the speed of the supply is not suitable or accessible to the customers. Any such developments may have a material adverse effect on our business, results of operations, financial condition and prospects.

Free and Open Source Software Utilization

PMML and its other third-party suppliers and partners, make use of Free and Open Source Software ("FOSS") in the development of applications, web properties and related operational IT systems. The law surrounding the use of FOSS is in a state of evolution and the legal ramifications of such use remain uncertain in Canada and in other countries. The use of FOSS may therefore lead to unintended legal consequences that may have a material adverse effect on our proprietary technology and intellectual property, or those of our third-party suppliers and partners, including potential

tainting and a loss of our or our suppliers' or partners' proprietary positions in relation to the said applications, properties and systems. In addition, there is the possibility of intellectual property infringement claims or breach of contract claims from FOSS licensors or from our third-party suppliers or collaborative partners.

Internal controls

Effective internal controls are necessary for the Corporation to provide reliable financial reports and to help prevent fraud. Although the Corporation will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Corporation under Canadian securities law, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's results of operations or cause it to fail to meet its reporting obligations. If the Corporation or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's consolidated financial statements and materially adversely affect the trading price of the New Subordinate Voting Shares.

Newly established legal regime

The Corporation's business activities will rely on newly established and/or developing laws and regulations in the jurisdictions in which it operates. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect the Corporation's profitability or cause it to cease operations entirely. The esports betting industry may come under the scrutiny or further scrutiny by various regulatory bodies that supervise or regulate the participation in esports betting. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of the Corporation, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital.

Litigation

PMML 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 PMML 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 PMML'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 PMML 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 PMML 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.

Risks Related to the Private Placement and Securities of the Corporation

Discretion in the Use of Proceeds

Provided the Escrow Release Conditions are met, the Corporation will have broad discretion concerning the use of the balance of the proceeds of the Private Placement, as well as the timing of their expenditure. See: "*Use of Available*

Funds.” As a result, investors will be relying on the judgment of management for the application of the balance of the proceeds of the Private Placement. Management of the Corporation may use the net proceeds of the Private Placement in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Corporation’s operations may suffer. Management currently intends to allocate the net proceeds received from the Private Placement as described under “*Use of Available Funds*”, however, management may elect to allocate the net proceeds differently from that described under “*Use of Available Funds*” if it believes it would be in the Corporation’s best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds of the Private Placement.

Increased costs as a result of being a public company and limited public company management experience

As a public issuer, PMML will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Corporation’s securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Corporation’s legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business, financial condition, and results of operations. PMML’s management team also has limited experience managing a publicly-traded company and the increased regulatory compliance may divert its attention from day-to-day management of the Company.

Currency fluctuations

Due to the Corporation’s varied customer-base, international presence, and its intention to continue future operations worldwide, the Corporation is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Corporation’s revenue will be earned in US dollars, but a portion of its operating expenses are incurred in Canadian dollars. The Corporation does not have currency hedging arrangements in place and there is no expectation that the Corporation will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the US dollar and the Canadian dollar, may have a material adverse effect on the Corporation’s business, financial position or results of operations.

Sales of substantial amounts of Underlying Shares may have an adverse effect on the market price of the Underlying Shares

Sales of substantial amounts of Underlying Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Underlying Shares. A decline in the market prices of the Underlying Shares could impair the Corporation’s ability to raise additional capital through the sale of securities should it desire to do so.

Volatile market price for the Underlying Shares

The market price for the Underlying Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Corporation’s control, including, but not limited to the following:

- actual or anticipated fluctuations in the Corporation’s quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Corporation will operate;
- addition or departure of the Corporation’s executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Underlying Shares;
- sales or perceived sales of additional Underlying Shares;

- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Corporation's industry generally and its business and operations both domestically and abroad;
- regulatory changes affecting businesses generally within jurisdictions in which the Corporation operates or does business both domestically and abroad;
- announcements of developments and other material events by the Corporation or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Corporation or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Underlying Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted, and the trading price of the Underlying Shares may be materially adversely affected.

A decline in the price of the Underlying Shares could affect the Corporation's ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Underlying Shares could result in a reduction in the liquidity of its Underlying Shares and a reduction in its ability to raise capital. Because a significant portion of the Corporation's operations have been and will be financed through the sale of equity securities, a decline in the price of its shares could be especially detrimental to the Corporation's liquidity and its operations. Such reductions may force the Corporation to reallocate funds from other planned uses and may have a significant negative effect on the Corporation's business plan and operations, including its ability to develop new products and continue its current operations. If the Corporation's stock price declines, it can offer no assurance that the Corporation will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Corporation is unable to raise sufficient capital in the future, the Corporation may not be able to have the resources to continue its normal operations.

The Underlying Shares lack a liquid, public market

There has been no public market for the Underlying Shares and there can be no assurance that a liquid, public market will develop for the Underlying Shares. This may affect the pricing of the Underlying Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Underlying Shares and the extent of issuer regulation. There can be no assurance that an active trading market for our securities will develop or, if developed, that any such market, including for the Underlying Shares, will be sustained. The Offering Price may not be indicative of the market price of the Underlying Shares following a listing on the TSXV or other stock exchange. In the absence of an active trading market for the Underlying Shares, investors may have difficulty selling their Underlying Shares. We cannot predict the prices at which the Underlying Shares will trade.

Risks Relating to the Reorganization and the Dual Class Voting Structure of the Corporation

Risks relating to the Reorganization

The Corporation cannot guarantee that the Reorganization will occur on the terms set out herein (or at all) or that the Meeting will be held in a timely manner. In the event the Reorganization is not completed as set out herein or in a timely manner, the Escrow Release Conditions may not be satisfied and/or waived, resulting in: (a) the Corporation not being able to access the proceeds from the Private Placement and being unable to execute its business plan as currently intended; and (b) the Underlying Shares not being approved for listing on any recognized stock exchange resulting in there being no market for the trading of the Underlying Shares which may have an adverse effect on their value.

Dual Class Voting Structure

Assuming completion of the Reorganization and the corresponding re-designation of each outstanding Subordinate Voting Share as a New Subordinate Voting Share and each outstanding Class A Share as a Multiple Voting Share (as further described herein) (the “**Dual Class Voting Structure**”), the Multiple Voting Shares will have 100 votes per share and the New Subordinate Voting Shares will have one vote per share. The MVS Holders will hold approximately 4.67% of the outstanding equity interest in the Corporation and approximately 83.05% of the voting rights of the Corporation and, accordingly, the MVS Holders will have a significant influence and control over the Corporation, including election of directors and significant corporate transactions.

In addition, because of the 100-to-1 voting ratio between the Multiple Voting Shares and New Subordinate Voting Shares, the MVS Holders will continue to control a majority of the combined voting power of the voting shares even where the Multiple Voting Shares represent a substantially reduced percentage of the total outstanding shares. The MVS Holders will continue to hold and may acquire additional investments and assets that will compete with the Corporation. Accordingly, the interests of the MVS Holders may not be the same as those of the Corporation’s other shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Corporation or the Corporation’s minority shareholders.

The control of the Multiple Voting Shares by the MVS Holders will limit the ability of holders of New Subordinate Voting Shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amendment of share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of the business, merging with other companies and undertaking other significant transactions. As a result, the MVS Holders will have the ability to influence many matters affecting the Corporation and actions may be taken that holders of New Subordinate Voting Shares may not view as beneficial.

The market price of the New Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of the MVS Holders. Additionally, the significant voting interest of the MVS Holders may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the New Subordinate Voting Shares, might otherwise receive a premium for the New Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by the MVS Holders.

Future transfers by holders of Multiple Voting Shares will, subject to certain permitted exceptions, generally result in those shares converting to New Subordinate Voting Shares, which will have the effect of increasing the relative voting power of those holders of Multiple Voting Shares who retain their shares. See also “*Description of Securities – New Subordinate Voting Shares and Multiple Voting Shares*.” The Corporation’s directors and officers owe a fiduciary duty and must act honestly and in good faith with a view to the Corporation’s best interests. However, any director and/or officer that holds New Subordinate Voting Shares is entitled to vote their shares in their own interests, which may not always be in the interests of the holders of the shareholders generally.

PROMOTERS

Steven Salz, the Chief Executive Officer and a director of the Corporation and 2538373 Ontario Inc., a private company owned and controlled by Steven Salz have been promoters of the Corporation since its incorporation. As of the date of this prospectus, Steven Salz beneficially owns, controls, or directs, directly or indirectly: (a) 1,250,000 Subordinate Voting Shares, representing 0.75% of the issued and outstanding Subordinate Voting Shares on a non-diluted basis; and (b) 1,300,000 Multiple Voting Shares, representing 13.00% of the issued and outstanding Multiple Voting Shares on a non-diluted basis. Since the incorporation of the Corporation, Mr. Salz has received an aggregate sum of \$241,313 in salary from the Corporation.

Kevin Wimer, the Chief Operating Officer and a director of the Corporation and CrayneAce Inc., an entity owned equally by Kevin Wimer and the spouse of Ryan White and under the equal control of Kevin Wimer and Ryan White have been promoters of the Corporation since its incorporation. As of the date of this prospectus, Kevin Wimer beneficially owns, controls, or directs, directly or indirectly: (a) 5,000,000 Subordinate Voting Shares, representing 3.01% of the issued and outstanding Subordinate Voting Shares on a non-diluted basis; and (b) 5,000,000 Multiple Voting Shares, representing 50.00% of the issued and outstanding Multiple Voting Shares on a non-diluted basis. Since the incorporation of the Corporation, Mr. Wimer has received an aggregate sum of \$408,287 in salary from the Corporation.

Ryan White, the Chief Technology Officer of the Corporation and CrayneAce Inc, an entity owned equally by Kevin Wimer and Mr. White's spouse and under the equal control of Kevin Wimer and Ryan White have been promoters of the Corporation since its incorporation. As of the date of this prospectus, Ryan White beneficially owns, controls, or directs, directly or indirectly: (a) 5,000,000 Subordinate Voting Shares, representing 3.01% of the issued and outstanding Subordinate Voting Shares on a non-diluted basis; and (b) 5,000,000 Multiple Voting Shares, representing 50.00% of the issued and outstanding Multiple Voting Shares on a non-diluted basis. Since the incorporation of the Corporation, Mr. White has received an aggregate sum of \$241,593 in salary from the Corporation.

Steven Isenberg, a director of the Corporation and 2550170 Ontario Inc., a private company owned and controlled by Steven Isenberg have been promoters of the Corporation since its incorporation. As of the date of this prospectus, Steven Isenberg beneficially owns, controls, or directs, directly or indirectly: (a) 2,678,291 Subordinate Voting Shares, representing 1.61% of the issued and outstanding Subordinate Voting Shares on a non-diluted basis; and (b) 1,700,000 Multiple Voting Shares, representing 17.00% of the issued and outstanding Multiple Voting Shares on a non-diluted basis.

No promoter of the Corporation, is, as at the date of this prospectus, or was, within 10 years before the date of this prospectus, a director, chief executive officer or chief financial officer of any company (including PMML), that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days:

- that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or
- that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No promoter of the Corporation:

- is, as at the date of the prospectus, or has been within the 10 years before the date of the prospectus, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act 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; or

- has, within the 10 years before the date of the prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

Other than as disclosed herein, no promoter of the Corporation has been subject to (a) 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) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On June 28, 2018, a Hearing Panel of IIROC accepted the Settlement Agreement, with sanctions, between IIROC staff and M Partners Inc. and Steven Isenberg. The Settlement Agreement was entered into with respect to the failure by M Partners Inc. to comply with certain trading supervisions and audit trail obligations. Mr. Isenberg was the ultimate designated person of M Partners Inc. at the time of such compliance failures. Pursuant to the Settlement Agreement, M Partners Inc. paid a fine of \$120,000 and Mr. Isenberg paid a fine of \$70,000. A copy of the Settlement Agreement is available on the IIROC website.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS MATTERS

Legal Proceedings

There are no legal proceedings the Corporation is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the Corporation are included in this prospectus.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Kevin Wimer, a director of the Corporation, resides outside of Canada and the Corporation's auditors, Macias Gini & O'Connell LLP, are incorporated or formed under the laws of a foreign jurisdiction. Each of Kevin Wimer and Macias Gini & O'Connell LLP have appointed the following agent for service of process.

Name	Name and Address of Agent
Kevin Wimer	Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1
Macias Gini & O'Connell LLP	Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1

Purchasers are advised that it may not be possible to enforce judgments obtained in Canada against any person or company that is a resident, incorporated, continued or otherwise organized outside of Canada, even if the party has appointed an agent for service of process.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No insider, director or executive officer of the Corporation and no associate of any director, executive officer, or insider has any material interest, direct or indirect, in any transaction within the three years before the date of this

prospectus that has materially affected or is reasonably expected to materially affect the Corporation. See “*Executive Compensation*” and “*Description of the Business*.”

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The Corporation’s auditor is Macias Gini & O’Connell LLP at its offices located at 2029 Century Park East, Suite 1500, Los Angeles, CA, 90017.

Transfer Agent and Registrar

The transfer agent and registrar for the Corporation’s securities is Odyssey Trust Company at its principal office located at 1230, 300 5th Avenue SW, Calgary, AB T2P 3C4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation to the date hereof which are currently in effect and considered to be material:

1. The Agency Agreement
2. The Subscription Receipt Agreement
3. The IOM License

EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this prospectus as having prepared or certified a part of this prospectus, or a report, valuation, statement or opinion described in this prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Corporation or any associate or affiliate of the Corporation.

Macias Gini & O’Connell LLP has confirmed that it is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters in connection with this prospectus will be passed upon by Dentons Canada LLP.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

In an offering of Subscription Receipts (including Underlying Shares upon the satisfaction and/or waiver of the Escrow Release Conditions), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Subscription Receipts were offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be

recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Corporation has granted to each holder of a Subscription Receipt a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipt who acquires Underlying Shares upon the satisfaction and/or waiver of the Escrow Release Conditions as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation: (a) the holder is entitled to rescission of its Subscription Receipt; (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Agents or the Corporation, as the case may be, on the acquisition of the Subscription Receipt; and (c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

SCHEDULE “A”
PMML FINANCIAL STATEMENTS AND MD&A

(see attached)

PMML CORP.

Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

Expressed in Canadian Dollars



Certified
Public
Accountants

Management's Responsibility for Financial Reporting

To the Shareholders of PMML Corp.:

Management of PMML Corp. and its Subsidiaries (combined the "Company") is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgements and estimates in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and ensuring that all information in the annual report is consistent with the consolidated financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors. The accompanying consolidated financial statements of the Company were reviewed by the Audit Committee and approved by the Board of Directors.

Macias Gini & O'Connell LLP, an independent firm, is appointed by the Board of Directors to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.


Steven Salz
Chief Executive Officer


Kejda Qorri
Chief Financial Officer

Los Angeles, California
May 28, 2021

PMML CORP.

Index to Consolidated Financial Statements

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Operations and Comprehensive Income (Loss).....	5
Consolidated Statements of Changes in Shareholders’ Equity.....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements	8-24



Independent Auditor's Report

To the Shareholders of PMML Corp. and Subsidiaries
Toronto, ON Canada

Opinion

We have audited the consolidated financial statements of PMML Corp. (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity and of 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 present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Material Uncertainty Related to Going Concern

We draw attention to Note 1, Liquidity and Capital Resources, in the financial statements, which indicates that the Company incurred a net loss of \$6,900,197 and \$3,786,208 during the year ended December 31, 2020 and 2019, respectively. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements' section of our report. We are independent of the Company in accordance with the ethical requirements relevant to the audit of 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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management 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, 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.

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.

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.

Auditor's 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 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 consolidated 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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

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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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 audits.

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

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
May 28, 2021

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Financial Position
As of December 31, 2020 And 2019

		ASSETS	
		Financial Footnote	
		2020	2019
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,426,578	\$ 3,538,894
Accounts receivable	2	5,518,535	336,485
Prepaid expenses and deposits		54,813	131,948
Total current assets		6,999,926	4,007,327
Property and equipment, net	3	78,370	68,501
Intangible assets	2	134,663	134,663
Investments	2	-	80,943
Right-of-use assets, net	4	410,382	607,366
TOTAL ASSETS		\$ 7,623,341	\$ 4,898,800
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 279,577	\$ 244,414
Current portion of lease liabilities	4	92,458	-
Player balances	2	214,403	99,451
Total current liabilities		586,438	343,865
Non-current portion of lease liabilities	4	228,183	407,473
TOTAL LIABILITIES		814,621	751,338
SHAREHOLDERS' EQUITY			
Common shares	5	20,777,435	11,371,096
Class A shares	5	10,000	10,000
Additional paid-in-capital		231,101	121,458
Accumulated deficit		(14,384,614)	(7,484,417)
Accumulated other comprehensive income		174,798	129,325
TOTAL SHAREHOLDERS' EQUITY		6,808,720	4,147,462
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 7,623,341	\$ 4,898,800

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income (Loss)
For the Years Ended December 31, 2020 And 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Wagering and other revenues	\$ 1,545,314	\$ 517,826
COST OF REVENUES	<u>(855,001)</u>	<u>(559,843)</u>
GROSS PROFIT (LOSS)	<u>690,313</u>	<u>(42,017)</u>
OPERATING EXPENSES		
Employee benefits expense	1,711,582	1,013,020
Bad debt expense	1,063,408	-
Share-based compensation	67,764	88,200
Finders warrants expense	41,880	-
Legal and professional fees	372,767	165,226
Marketing, advertising and promotion	2,190,005	717,938
Consulting fees	224,743	577,347
Travel expenses	19,546	51,005
Office and rent	203,255	190,807
Licensing	72,477	66,932
Sponsorship	588,858	528,181
Technology and content	656,001	123,819
Depreciation	213,080	59,377
Miscellaneous expenses (net of SR&ED recoveries)	<u>71,437</u>	<u>(14,004)</u>
TOTAL OPERATING EXPENSES	<u>7,496,802</u>	<u>3,567,848</u>
LOSS FROM OPERATIONS	(6,806,489)	(3,609,865)
OTHER INCOME (EXPENSES)		
Interest expense, net	(12,765)	(2,702)
Loss on equity investments	<u>(80,943)</u>	<u>(173,641)</u>
NET LOSS	(6,900,197)	(3,786,208)
OTHER COMPREHENSIVE INCOME (LOSS)		
Exchange rate differences on translation of foreign operations	<u>45,473</u>	<u>(284,739)</u>
TOTAL COMPREHENSIVE LOSS	<u>\$ (6,854,724)</u>	<u>\$ (4,070,947)</u>

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2020 and 2019

	Common Shares		Class A Shares		Additional Paid-in-capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Units	Amount	Units	Amount				
Balance at January 1, 2019	82,397,065	\$ 11,371,096	10,000,000	\$ 10,000	\$ 33,258	\$ (3,698,209)	\$ 414,064	\$ 8,130,209
Share-based compensation	-	-	-	-	88,200	-	-	88,200
Net loss	-	-	-	-	-	(3,786,208)	-	(3,786,208)
Comprehensive loss	-	-	-	-	-	-	(284,739)	(284,739)
Balance at December 31, 2019	82,397,065	11,371,096	10,000,000	10,000	121,458	(7,484,417)	129,325	4,147,462
Issuance of common shares	22,420,147	9,513,557	-	-	-	-	-	9,513,557
Common Shares issuance cost	-	(205,093)	-	-	-	-	-	(205,093)
Series A warrants exercised	10,875,000	10,875	-	-	-	-	-	10,875
Series B warrants exercised	1,740,000	87,000	-	-	-	-	-	87,000
Finders warrants expense	-	-	-	-	41,880	-	-	41,880
Share-based compensation	-	-	-	-	67,764	-	-	67,764
Net loss	-	-	-	-	-	(6,900,198)	-	(6,900,198)
Comprehensive income	-	-	-	-	-	-	45,473	45,473
Balance at December 31, 2020	117,432,212	\$ 20,777,435	10,000,000	\$ 10,000	\$ 231,102	\$ (14,384,614)	\$ 174,798	\$ 6,808,720

See Accompanying Notes to Consolidated Financial Statements

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 And 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (6,900,198)	\$ (3,786,208)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on equity investment	80,943	173,641
Depreciation of property and equipment	16,096	10,131
Depreciation of right-of-use asset	196,984	49,246
Finance costs	12,765	2,702
Exchange rate differences on translation of foreign operations	45,473	(284,739)
Share-based compensation	67,764	88,200
Finders warrants expense	41,880	-
Changes in operating assets and liabilities		
Accounts receivable	(5,182,050)	(118,549)
Prepaid expenses and deposits	77,135	196,508
Accounts payable and accrued liabilities	35,163	133,802
Player balances	114,952	55,004
NET CASH USED IN OPERATING ACTIVITIES	<u>(11,393,093)</u>	<u>(3,480,262)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for investment	-	(135,985)
Purchase of intangible assets	-	(134,663)
Purchase of property and equipment	(25,965)	(49,865)
NET CASH USED IN INVESTING ACTIVITIES	<u>(25,965)</u>	<u>(320,513)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common shares, net of issuance costs	9,308,464	-
Proceeds received from exercise of Series A and Series B warrants	97,875	-
Proceeds received from exercise of finder's warrants	-	-
Lease payments	(99,598)	(251,838)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>9,306,741</u>	<u>(251,838)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(2,112,317)	(4,052,613)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,538,894</u>	<u>7,591,507</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,426,578</u>	<u>\$ 3,538,894</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR FOR:		
Interest	\$ 12,765	\$ 2,702
Income taxes	\$ -	\$ -
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Recognition of right-of-use assets and lease liabilities	\$ -	\$ 656,612

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Business Description

PMML Corp. (the "Company") was incorporated pursuant to the Business Corporations Act, under the laws of the Province of Ontario on October 28, 2016. The address of the registered and record office is 116 Spadina Ave, Unit 701, Toronto, ON, M5V 2K6.

The business objective of the Company and its subsidiaries (together the "Group") is to offer real money wagering on esports, or competitive video game tournaments, to players where legally permitted.

COVID – 19 Pandemic

In March 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared it a pandemic which continues to exist as of the date of these financial statements causing business disruptions and, in some cases, business closures. The extent of the impact on the company's operations, its suppliers and other vendors, customer base, and employees will depend on certain developments, including the duration and spread of the virus, and vaccine availability. To address the uncertainties posed by COVID-19, the Company and its management have taken certain steps and measures to address the risks to its operations, and potential impacts on future results. Measures taken include cash management and implementation of new health and safety and remote work procedures where possible.

Liquidity and Capital Resources

As of December 3, 2020, and for the year then ended, the Company had an accumulated deficit of \$14,384,614, a net loss from operations of \$6,900,197 and net cash used in operations of \$11,393,093. The Company's management continues to finance its cash needs through issuance of common shares. If management is unsuccessful in its efforts to generate profitable operations, the Company may not be able to continue as a going concern. The ability of the Company to continue as a going concern and to meet its obligations will be dependent upon successful operations and cash flows. The accompanying consolidated financial statements do not reflect any adjustment that might result from the outcome of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Statement of compliance and application of new International Financial Reporting Standards ("IFRS")

The consolidated financial statements of the Company have been prepared by the Manager in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved by the Board of Directors on May 28, 2021.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The Company determines the functional currency through an analysis of several indicators such as financing activities, the currency in which the majority of costs and expenses are denominated and settled, and frequency of transactions with the reporting entity. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange rate differences on foreign currency transactions are included in profit and loss in the consolidated statements of operations and other comprehensive income (loss), as appropriate.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Name	Place of Incorporation	Percentage of equity interest		Nature of business
		2020	2019	
PMML Dev Corp.	Ontario	100%	100%	Administration of employees and contractors
PMML Advisors Corp.	Ontario	100%	100%	Advisory services. Inactive so far.
PMML IP Corp.	Ontario	100%	N/A	Holds the intellectual property.
Pick Win Earn Corp.	Ontario	100%	100%	Administration of employees.
Rivalry Limited	Isle of Man	100%	100%	Holder of gambling license in Isle of Man
Rivalry Service Limited	Isle of Man	100%	100%	Service transmission.
Rivalry Australia Proprietors	Australia	100%	N/A	Holder of gambling license in Australia.

Cash and Cash Equivalents

The Company considers cash equivalents to be highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts Receivables

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company reviews all outstanding accounts receivable for collectability on a regular basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectable. As of December 31, 2020 and 2019, no allowance was deemed necessary. A balance of \$5,302,309 was held in trust with legal counsel as at December 31, 2020.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at historic cost less accumulated depreciation. Depreciation is calculated using the straight-line method at annual depreciation rates as follows:

Computers	30%
Office furniture and equipment	20%

An item of property and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of operations and comprehensive loss. The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively. Right-of-use assets are amortized according to their asset category.

Intangible Assets

At December 31, 2020 and 2019, all of the Company's intangible assets consisted of domains. The domains have been treated as indefinite lived assets and are not being amortized.

Impairment of Long-Lived Assets

Property and equipment and definite lived intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Indefinite lived intangible assets, including goodwill, are tested for impairment annually. For the purposes of measuring recoverable values, assets are aggregated into cash generating units ("CGUs") based on an assessment of the lowest levels for which there are separately identifiable cash flows. The determination of individual CGUs is based on management's judgement regarding shared infrastructure, geographical proximity and similar exposure to market risk. The recoverable value is the greater of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. An impairment loss is recognized for the value by which the asset's carrying value exceeds its recoverable value.

Right-of-Use Assets and Lease Liabilities

The Company assesses whether a contract is or contains a lease, at inception of a contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. The right-of-use asset is amortized over the estimated life of the asset. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in net finance costs in the consolidated statements of operations and comprehensive income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Company accounts for its investments under the equity method of accounting in accordance with IAS 28 “Investments in Associates”. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Company’s share of movements in other comprehensive income of the investee in other comprehensive income. Where there is objective evidence that the investment has been impaired the carrying amount of the investment is tested for impairment and any charge or reversal of previous impairments is taken to the consolidated statements of operations and comprehensive income (loss). During the years ended December 31, 2020 and 2019, the Company recorded losses of \$80,943 and \$173,641, respectively on its investments.

Player Balances

The Company records its net liability of the sportsbook as player balance. These are net deposits that include refunds, withdrawals, cancel withdrawals and failed transactions, and the net user winnings that includes wager, win, cancelled bet, bet corrections and bonuses. As of December 31, 2020 and 2019, these amounts totaled \$214,403 and \$99,451, respectively.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue consists of esports online gaming revenue, which is comprised of bets placed less payouts to customers, adjusted for the fair value of open betting positions.

Share-Based Payments

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Scientific Research and Experimental Development Tax Credits

The Company is entitled to scientific research and experimental development (“SR&ED”) tax credits, which are accounted for using the cost reduction approach. Under this approach, tax credits are recognized as a deduction from the related expenses or capital expenditures in the period in which those expenditures are incurred. These credits are also subject to a review by the tax authorities. Any differences between the credits granted and the credits recognized will be recorded in net income. As of December 31, 2020, and 2019, these amounts totalled \$205,864 and \$163,966, respectively.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

The Company recognizes interest and penalties related to income taxes on the interest expense and other expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included on the accounts payable and accrued liabilities line in the consolidated statements of financial position.

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities, including derivatives, are recognized when the Company becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the consolidated statements of operations and comprehensive loss.

Classification and Subsequent Measurement

The Company classifies financial assets, at the time of initial recognition, according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in the following measurement categories:

- a) amortized cost;
- b) fair value through profit or loss ("FVTPL"); and
- c) fair value through other comprehensive income ("FVTOCI").

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL: a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in the consolidated statements of loss and comprehensive loss in the period that the asset is derecognized or impaired. All financial assets not classified as amortized cost as described above are measured at FVTPL or FVTOCI depending on the business model and cash flow characteristics. The Company has no financial assets measured at FVTOCI.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method with gains and losses recognized in the consolidated statements of loss and comprehensive loss in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

Financial instruments are classified into one of the following categories: FVTPL; financial assets at amortized cost, financial liabilities at amortized cost, and financial assets at FVTOCI.

Impairment of Financial Instruments – Expected Credit Losses (“ECL”)

For all financial assets recorded at amortized cost, the Company applies the simplified approach to providing for expected credit losses prescribed, which requires the use of the lifetime expected loss provision for all accounts receivables based on the Company’s historical default rates over the expected life of the accounts receivable and is adjusted for forward-looking information and macro-economic factors and estimates. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the consolidated statements of operations and comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive income (loss).

Use of Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Recent accounting Pronouncements

In January 2016, the IASB issued IFRS 16, which will replace IAS 17, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16. The Company adopted this standard during the year ended December 31, 2019.

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, 2020 and 2019, property and equipment consisted of the following:

	<u>Computers</u>	<u>Office Furniture and Equipment</u>	<u>Total</u>
<u>Cost</u>			
Balance, January 1, 2019	\$ 27,028	\$ 12,719	\$ 39,747
Additions	33,798	16,067	49,865
Balance, December 31, 2019	60,826	28,786	89,612
Additions	25,965	-	25,965
Balance, December 31, 2020	<u>\$ 86,791</u>	<u>\$ 28,786</u>	<u>\$ 115,577</u>
<u>Accumulated Depreciation</u>			
Balance, January 1, 2019	\$ 9,270	\$ 1,710	\$ 10,980
Additions	7,645	2,486	10,131
Balance, December 31, 2019	16,915	4,196	21,111
Additions	11,520	4,576	16,096
Balance, December 31, 2020	<u>\$ 28,435</u>	<u>\$ 8,772</u>	<u>\$ 37,207</u>
<u>Net Book Value</u>			
December 31, 2019	\$ 43,911	\$ 24,590	\$ 68,501
December 31, 2020	<u>\$ 58,356</u>	<u>\$ 20,014</u>	<u>\$ 78,370</u>

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 4 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company entered into a lease obligation on October 1, 2019. At that time, the Company recorded a right-of-use asset for \$656,612 and a corresponding lease liability of \$656,612. The right-of-use asset is being amortized over 3 years and 4 months. At December 31, 2020 and 2019, amortization expense totaled \$196,984 and \$49,246, respectively.

As of December 31, 2020, the weighted average remaining life of the lease is 2 years and 1 month and the weighted average discount rate is 2.45%. For the years ended December 31, 2020 and 2019, the Company recorded interest expense of \$12,765 and \$2,702, respectively.

Information related to the Company's right-of-use assets and lease liabilities at December 31, 2020 and 2019, is as follows:

	Right-of-Use Assets	Lease Liabilities
Net book value at January 1, 2019	\$ -	\$ -
Additions	656,612	656,612
Interest expense	-	2,702
Principal repayments	-	(251,841)
Amortization	<u>(49,246)</u>	<u>-</u>
Net book value at December 31, 2019	607,366	407,473
Interest expense	-	12,765
Principal repayments	-	(99,597)
Amortization	<u>(196,984)</u>	<u>-</u>
Net book value at December 31, 2020	<u><u>\$ 410,382</u></u>	<u><u>\$ 320,641</u></u>

Maturities of the lease liabilities as of December 31, 2020, are expected to be as follows:

2021	\$ 100,646
2022	213,370
2023	<u>17,754</u>
Total lease payments	331,770
Less: Imputed interest	<u>(11,129)</u>
Total lease liabilities	320,641
Less: Current portion of lease liabilities	<u>92,458</u>
Non-current portion of lease liabilities	<u><u>\$ 228,183</u></u>

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 5 – CAPITAL STOCK

Common Shares:

On December 14, 2016, the Company closed the first tranche of the first round non-brokered private placement of 26,440,000 units of the Company at the price of \$0.05 per unit for gross proceeds of \$1,322,000. Each unit consists of one common share and one Series B warrant. Each warrant entitles the holder to purchase one additional common share of the Company on or before December 14, 2021 at a price of \$0.05 per common share.

On February 3, 2017, the Company closed the second tranche of the first round non-brokered private placement of 2,910,000 units of the Company at the price of \$0.05 per unit for gross proceeds of \$145,500. Each unit consists of one common share and one Series B warrant. Each warrant entitles the holder to purchase one additional common share of the Company on or before February 3, 2022 at a price of \$0.05 per common share.

On September 6, 2017, the Company closed the first tranche of the second round non-brokered private placement of 7,005,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$700,500.

On November 7, 2017, the Company closed the second tranche of the second round non-brokered private placement of 9,290,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$929,000. At the same time, the Company also issued 58,250 Finders warrants. These warrants expired on November 7, 2019.

On December 18, 2017, the Company closed the third tranche of the second round non-brokered private placement of 8,860,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$886,000. At the same time, the Company also issued 180,250 Finders warrants. Each warrant entitles the holder to purchase one additional common share of the Company on or before December 18, 2021 at a price of \$0.10 per common share.

On January 30, 2018, the Company closed the fourth tranche of the second round non-brokered private placement of 1,000,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$100,000.

On May 4, 2018, the Company closed the first tranche of the third round brokered private placement of 23,689,479 units of the Company at the price of USD \$0.23 per unit for gross proceeds of USD \$5,448,580. At the same time, the Company also issued 616,232 Finders warrants. These warrants expired on May 4, 2020.

On August 22, 2018, the Company closed the second tranche of the third round non-brokered private placement of 2,327,586 units of the Company at the price of USD \$0.23 per unit for gross proceeds of USD \$535,345.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 5 – CAPITAL STOCK (Continued)

On June 26, 2020, the Company issued 10,875,000 common shares from the exercise of 10,875,000 Series A warrants at the exercise price of \$0.001 for gross proceeds of \$10,875.

On August 6, 2020, the Company closed the first tranche of the fourth round non-brokered private placement of 9,399,615 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$3,195,869. Each unit consists of one common share. At the same time, the Company also issued 494,294 Finders warrants. Each warrant entitles the holder to purchase one additional common share of the Company on or before August 6, 2022 at a price of USD \$0.34 per common share. The warrants vested immediately.

On September 18, 2020, the Company issued 700,000 common shares from the exercise of 700,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$35,000.

On October 6, 2020, the Company issued 1,000,000 common shares from the exercise of 1,000,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$50,000.

On December 4, 2020, the Company issued 40,000 common shares from the exercise of 40,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$2,000.

On December 23, 2020, the Company closed a second tranche of the fourth round non-brokered private placement of 13,020,532 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$4,426,981.

Class A Shares:

On December 12, 2016, the Company issued 10,000,000 Founders' units of the Company at the price of \$0.001 per unit for gross proceeds of \$10,000. Each unit consists of one Class "A" share, one Series A warrant, one Series B warrant and one Series C warrant. The Company also issued 875,000 Founders' units of the Company at the price of \$0.001 per unit for gross proceeds of \$875. Each unit consists of one common share, one Series A warrant, one Series B warrant and one Series C warrant. Each Series A warrant entitles the holder to purchase one additional common share of the Company on or before December 12, 2021, at a price of \$0.001 per common share. Each Series B warrant entitles the holder to purchase one additional common share of the Company on or before December 12, 2021 at a price of \$0.05 per common share. Each Series C warrant entitles the holder to purchase one additional common share of the Company on or before December 12, 2021, at a price of \$0.25 per common share.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 6 - WARRANTS

As discussed at Note 5, the Company has issued several tranches of warrants between December 2016 through December 31, 2020.

A reconciliation of the beginning and ending balance of the warrants outstanding is as follows:

	Warrants outstanding	Weighted average exercise price
Balance at January 1, 2019	62,949,164	\$ 0.08
Granted	-	
Exercised	-	
Forefeited	(58,250)	
Balance at December 31, 2019	62,890,914	\$ 0.08
Granted	494,294	\$ 0.43
Exercised	(12,685,193)	\$ 0.05
Forefeited	(665,471)	
Balance at December 31, 2020	50,034,544	\$ 0.09

The following table summarizes the Company's outstanding warrants as of December 31, 2020 and 2019:

Common shares	Exercise Price	Expiration Date	December 31, 2020	December 31, 2019
Series A	\$0.001	December 21, 2021	-	10,875,000
Series B	\$0.05	December 12, 2021	35,575,000	37,315,000
Series B	\$0.05	February 3, 2022	2,910,000	2,910,000
Series C	\$0.25	December 12, 2021	10,875,000	10,875,000
Series D	\$0.10	December 28, 2021	180,250	180,250
Series E	USD \$0.23	May 4, 2020	-	665,471
Series F	USD \$0.23	September 4, 2020	-	70,193
Compensation Warrants	USD \$0.34	August 6, 2022	494,294	-
			50,034,544	62,890,914

As of December 31, 2020 and 2019, 50,034,544 and 62,890,914 warrants were exercisable, respectively.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 6 – WARRANTS (Continued)

The accounting fair value of the warrants as of date of grant was calculated in accordance with a Black-Scholes option pricing model using the following average inputs:

	2020	2019
Risk free interest rate	1.21%	-
Average forfeiture rate	1.25%	-
Maximum life	2 years	-
Expected dividend	-	-
Expected share price volatility	38%	-

For the years ended December 31, 2020 and 2019, the Company recognized Finders warrants expense of \$41,880 and \$0, respectively.

NOTE 7 – STOCK OPTIONS

The Company's stock option plan provides for stock options to be issued to directors, officers, employees and consultants of the Company so that they may participate in the growth and development of the Company. Subject to the specific provisions of the stock option plan, eligibility, vesting period, terms of the options and the number of options granted are to be determined by the board of Directors at the time of the grant. The stock option plan allows the Board of Directors to issue up to 15% of the Company's outstanding common shares as stock options.

A reconciliation of the beginning and ending balance of the stock options outstanding is as follows:

	Stock options outstanding	Weighted average exercise price
Balance at January 1, 2019	2,845,000	\$ 0.30
Granted	2,367,000	
Forfeited	(761,500)	
Balance at December 31, 2019	4,450,500	\$ 0.30
Granted	1,512,000	
Forfeited	(185,000)	
Balance at December 31, 2020	<u>5,777,500</u>	<u>\$ 0.30</u>

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 7 – STOCK OPTIONS (Continued)

The following table summarizes the Company's outstanding stock options as of December 31, 2020 and 2019:

	<u>Outstanding</u>	<u>Exercise price</u>	<u>Remaining years</u>	<u>Exercisable</u>
At December 31, 2020	5,777,500	USD \$0.23 - 0.34	1 - 3.96 years	5,777,500
At December 31, 2019	4,450,500	USD \$ 0.23	1.13 - 3.83 years	4,450,500

The accounting fair value of the stock options as of date of grant was calculated in accordance with a Black-Scholes option pricing model using the following average inputs:

	<u>2020</u>	<u>2019</u>
Risk free interest rate	1.21%	1.76%
Average forfeiture rate	3.47%	7.31%
Average vesting period	1.27 years	0.93 years
Maximum life	3.96 years	3.83 years
Expected dividend	0.00%	0.00%
Expected share price volatility	38%	38%

For the years ended December 31, 2020 and 2019, the Company recognized share-based compensation of \$67,764 and \$88,200, respectively. As of December 31, 2020, \$236,923 remained unrecognized.

NOTE 8 – INCOME TAXES

The income tax expenses for the years ended December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Statutory tax rate	26.50%	26.50%
Loss for the year for tax purposes	\$ (6,803,072)	\$ (1,566,182)
Expected income tax (recovery)	(1,802,814)	(415,038)
Allowance for unrecognized current and prior tax attributes	<u>1,802,814</u>	<u>415,038</u>
Total income tax expense (recovery)	<u>\$ -</u>	<u>\$ -</u>

In the consolidated financial statements, losses for foreign entities have not been taken into consideration as those losses will not be available to be utilized for the Canadian Income Tax Purposes.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 9 – RELATED PARTY TRANSACTIONS

The remuneration of directors and key management personnel during the years ended December 31, 2020 and 2019, included management fees of \$446,029 and \$271,497, respectively. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by both parties.

Of the total share capital outstanding as at December 31, 2020 and 2019, \$224,000 and \$224,000, respectively was owned by directors of the Company, corporations owned by directors and one of the key management personnel.

The Company also received money from investors related to its directors. As at December 31, 2020 and 2019, the equity balance of these investors amounted to \$80,500 and \$80,500, respectively.

During the year ended December 31, 2020, the Company loaned a related party, GG Corp, \$1,063,408 for operational expenses. As of December 31, 2020, the entire outstanding balance has been fully reserved.

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANGEMENT

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which there is sufficient data with unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement for a particular asset or liability at the measurement date.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANGEMENT (Continued)

- Level 2 Inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

There were no transfers into or out of the fair value levels for the years ended December 31, 2020 and 2019.

The classification of financial instruments at their carrying and fair values is as follows:

(a) Fair Value

	December 31, 2020	December 31, 2019
Accounts payable and accrued liabilities	\$ 279,577	\$ 244,414
Player balances	214,403	99,451
Total	<u>\$ 409,079</u>	<u>\$ 226,072</u>

The Company is exposed to credit risk, liquidity risk and interest rate risk. The Company's management oversees the management of these risks. The Company's management is supported by the external consultants that advise on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with Company policies and risk appetite statement.

(b) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. To address its credit risk arising from cash and cash equivalents, deposits and accounts receivable, the Company ensures to keep these balances with financial institutions of high repute. The Company has not recorded an ECL as all amounts are considered to be recoverable and are immaterial. The Company is not significantly exposed to its accounts receivable due to its diversified customer base and a stringent collection policy.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANGEMENT (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash in a cost-effective manner to fund its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through obtaining financing from its members and third parties. As at December 31, 2020 and 2019, all trade payables and accrued liabilities are due within a year.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents. Cash and cash equivalents bear interest at market rates.

(e) Currency Risk

The consolidated operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

At December 31, 2020 and 2019, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. The Company believes that the change in exchange rates will not have a significant impact on its consolidated financial results.

NOTE 11 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 28, 2021, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition at December 31, 2020, have been incorporated into these consolidated financial statements.

On January 15, 2021, the Company closed a third tranche of the fourth round non-brokered private placement of 6,442,778 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$2,190,545 USD. Each unit consists of one common share.

On January 22, 2021, the Company closed a fourth tranche of the fourth round non-brokered private placement of 1,724,841 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$685,446 USD. Each unit consists of one common share.

On January 29, 2021, the Company issued 200,000 common shares from the exercise of 200,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$10,000 CAD.

PMML CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020 And 2019

NOTE 11 – SUBSEQUENT EVENTS (Continued)

On February 4, 2021, the Company closed a fifth tranche of the fourth round non-brokered private placement of 12,703,799 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$4,319,292 USD. Each unit consists of one common share.

On February 12, 2021, the Company closed a sixth tranche of the fourth round non-brokered private placement of 4,753,413 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$1,616,160 USD. Each unit consists of one common share.

On February 21, 2021, the Company closed a seventh tranche of the fourth round non-brokered private placement of 2,618,589 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$890,320 USD. Each unit consists of one common share.

On March 3, 2021, the Company closed an eighth tranche of the fourth round non-brokered private placement of 12,788,234 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$4,348,000 USD. Each unit consists of one common share. The company issued 1,231,246 finders warrants exercisable in two years at \$0.34 USD.

On March 15, 2021, the Company was granted a conditional approval of a sports bookmaker license by the Norther Territory Racing Commission in Australia.

On April 6, 2021, the Company issued 400,000 common shares from the exercise of 400,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$20,000 CAD.

On April 7, 2021, the Company issued 200,000 common shares from the exercise of 200,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$10,000 CAD.

On April 9, 2021, the Company issued 1,575,000 common shares from the exercise of 1,575,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$78,750 CAD.

On April 13, 2021, the Company issued 1,000,000 common shares from the exercise of 1,000,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$50,000 CAD.

On April 23, 2021, the Company issued 69,000 common shares from the exercise of 69,000 Series D warrants at the exercise price of \$0.10 CAD for gross proceeds of \$6,900 CAD.

On April 23, 2021, the Company issued 70,193 common shares from the exercise of 70,193 Series F warrants at the exercise price of USD \$0.23 for gross proceeds of USD \$16,144.

On May 5, 2021, the Company issued 111,250 common shares from the exercise of 111,250 Series D warrants at the exercise price of \$0.10 CAD for gross proceeds of \$6,900 CAD.



PMML CORP.

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL RESULTS FOR THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS AS AT
DECEMBER 31, 2019 AND DECEMBER 31, 2020.**

(Expressed in Canadian Dollars)

Dated May 28, 2021

PMML CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“**MD&A**”) should be read in conjunction with PMML Corp.’s (the “**Company**” or “**PMML**”) consolidated financial statements and notes for the year ending December 31, 2019 and December 31, 2020 (the “**Financial Statements**”). This MD&A was prepared with reference to the MD&A disclosure requirements set out by the National Instrument 51-102 – *Continuous Disclosure Obligations*. The Financial Statements, together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. Results are reported in Canadian dollars unless otherwise noted. The Financial Statements are prepared in accordance with the International Financial Reporting Standards (“**IFRS**”). Information contained herein is presented as at May 28, 2021, unless otherwise indicated. Additional information regarding the Company is available on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward looking information (collectively referred to herein as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to the Company’s current expectations and views of future events or future performance. All statements other than statements of historical fact may be forward-looking statements. The forward-looking statements are included in this MD&A are made only as of the date of this MD&A.

In some cases, these forward-looking statements can be identified by words or phrases such as “**may**”, “**might**”, “**will**”, “**expect**”, “**anticipate**”, “**estimate**”, “**intend**”, “**plan**”, “**indicate**”, “**seek**”, “**believe**”, “**predict**” or “**likely**”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. These statements involve known and unknown risks, uncertainties and other factors, including those risk factors identified in the Company’s prospectus dated September 17, 2021 under the heading “*Risk Factors*”, that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under Risks and Uncertainties.

DESCRIPTION OF BUSINESS

The Company was incorporated on October 28, 2016 under the *Business Corporations Act* (Ontario) as PMML Corp. The registered head office is located at 116 Spadina Avenue Suite 701, Toronto, ON Canada M5V 2K6.

PMML intends to carry on the business of Rivalry Limited (“**Rivalry**”). Rivalry is an emerging sports betting and sports media company with the ambition to become a leader in both esports and sports betting for a younger demographic (young Millennials and Gen Z generations). Rivalry has developed an in-house technology platform offering fixed odds sports betting on both esports and traditional sports, in addition to an originally developed casino product called Rushlane. As sports and esports betting is a regulated industry, on January 19, 2018, Rivalry Limited, a wholly owned subsidiary of the Company, was granted an Isle of Man Licence (“**IOM Licence**”) to operate by the Gambling Supervision Commission, pursuant to the *Online Gambling Regulation Act 2011*. The IOM Licence allows Rivalry to offer multiple forms of sports betting such as esports and traditional sports and casino games. The Company

has found success in a number of jurisdictions as permitted under the IOM Licence. Rivalry Limited's primary operating markets currently are: (a) South America, where the Company sees approximately 80% of monthly revenue; (b) 10% from the Commonwealth of Independent States region; and (c) 10% from the Southeast Asia region. On March 15, 2021, Rivalry Australia Pty Ltd., a wholly owned subsidiary of the Company, was granted a conditional licence from the Northern Territory Racing Commission (the "**Australian Conditional Licence**"). The Company anticipates launching in Australia in Q3 2021, and therefore expects to continue to see an increased geographic mix in its business.

PMML's overall strategic vision is to market and grow the existing sportsbook and build out Rivalry into a positive cash flow business. The Company views its overall strategy in three broad pillars: continued market leading product innovation, ongoing expansion into new jurisdictions under the Company's existing IOM Licence and new regulated market licences such as its recently granted Australian Conditional Licence, and developing best in class video content and social media properties to create global brand resonance for the brand Rivalry.

The Company will continue to apply for additional licences to further expand its active legal betting markets. With this in mind, the Company also recognizes that it may, from time to time, be required to comply with regulatory bodies. The Company will ensure that when seeking licences, it has understood the requirements in each market it operates in and will maintain and develop protocols to address compliance. Finally, the Company endeavours to develop and maintain the appropriate financial processes to provide transparency to shareholders.

Together with its management team, the Company continues to work towards delivering a profitable betting business. The Company will continue to try to identify strategic investments and partnerships to expand the Company's network. The Company is continually reviewing potential acquisitions and strategic partnerships and joint ventures and it is in the normal course of the Company's business to routinely consider and evaluate offers on assets or acquisitions that fit within its business model.

The Company believes that the anticipated available funds together with cash flow from operations will be sufficient to achieve the Company's objectives over the next twelve months.

Management of the Company will provide operational, marketing and administrative expertise to all operating subsidiaries.

BASIS OF PRESENTATION

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("**IASB**").

IMPACT OF COVID-19

In March 2020, the World Health Organization declared the coronavirus outbreak ("**COVID-19**") a "Public Health Emergency of International Concern" and on March 11, 2020, declared it a pandemic which continues to exist as of the date of these financial statements causing business disruptions and, in some cases, business closures. The extent of the impact on the Company's operations, its suppliers and other vendors, customer base, and employees will depend on certain developments, including the duration and spread of the virus, and vaccine availability. To address the uncertainties posed by COVID-19, the Company and its management have taken certain steps and measures to address the risks to its operations, and potential impacts on future results. Measures taken include cash management and implementation of new health and safety and remote work procedures where possible.

PMML's business could be significantly and adversely affected by the effects of any widespread global outbreak of the 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 PMML's services and likely impact operating results. In particular, the outbreak of COVID-19 has had a negative impact on global financial conditions. PMML cannot accurately predict the impact COVID-19 will have on PMML's ability to remain open for business in response to government public health efforts to contain COVID-19. The Company cannot accurately predict the impact of COVID-19 on the ability to obtain financing or third parties' ability to meet their obligations

with the Company, 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 PMML'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 PMML'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 the Company become infected with COVID-19 or similar pathogens, it could have a material negative impact on PMML's operations and prospects.

After the release of the traditional sports betting platform on Rivalry, the COVID-19 pandemic began. Although this initially hampered growth in Rivalry's traditional sports betting product given the near complete global shutdown of all traditional sports, it proved to be a boon to esports viewership and betting. With COVID-19 and the lockdown measures taken by many jurisdictions across the globe, video games became an optimal medium to connect with others. This resulted in a surge in sales, and viewership on live streaming platforms of general gaming content. Esports hit all-time monthly records, which consequently drove significant interest in esports betting.

FINANCIAL HIGHLIGHTS

The following table sets forth a summary of our highlighted financial results as indicated in our consolidated financial statements for the years ended December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
Revenue	\$ 1,545,314	\$ 517,826
Cost of Sales	(855,001)	(559,843)
Net Loss	(6,900,197)	(3,786,208)
Net Loss per Share:		
Basic	(0.05)	(0.04)
Diluted	(0.04)	(0.04)
Total Assets	7,623,341	4,898,800
Total Non-Current Liabilities	228,183	407,473

RESULT OF OPERATIONS

Revenue

The Company recognized revenue of \$1,545,314 and \$517,826 in 2020 and 2019, respectively from online wagering services. Revenue consists of esports and traditional sports online gambling revenue which is comprised of bets placed less payouts to customers.

Revenue increased by \$1,027,488 or 198% due to additional marketing efforts to attract users to the site and the shift of attention to esports due to COVID-19 lockdown measures as traditional sporting events were either cancelled, suspended, or terminated in fiscal 2020. 96% of revenue was derived from esports and 4% from traditional sporting events.

Cost of Sales

Cost of sales increased by \$295,158 or 53% in fiscal 2020 due to the increase in revenue.

Operating Expenses

The Company incurred operating expenses of \$7,496,802 and \$3,567,848 in fiscal 2020 and 2019 respectively, an increase of 110%. The breakdown is provided below with commentary on all variances greater than 10%.

	December 31, 2020	December 31, 2019	\$ Change	% Change
Employee benefits expense	\$ 1,711,582	\$ 1,013,020	\$ 698,562	69%
Bad debt expense	1,063,408	-	1,063,408	n/a
Share-based compensation	67,764	88,200	(20,436)	-23%
Finders warrants expense	41,880	-	41,880	n/a
Legal and professional fees	372,767	165,226	207,541	126%
Marketing, advertising and promotion	2,190,005	717,938	1,472,067	205%
Consulting fees	224,743	577,347	(352,604)	-61%
Travel expenses	19,546	51,005	(31,459)	-62%
Office and rent	203,255	190,807	12,448	7%
Licensing	72,477	66,932	5,545	8%
Sponsorship	588,858	528,181	60,677	11%
Technology and content	656,001	123,819	532,182	430%
Depreciation	213,080	59,377	153,703	259%
Miscellaneous expenses (net of SR&ED)	71,437	(14,004)	85,441	610%
Total Operating Expenses	\$ 7,496,802	\$ 3,567,848	\$ 3,928,954	110%

Employee benefits expense

Employee expenses increased by \$698,562 or 69% to \$1,711,582 in 2020 as the Company hired more employees to support its operations.

Bad debt expense

At year end 2020, the Company recorded a bad debt expense of \$1,063,408 due to a loan made to a related party, GG Corp, for operational expenses.

Share-based compensation

Share-based compensation decreased by \$20,436 or 23% to \$67,764 as fewer employee stock options had vested in 2020 in comparison to 2019.

Finders warrants expense

On August 6, 2020, the Company issued 494,294 finders warrants in connection with the closing of its fourth round non-brokered private placement of 9,399,615 units at the price of USD \$0.34. These warrants are valued at \$41,880 based on a Black-Scholes valuation model at the date of the grant. There were no financings or finders warrants issued in 2019.

Legal and professional fees

Legal and professional fees increased by \$207,541 or 126% to \$372,767 and are mainly attributed to the legal work required for the additional financings completed in 2020 and tax advice.

Marketing

Marketing increased by \$1,472,067 or 205% to \$2,190,005 as the Company doubled the number of personnel assisting with the marketing function and additional spending on marketing campaigns to attract and retain users to the site. The effects of this additional expenditure can be seen in the direct increase of betting revenue by 168%.

Consulting fees

Consulting decreased by \$352,604 or 61% to \$224,743 due to hiring more employees during the year instead of contracting outside services.

Travel expenses

Travel expenses decreased by \$31,459 or 62% to \$19,546 due to COVID-19 restrictions. Most travel expenses were incurred prior to March 2020.

Sponsorship

Sponsorships increased by \$60,677 or 11% to \$588,858 as the Company entered into more sponsorship agreements with local talent and teams in the regions where Rivalry is offered under the IOM License.

Technology and content

Technology and content increased by \$532,182 or 430% to \$656,001 primarily due to fees paid to odds providers but also as a result of the additional technology support required from an increase in user base and a growing team of developers.

Depreciation

Depreciation increased by \$153,703 or 259% to \$213,080 from its right-of-use asset which consists of a lease for its head office in Toronto, Ontario, Canada. The Company adopted IFRS 16 during the year ended December 31, 2019. In 2020, the depreciation expense was \$196,984 and the remainder was depreciation of property and equipment.

Miscellaneous expenses

Miscellaneous expenses increased by \$85,441 or 610% to \$71,437 from the increase in fees charged by payment service providers. Users deposit and withdraw funds through these payment service providers and the increase is expected with the growth of revenue and increased number of transactions.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020, the Company had working capital of \$6,413,488 (2019 – \$3,663,462). The Company's management continues to finance its cash needs through the issuance of common shares. As set out under the heading "*Significant and Subsequent Events*", the Company issued 41,041,653 shares for proceeds of US \$13,950,763 in Q1 2021. The Company will have adequate funding to carry out its business plans for the next twelve months from the funds raised as of the date of this MD&A.

Debt

The Company had no debt as of December 31, 2020 nor has it entered debt agreements in the past. The only form of debt at the Company is intercompany debt among its subsidiaries.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	December 31, 2020	December 31, 2019
Cash provided by (used in) operating activities	\$ (11,438,566)	\$ (3,195,523)
Cash provided by (used in) investing	(25,965)	(320,513)
Cash provided by (used in) financing activities	9,306,741	(251,838)
Effect of foreign exchange on cash and cash equivalents	45,473	(284,739)
Net increase (decrease) in cash and cash equivalents	(2,112,317)	(4,052,613)
Cash and cash equivalents at beginning of year	3,538,894	7,591,507
Cash and cash equivalents at end of year	<u>\$ 1,426,578</u>	<u>\$ 3,538,894</u>

Operating Activities

Cash used in operating activities includes the impact of changes in accounts receivable and payables and also attributed to player balances. Player balances are composed of the net cash deposited, won or lost, and withdrawn by each user which is recorded as current liabilities on the balance sheet. Cash used in operating activities in 2020 increased by \$8,243,043 which is mainly composed of the net loss of \$6,900,197 and an increase in accounts receivable by \$5,182,050 which held funds in trust from the financing completed in the end of December 2020. These funds were received January 2021.

Investing Activities

In 2019, the Company made a minority investment and purchased its domain which made up the balance of \$320,513. The amounts impacting cash used in investing are from purchases of property and equipment.

Financing Activities

The cash provided by financing activities during 2020 increased by \$9,558,579 to \$9,306,741. The increase was due to the financing rounds completed in 2020 in the amount of \$9,308,464.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

RELATED PARTY DISCLOSURES

The remuneration of directors and key management personnel during the years ended December 31, 2020 and 2019, included fees of \$446,029 and \$271,497, respectively. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by both parties.

OUTSTANDING SHARE DATA

Description	Authorized Capital of the Company	Outstanding as at the date of this MD&A
Common Shares	Unlimited	162,089,309
Class A Shares	Unlimited	10,000,000
Warrants		45,914,807
Compensation Options		1,725,540
Stock Options	Up to 15%	7,359,620

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Right-of-Use Assets and Lease Liabilities

The Company assesses whether a contract is or contains a lease, at inception of a contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. The right-of-use asset is amortized over the estimated life of the asset. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in net finance costs in the consolidated statements of operations and comprehensive income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Share-Based Payments

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation

model at the date of the grant. The Company makes estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Loss per Share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of common shares outstanding during each of the years presented. Contingently issuable shares (including shares held in escrow) are not considered outstanding Common Shares and consequently are not included in the loss per share calculations.

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has two categories of dilutive potential common shares: warrants and stock options. In order to determine diluted loss per share, it is assumed that any proceeds from the exercise of dilutive stock options would be used to repurchase common shares at the average market price during the period. The diluted loss per share calculation excludes any potential conversion of options that would increase earnings per share or decrease loss per share.

SIGNIFICANT AND SUBSEQUENT EVENTS

On January 15, 2021, the Company closed a third tranche of the fourth round non-brokered private placement of 6,442,778 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$2,190,545 USD. Each unit consists of one common share.

On January 22, 2021, the Company closed a fourth tranche of the fourth round non-brokered private placement of 1,724,841 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$586,446 USD. Each unit consists of one common share.

On January 29, 2021, the Company issued 200,000 common shares from the exercise of 200,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$10,000 CAD.

On February 4, 2021, the Company closed a fifth tranche of the fourth round non-brokered private placement of 12,703,799 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$4,319,292 USD. Each unit consists of one common share.

On February 12, 2021, the Company closed a sixth tranche of the fourth round non-brokered private placement of 4,753,413 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$1,616,160 USD. Each unit consists of one common share.

On February 21, 2021, the Company closed a seventh tranche of the fourth round non-brokered private placement of 2,618,589 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$890,320 USD. Each unit consists of one common share.

On March 3, 2021, the Company closed an eighth tranche of the fourth round non-brokered private placement of 12,788,234 units of the Company at the price of \$0.34 USD per unit of gross proceeds of \$4,348,000 USD. Each unit consists of one common share. The Company issued 1,231,246 finders warrants exercisable in two years at \$0.34 USD.

On March 15, 2021, the Company was granted approval for the Australian Conditional Licence.

On April 6, 2021, the Company issued 400,000 common shares from the exercise of 400,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$20,000 CAD.

On April 7, 2021, the Company issued 200,000 common shares from the exercise of 200,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$10,000 CAD.

On April 9, 2021, the Company issued 1,575,000 common shares from the exercise of 1,575,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$78,750 CAD.

On April 13, 2021, the Company issued 1,000,000 common shares from the exercise of 1,000,000 Series B warrants at the exercise price of \$0.05 CAD for gross proceeds of \$50,000 CAD.

On April 23, 2021, the Company issued 69,000 common shares from the exercise of 69,000 Series D warrants at the exercise price of \$0.10 CAD for gross proceeds of \$6,900 CAD.

On April 23, 2021, the Company issued 70,193 common shares from the exercise of 70,193 Series F warrants at the exercise price of USD \$0.23 for gross proceeds of USD \$16,144.

On May 5, 2021, the Company issued 111,250 common shares from the exercise of 111,250 Series D warrants at the exercise price of \$0.10 CAD for gross proceeds of \$6,900 CAD.

PMML CORP.

Consolidated Financial Statements

As of June 30, 2021, and December 31, 2020, and
for the Three and Six Months Ended June 30, 2021, and 2020

Expressed in Canadian Dollars



Certified
Public
Accountants

Management's Responsibility for Financial Reporting

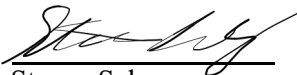
To the Shareholders of PMML Corp.:

Management of PMML Corp. and its Subsidiaries (combined the "Company") is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgements and estimates in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and ensuring that all information in the annual report is consistent with the consolidated financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

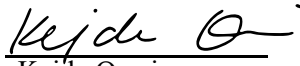
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external accountants. The Audit Committee is also responsible for recommending the appointment of the Company's external accountant. The accompanying consolidated financial statements of the Company were reviewed by the Audit Committee and approved by the Board of Directors.

Macias Gini & O'Connell LLP, an independent firm, is appointed by the Board of Directors to review the consolidated financial statements and report directly to them; their report follows. Macias Gini & O'Connell LLP has full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss the review.



Steven Salz
Chief Executive Officer



Kejda Qorri
Chief Financial Officer

Los Angeles, California
August 16, 2021

PMML CORP. AND SUBSIDIARIES
Index to the Consolidated Financial Statements

Page

CONSOLIDATED FINANCIAL STATEMENTS:

Consolidated Statements of Financial Position	1
Consolidated Statements of Operations and Comprehensive Income (Loss)	2
Consolidated Statements of Changes in Shareholders' Equity	3
Consolidated Statements of Cash Flows	4
Notes to Consolidated Financial Statements	5

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Financial Position
As of June 30, 2021 and December 31, 2020

	<u>Financial Footnote</u>	<u>June 30, 2021 (Unaudited)</u>	<u>December 31, 2020</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 18,278,770	\$ 1,426,578
Accounts receivable	2	25,756,657	5,518,535
Prepaid expenses and deposits		<u>59,301</u>	<u>54,813</u>
Total current assets		44,094,728	6,999,926
Property and equipment, net	3	82,881	78,370
Intangible assets	2	134,663	134,663
Right-of-use assets, net	4	<u>311,891</u>	<u>410,382</u>
TOTAL ASSETS		<u><u>\$ 44,624,163</u></u>	<u><u>\$ 7,623,341</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 778,798	\$ 493,980
Current portion of lease liabilities	4	<u>115,424</u>	<u>92,458</u>
Total current liabilities		894,222	586,438
Non-current portion of lease liabilities	4	<u>123,473</u>	<u>228,183</u>
TOTAL LIABILITIES		1,017,695	814,621
SHAREHOLDERS' EQUITY			
Common shares	5	63,168,007	20,777,435
Class A shares	5	10,000	10,000
Additional paid-in-capital		400,959	231,101
Accumulated deficit		(19,323,543)	(14,384,614)
Accumulated other comprehensive income (loss)		<u>(648,955)</u>	<u>174,798</u>
TOTAL SHAREHOLDERS' EQUITY		<u>43,606,468</u>	<u>6,808,720</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>\$ 44,624,163</u></u>	<u><u>\$ 7,623,341</u></u>

See Accompanying Notes to Consolidated Financial Statements.

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income (Loss)
Three and Six Months Ended June 30, 2021, and 2020

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
WAGERING AND OTHER REVENUES	\$ 3,317,393	\$ 684,988	\$ 5,228,874	\$ 769,518
COST OF REVENUES	(2,647,026)	(287,522)	(4,016,597)	(394,577)
GROSS PROFIT	670,367	397,466	1,212,277	374,941
OPERATING EXPENSES				
Bad debt expense	385,844	-	1,110,629	-
Finders warrants expense	-	-	111,182	-
Marketing, advertising and promotion	1,162,502	684,327	1,878,482	1,273,415
Technology and content	387,242	188,401	634,665	304,168
Depreciation and amortization	52,824	69,480	105,299	106,078
General and Administration	1,095,039	497,314	1,942,327	911,027
Miscellaneous expenses (net of SR&ED recoveries)	176,019	26,005	364,794	155,881
TOTAL OPERATING EXPENSES	3,259,470	1,465,527	6,147,378	2,750,569
LOSS FROM OPERATIONS	(2,589,103)	(1,068,061)	(4,935,101)	(2,375,628)
INTEREST EXPENSE	(2,113)	(4,620)	(3,828)	(5,888)
NET LOSS	(2,591,216)	(1,072,681)	(4,938,929)	(2,381,516)
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange rate differences on translation of foreign operations	(665,119)	(605,162)	(823,753)	(125,443)
TOTAL COMPREHENSIVE LOSS	<u>\$ (3,256,335)</u>	<u>\$ (1,677,843)</u>	<u>\$ (5,762,682)</u>	<u>\$ (2,506,959)</u>

See Accompanying Notes to Consolidated Financial Statements.

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
Six Months Ended June 30, 2021, and 2020

	Common Shares		Class A Shares		Additional Paid-in-capital	Accumulated Deficit	Accumulated Comprehensive Other Income (Loss)		Total
	Units	Amount	Units	Amount					
Balance at December 31, 2019	82,397,065	\$ 11,371,096	10,000,000	\$ 10,000	\$ 121,458	\$ (7,484,417)	\$ 129,325	\$ 4,147,462	
Share-based compensation	-	-	-	-	17,724	-	-	17,724	
Net loss	-	-	-	-	-	(2,381,516)	-	(2,381,516)	
Comprehensive loss	-	-	-	-	-	-	(125,443)	(125,443)	
Balance at June 30, 2020	82,397,065	\$ 11,371,096	10,000,000	\$ 10,000	\$ 139,182	\$ (9,865,933)	\$ 3,882	\$ 1,658,227	
Balance at December 31, 2020	117,432,212	\$ 20,777,435	10,000,000	\$ 10,000	\$ 231,101	\$ (14,384,614)	\$ 174,798	\$ 6,808,720	
Issuance of common shares	41,031,654	16,881,208	-	-	-	-	-	16,881,208	
Issuance of Subscription receipts	37,814,655	25,252,624	-	-	-	-	-	25,252,624	
Series B warrants exercised	4,375,000	218,750	-	-	-	-	-	218,750	
Series D warrants exercised	180,250	18,025	-	-	-	-	-	18,025	
Series F warrants exercised	70,193	19,965	-	-	-	-	-	19,965	
Finders warrants expenses	-	-	-	-	111,182	-	-	111,182	
Share-based compensation	-	-	-	-	58,676	-	-	58,676	
Net loss	-	-	-	-	-	(4,938,929)	-	(4,938,929)	
Comprehensive loss	-	-	-	-	-	-	(823,753)	(823,753)	
Balance at June 30, 2021	200,903,964	\$ 63,168,007	10,000,000	\$ 10,000	\$ 400,959	\$ (19,323,543)	\$ (648,955)	\$ 43,606,468	

PMML CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Six Months Ended June 30, 2021, and 2020

	For the Six Months Ended	
	June 30, 2021	June 30, 2020
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (4,938,929)	\$ (2,381,516)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property and equipment	6,809	7,586
Amortization of right-of-use asset	98,491	98,491
Finance costs	3,828	5,888
Exchange rate differences on translation of foreign operations	(823,753)	(125,443)
Finders warrants expense	111,182	-
Share-based compensation	58,676	17,724
Changes in operating assets and liabilities		
Accounts receivable	(20,238,122)	30,310
Prepaid expenses and deposits	(4,488)	31,781
Accounts payable and accrued liabilities	284,818	311,537
NET CASH USED IN OPERATING ACTIVITIES	(25,441,488)	(2,003,642)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(11,320)	-
NET CASH USED IN INVESTING ACTIVITIES	(11,320)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common shares, net of issuance costs	42,133,832	-
Proceeds received from exercise of warrants	256,740	-
Lease payments	(85,572)	(14,551)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	42,305,000	(14,551)
CHANGE IN CASH AND CASH EQUIVALENTS	16,852,192	(2,018,193)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,426,578	3,538,894
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 18,278,770	\$ 1,520,701
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE SIX-MONTH PERIOD FOR:		
Interest	\$ 3,828	\$ 5,888

See Accompanying Notes to Consolidated Financial Statements.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Business Description

PMML Corp. (the "Company") was incorporated pursuant to the Business Corporations Act, under the laws of the Province of Ontario on October 28, 2016. The address of the registered and record office is 116 Spadina Ave, Unit 701, Toronto, ON, M5V 2K6.

The business objective of the Company and its subsidiaries (together the "Group") is to offer real money wagering on esports and traditional sports to players where legally permitted.

COVID – 19 Pandemic

In March 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared it a pandemic which continues to exist as of the date of these financial statements causing business disruptions and, in some cases, business closures. The extent of the impact on the company's operations, its suppliers and other vendors, customer base, and employees will depend on certain developments, including the duration and spread of the virus, and vaccine availability. To address the uncertainties posed by COVID-19, the Company and its management have taken certain steps and measures to address the risks to its operations, and potential impacts on future results. Measures taken include cash management and implementation of new health and safety and remote work procedures where possible.

Liquidity and Capital Resources

As of June 30, 2021, and for the six-month period then ended, the Company had an accumulated deficit of \$19,323,543, a net loss from operations of \$5,762,682 and net cash used in operating activities of \$25,441,488. The Company's management continues to finance its cash needs through issuance of common shares. If management is unsuccessful in its efforts to generate profitable operations, the Company may not be able to continue as a going concern. The ability of the Company to continue as a going concern and to meet its obligations will be dependent upon successful operations and cash flows. The accompanying consolidated financial statements do not reflect any adjustment that might result from the outcome of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Statement of compliance and application of new International Financial Reporting Standards ("IFRS")

The consolidated financial statements of the Company have been prepared by the Manager in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved by the Board of Directors on August 16, 2021.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The Company determines the functional currency through an analysis of several indicators such as financing activities, the currency in which the majority of costs and expenses are denominated and settled, and frequency of transactions with the reporting entity. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange rate differences on foreign currency transactions are included in profit and loss in the consolidated statements of operations and other comprehensive income (loss), as appropriate.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Name	Place of Incorporation	Percentage of equity interest		Nature of business
		2020	2019	
PMML Dev Corp.	Ontario	100%	100%	Administration of employees and contractors
PMML Advisors Corp.	Ontario	100%	100%	Advisory services. Inactive so far.
PMML IP Corp.	Ontario	100%	N/A	Holds the intellectual property.
Pick Win Earn Corp.	Ontario	100%	100%	Administration of employees.
Rivalry Limited	Isle of Man	100%	100%	Holder of gambling license in Isle of Man
Rivalry Service Limited	Isle of Man	100%	100%	Service transmission.
Rivalry Australia Proprietors	Australia	100%	N/A	Holder of gambling license in Australia.

Cash and Cash Equivalents

The Company considers cash equivalents to be highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts Receivables

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company reviews all outstanding accounts receivable for collectability on a regular basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectable. As of June 30, 2021, and December 31, 2020, no allowance was deemed necessary. A balance of \$25,252,624 and \$5,302,309 was held in escrow as at June 30, 2021, and December 31, 2020.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at historic cost less accumulated depreciation. Depreciation is calculated using the straight-line method at annual depreciation rates as follows:

Computers	30%
Office furniture and equipment	20%

An item of property and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of operations and comprehensive loss. The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively. Right-of-use assets are amortized according to their asset category.

Intangible Assets

At June 30, 2021, and December 31, 2020, all of the Company's intangible assets consisted of domains. The domains have been treated as indefinite lived assets and are not being amortized.

Impairment of Long-Lived Assets

Property and equipment and definite lived intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Indefinite lived intangible assets, including goodwill, are tested for impairment annually. For the purposes of measuring recoverable values, assets are aggregated into cash generating units ("CGUs") based on an assessment of the lowest levels for which there are separately identifiable cash flows. The determination of individual CGUs is based on management's judgement regarding shared infrastructure, geographical proximity and similar exposure to market risk. The recoverable value is the greater of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. An impairment loss is recognized for the value by which the asset's carrying value exceeds its recoverable value.

Right-of-Use Assets and Lease Liabilities

The Company assesses whether a contract is or contains a lease, at inception of a contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. The right-of-use asset is amortized over the estimated life of the asset. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in net finance costs in the consolidated statements of operations and comprehensive income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue consists of esports online gaming revenue, which is comprised of bets placed less payouts to customers, adjusted for the fair value of open betting positions.

Share-Based Payments

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Scientific Research and Experimental Development Tax Credits

The Company is entitled to scientific research and experimental development (“SR&ED”) tax credits, which are accounted for using the cost reduction approach. Under this approach, tax credits are recognized as a deduction from the related expenses or capital expenditures in the period in which those expenditures are incurred. These credits are also subject to a review by the tax authorities. Any differences between the credits granted and the credits recognized will be recorded in net income. As at June 30, 2021 and December 31, 2020, these amounts totaled \$205,864 and \$205,864, respectively.

Income Taxes

Income taxes and tax exposures recognized in the consolidated financial statements reflect management’s best estimate based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to consider certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

The Company recognizes interest and penalties related to income taxes on the interest expense and other expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included on the accounts payable and accrued liabilities line in the consolidated statements of financial position.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities, including derivatives, are recognized when the Company becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the consolidated statements of operations and comprehensive loss.

Classification and Subsequent Measurement

The Company classifies financial assets, at the time of initial recognition, according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in the following measurement categories:

- a) amortized cost;
- b) fair value through profit or loss ("FVTPL"); and
- c) fair value through other comprehensive income ("FVTOCI").

Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL: a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in the consolidated statements of loss and comprehensive loss in the period that the asset is derecognized or impaired. All financial assets not classified as amortized cost as described above are measured at FVTPL or FVTOCI depending on the business model and cash flow characteristics. The Company has no financial assets measured at FVTOCI.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method with gains and losses recognized in the consolidated statements of loss and comprehensive loss in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

Financial instruments are classified into one of the following categories: FVTPL; financial assets at amortized cost, financial liabilities at amortized cost, and financial assets at FVTOCI.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Impairment of Financial Instruments – Expected Credit Losses (“ECL”)

For all financial assets recorded at amortized cost, the Company applies the simplified approach to providing for expected credit losses prescribed, which requires the use of the lifetime expected loss provision for all accounts receivables based on the Company’s historical default rates over the expected life of the accounts receivable and is adjusted for forward-looking information and macro-economic factors and estimates. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Derecognition of Financial Assets and Liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the consolidated statements of operations and comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive income (loss).

Use of Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New and Revised Standards and Interpretations to be Adopted

The following is a brief summary of the new standards issued but not yet effective:

(i) *Amendments to IAS 1: Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (“Amendments to IAS 1”). The Amendments to IAS 1 aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The Amendments to IAS 1 include clarifying the classification requirements for debt a company might settle by converting it into equity. The Amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted.

(ii) *Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract*

In May 2020, the IASB issued Onerous Contracts – Cost of Fulfilling a Contract (“Amendments to IAS 37”) amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

NOTE 3 – PROPERTY AND EQUIPMENT

As of June 30, 2021, and December 31, 2020, property and equipment consisted of the following:

	<u>Computers</u>	<u>Office Furniture and Equipment</u>	<u>Total</u>
<u>Cost</u>			
Balance, January 1, 2020	\$ 60,826	\$ 28,786	\$ 89,612
Additions	25,965	-	25,965
Balance, December 31, 2020	86,791	28,786	115,577
Additions	11,318	-	11,318
Balance, June 30, 2021	<u>\$ 98,109</u>	<u>\$ 28,786</u>	<u>\$ 126,895</u>
<u>Accumulated Depreciation</u>			
Balance, January 1, 2020	\$ 16,915	\$ 4,196	\$ 21,111
Additions	11,520	4,576	16,096
Balance, December 31, 2020	28,435	8,772	37,207
Additions	5,397	1,410	6,807
Balance, June 30, 2021	<u>\$ 33,832</u>	<u>\$ 10,182</u>	<u>\$ 44,014</u>
<u>Net Book Value</u>			
December 31, 2020	\$ 58,356	\$ 20,014	\$ 78,370
June 30, 2021	<u>\$ 64,277</u>	<u>\$ 18,604</u>	<u>\$ 82,881</u>

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 4 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company entered into a lease obligation on October 1, 2019. At that time, the Company recorded a right-of-use asset and a corresponding lease liability of \$656,612. The right-of-use asset is being amortized over 3 years and 4 months. For the three and six-month period ended June 30, 2021, amortization expense totaled \$49,246 and \$98,492, respectively. For the three and six-month period ended June 30, 2020, amortization expense totaled \$49,246 and \$98,492, respectively.

As of June 30, 2021, the weighted average remaining life of the lease is 1 year and 7 months and the weighted average discount rate is 2.45%. For the three and six-month period ended June 30, 2021, the Company recorded interest expense of \$2,113 and \$3,828, respectively. For the three and six-month period ended June 30, 2020, the Company recorded interest expense of \$4,620 and \$5,888, respectively.

Information related to the Company's right-of-use assets and lease liabilities at June 30, 2021, and December 31, 2020, is as follows:

	Right-of-Use Assets	Lease Liabilities
Net book value at January 1, 2020	\$ 607,366	\$ 407,473
Interest expense	-	12,765
Principal repayments	-	(99,597)
Amortization	(196,984)	-
Net book value at December 31, 2020	410,382	320,641
Interest expense	-	3,828
Principal repayments	-	(85,572)
Amortization	(98,491)	-
Net book value at June 30, 2021	<u>\$ 311,891</u>	<u>\$ 238,897</u>

Maturities of the lease liabilities as of June 30, 2021, are expected to be as follows:

2021 (remaining)	\$ 15,076
2022	212,478
2023	<u>17,753</u>
Total lease payments	245,307
Less: Imputed interest	<u>(6,410)</u>
Total lease liabilities	238,897
Less: Current portion of lease liabilities	<u>115,424</u>
Non-current portion of lease liabilities	<u>\$ 123,473</u>

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 – CAPITAL STOCK

Common Shares:

On December 14, 2016, the Company closed the first tranche of the first-round non-brokered private placement of 26,440,000 units of the Company at the price of \$0.05 per unit for gross proceeds of \$1,322,000. Each unit consists of one common share and one Series B warrant. Each warrant entitles the holder to purchase one additional common share of the Company on or before December 14, 2021 at a price of \$0.05 per common share.

On February 3, 2017, the Company closed the second tranche of the first-round non-brokered private placement of 2,910,000 units of the Company at the price of \$0.05 per unit for gross proceeds of \$145,500. Each unit consists of one common share and one Series B warrant. Each warrant entitles the holder to purchase one additional common share of the Company on or before February 3, 2022 at a price of \$0.05 per common share.

On September 6, 2017, the Company closed the first tranche of the second-round non-brokered private placement of 7,005,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$700,500.

On November 7, 2017, the Company closed the second tranche of the second-round non-brokered private placement of 9,290,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$929,000. At the same time, the Company also issued 58,250 Finders warrants. These warrants expired on November 7, 2019.

On December 18, 2017, the Company closed the third tranche of the second-round non-brokered private placement of 8,860,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$886,000. At the same time, the Company also issued 180,250 Finders warrants. Each warrant entitles the holder to purchase one additional common share of the Company on or before December 18, 2021 at a price of \$0.10 per common share.

On January 30, 2018, the Company closed the fourth tranche of the second-round non-brokered private placement of 1,000,000 units of the Company at the price of \$0.10 per unit for gross proceeds of \$100,000.

On May 4, 2018, the Company closed the first tranche of the third round brokered private placement of 23,689,479 units of the Company at the price of USD \$0.23 per unit for gross proceeds of USD \$5,448,580. At the same time, the Company also issued 616,232 Finders warrants. These warrants expired on May 4, 2020.

On August 22, 2018, the Company closed the second tranche of the third-round non-brokered private placement of 2,327,586 units of the Company at the price of USD \$0.23 per unit for gross proceeds of USD \$535,345.

On June 26, 2020, the Company issued 10,875,000 common shares from the exercise of 10,875,000 Series A warrants at the exercise price of \$0.001 for gross proceeds of \$10,875.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 – CAPITAL STOCK (Continued)

On August 6, 2020, the Company closed the first tranche of the fourth-round non-brokered private placement of 9,399,615 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$3,195,869. Each unit consists of one common share. At the same time, the Company also issued 494,294 Finders warrants. Each warrant entitles the holder to purchase one additional common share of the Company on or before August 6, 2022 at a price of USD \$0.34 per common share. The warrants vested immediately.

On September 18, 2020, the Company issued 700,000 common shares from the exercise of 700,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$35,000.

On October 6, 2020, the Company issued 1,000,000 common shares from the exercise of 1,000,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$50,000.

On December 4, 2020, the Company issued 40,000 common shares from the exercise of 40,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$2,000.

On December 23, 2020, the Company closed a second tranche of the fourth-round non-brokered private placement of 13,020,532 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$4,426,981.

On January 15, 2021, the Company closed a third tranche of the fourth-round non-brokered private placement of 6,442,778 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$2,190,545. Each unit consists of one common share.

On January 22, 2021, the Company closed a fourth tranche of the fourth-round non-brokered private placement of 1,724,841 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$586,446. Each unit consists of one common share.

On January 29, 2021, the Company issued 200,000 common shares from the exercise of 200,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$10,000.

On February 4, 2021, the Company closed a fifth tranche of the fourth-round non-brokered private placement of 12,703,799 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$4,319,292. Each unit consists of one common share.

On February 12, 2021, the Company closed a sixth tranche of the fourth-round non-brokered private placement of 4,753,413 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$1,616,160. Each unit consists of one common share.

On February 21, 2021, the Company closed a seventh tranche of the fourth-round non-brokered private placement of 2,618,589 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$890,320. Each unit consists of one common share.

On March 3, 2021, the Company closed an eighth tranche of the fourth-round non-brokered private placement of 12,788,234 units of the Company at the price of USD \$0.34 per unit of gross proceeds of USD \$4,348,000. Each unit consists of one common share. The Company issued 1,231,246 finders warrants exercisable in two years at USD \$0.34.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 – CAPITAL STOCK (Continued)

On April 6, 2021, the Company issued 400,000 common shares from the exercise of 400,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$20,000.

On April 7, 2021, the Company issued 200,000 common shares from the exercise of 200,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$10,000.

On April 9, 2021, the Company issued 1,575,000 common shares from the exercise of 1,575,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$78,750.

On April 13, 2021, the Company issued 1,000,000 common shares from the exercise of 1,000,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$50,000.

On April 23, 2021, the Company issued 69,000 common shares from the exercise of 69,000 Series D warrants at the exercise price of \$0.10 for gross proceeds of \$6,900.

On April 23, 2021, the Company issued 70,193 common shares from the exercise of 70,193 Series F warrants at the exercise price of USD \$0.23 for gross proceeds of USD \$16,144.

On May 5, 2021, the Company issued 111,250 common shares from the exercise of 111,250 Series D warrants at the exercise price of \$0.10 for gross proceeds of \$6,900.

On June 3, 2021, the Company issued 1,000,000 common shares from the exercise of 1,000,000 Series B warrants at the exercise price of \$0.05 for gross proceeds of \$50,000.

Class A Shares:

On December 12, 2016, the Company issued 10,000,000 Founders' units of the Company at the price of \$0.001 per unit for gross proceeds of \$10,000. Each unit consists of one Class "A" share, one Series A warrant, one Series B warrant and one Series C warrant. The Company also issued 875,000 Founders' units of the Company at the price of \$0.001 per unit for gross proceeds of \$875. Each unit consists of one common share, one Series A warrant, one Series B warrant and one Series C warrant. Each Series A warrant entitles the holder to purchase one additional common share of the Company on or before December 12, 2021, at a price of \$0.001 per common share. Each Series B warrant entitles the holder to purchase one additional common share of the Company on or before December 12, 2021 at a price of \$0.05 per common share. Each Series C warrant entitles the holder to purchase one additional common share of the Company on or before December 12, 2021, at a price of \$0.25 per common share.

Subscription Receipts

On June 9, 2021, the Company closed an offering of 37,814,655 subscription receipts of the Company ("Subscription Receipts") for total gross proceeds of approximately USD \$21,932,500 (the "Subscription Receipt Offering"). The Subscription Receipts were sold at a price of USD \$0.58 per Subscription Receipt (the "Offering Price") pursuant to the terms of an agency agreement among the Company, Eight Capital and Cormark Securities Inc. (together, the "Co-Lead Agents") and Canaccord Genuity Corp. and M Partners Inc. Each Subscription Receipt entitles the holder, without payment of additional consideration, to receive one common share of the Company upon satisfaction of the Escrow Release Conditions as defined in the prospectus.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 6 - WARRANTS

As discussed at Note 5, the Company has issued several tranches of warrants between December 2016 through June 30, 2021.

A reconciliation of the beginning and ending balance of the warrants outstanding is as follows:

	Number of Warrants	Weighted average exercise price
Balance at January 1, 2020	62,890,914	\$ 0.08
Granted	494,294	0.43
Exercised	(12,685,193)	0.05
Forefeited	(665,471)	-
Balance at December 31, 2020	50,034,544	\$ 0.09
Granted	1,301,439	USD\$ 0.34
Exercised	(4,625,443)	0.05
Forefeited	-	-
Balance at June 30, 2021	46,710,540	\$ 0.11

The following table summarizes the Company's outstanding warrants as of June 30, 2021, and December 31, 2020:

Common Shares	Exercise Price	Expiration Date	June 30, 2021	December 31, 2020
Series B	\$0.05	December 12, 2021	31,200,000	35,575,000
Series B	\$0.05	February 3, 2022	2,910,000	2,910,000
Series C	\$0.25	December 12, 2021	10,875,000	10,875,000
Series D	\$0.10	December 28, 2021	-	180,250
Compensation Warrants	USD \$0.34	August 6, 2022	494,294	494,294
Compensation Warrants	USD \$0.34	March 1, 2023	1,231,246	-
			46,710,540	50,034,544

As of June 30, 2021, and December 31, 2020, 46,710,540 and 50,034,544 warrants were exercisable, respectively.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 6 – WARRANTS (Continued)

The accounting fair value of the warrants as of date of grant was calculated in accordance with a Black-Scholes option pricing model using the following average inputs:

	June 30, 2021	December 31, 2020
Risk free interest rate	1.84%	1.21%
Average forfeiture rate	1.25%	1.25%
Maximum life	2 years	2 years
Expected dividend	-	-
Expected share price volatility	38%	38%

NOTE 7 – STOCK OPTIONS

The Company's stock option plan provides for stock options to be issued to directors, officers, employees and consultants of the Company so that they may participate in the growth and development of the Company. Subject to the specific provisions of the stock option plan, eligibility, vesting period, terms of the options and the number of options granted are to be determined by the board of Directors at the time of the grant. The stock option plan allows the Board of Directors to issue up to 15% of the Company's outstanding common shares as stock options.

A reconciliation of the beginning and ending balance of the stock options outstanding is as follows:

	Stock options outstanding	Weighted average exercise price
Balance at January 1, 2020	4,450,500	\$ 0.30
Granted	1,512,000	
Forfeited	(185,000)	
Balance at December 31, 2020	5,777,500	\$ 0.30
Granted	1,582,120	
Forfeited	-	
Balance at June 30, 2021	7,359,620	\$ 0.23

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 7 – STOCK OPTIONS (Continued)

The following table summarizes the Company's outstanding stock options as of June 30, 2021, and December 31, 2020:

	<u>Outstanding</u>	<u>Exercise price</u>	<u>Remaining years</u>	<u>Exercisable</u>
At June 30, 2021	7,359,620	USD \$0.23 - 0.34	0.13 - 3.96 years	7,359,620
At December 31, 2020	5,777,500	USD \$0.23 - 0.34	1 - 3.96 years	5,777,500

The accounting fair value of the stock options as of date of grant was calculated in accordance with a Black-Scholes option pricing model using the following average inputs:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Risk free interest rate	1.84%	1.21%
Average forfeiture rate	3.26%	3.47%
Average vesting period	1.52 years	1.27 years
Maximum life	3.96 years	3.96 years
Expected dividend	0.00%	0.00%
Expected share price volatility	38%	38%

For the three and six-month period June 30, 2021, the Company recognized share-based compensation of \$32,389 and \$58,676, respectively. For the three and six-month period June 30, 2020, the Company recognized share-based compensation of \$0 and \$17,724, respectively. As of June 30, 2021, \$281,521 remained unrecognized.

NOTE 8 – INCOME TAXES

The income tax expenses for the three and six-month period ended June 30, 2021, and 2020, were as follows:

	<u>For the three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Statutory tax rate	26.50%	26.50%	26.50%	26.50%
Loss for the year for tax purposes	\$ (2,589,103)	\$ (1,068,061)	\$ (4,935,101)	\$ (2,375,628)
Expected income tax (recovery)	(686,112)	(283,036)	(1,307,802)	(629,541)
Allowance for unrecognized current and prior tax attributes	686,112	283,036	1,307,802	629,541
Total income tax expense (recovery)	\$ -	\$ -	\$ -	\$ -

In the consolidated financial statements, losses for foreign entities have not been taken into consideration as those losses will not be available to be utilized for the Canadian Income Tax Purposes.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 9 – RELATED PARTY TRANSACTIONS

The remuneration of directors and key management personnel during the three and six -month period ended June 30, 2021, included management fees of \$147,601 and \$ 295,967, respectively. The remuneration of directors and key management personnel during the three and six -month period ended June 30, 2020, included management fees of \$98,837 and \$197,611, respectively. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by both parties.

As of and through the six-month period ended June 30, 2021, the Company has loaned a related party GG Corp \$2,174,037 for operating purposes. As of June 30, 2021, this entire amount has been fully been reserved.

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANGEMENT

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which there is sufficient data with unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 Inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANGEMENT (Continued)

There were no transfers into or out of the fair value levels for three and six-month period ended June 30, 2021, and 2020.

The classification of financial instruments at their carrying and fair values is as follows:

(a) Fair Value

	June 30, 2021	December 31, 2020
Accounts payable and accrued liabilities	\$ 778,798	\$ 493,980

The Company is exposed to credit risk, liquidity risk and interest rate risk. The Company's management oversees the management of these risks. The Company's management is supported by the external consultants that advise on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with Company policies and risk appetite statement.

(b) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. To address its credit risk arising from cash and cash equivalents, deposits and accounts receivable, the Company ensures to keep these balances with financial institutions of high repute. The Company has not recorded an ECL as all amounts are considered to be recoverable and are immaterial. The Company is not significantly exposed to its accounts receivable due to its diversified customer base and a stringent collection policy.

(c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash in a cost-effective manner to fund its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through obtaining financing from its members and third parties. As at June 30, 2021 and December 31, 2020, all trade payables and accrued liabilities are due within a year.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents. Cash and cash equivalents bear interest at market rates.

PMML CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANGEMENT (Continued)

(e) Currency Risk

The consolidated operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

At June 30, 2021, and December 31, 2020, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. The Company believes that the change in exchange rates will not have a significant impact on its consolidated financial results.

NOTE 11 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 16, 2021, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition at June 30, 2021, have been incorporated into these consolidated financial statements.



PMML CORP.

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL RESULTS FOR THE
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021
AND 2020.**

(Expressed in Canadian Dollars)

Dated August 16, 2021

PMML CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“**MD&A**”) should be read in conjunction with PMML Corp.’s (the “**Company**” or “**PMML**”) consolidated financial statements and notes for the three and six months ended June 30, 2021 and 2020 (the “**Financial Statements**”). This MD&A was prepared with reference to the MD&A disclosure requirements set out by the National Instrument 51-102 – *Continuous Disclosure Obligations*. The Financial Statements, together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. Results are reported in Canadian dollars unless otherwise noted. The Financial Statements are prepared in accordance with the International Financial Reporting Standards (“**IFRS**”). Information contained herein is presented as at August 16, 2021, unless otherwise indicated. Additional information regarding the Company is available on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward looking information (collectively referred to herein as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to the Company’s current expectations and views of future events or future performance. All statements other than statements of historical fact may be forward-looking statements. The forward-looking statements are included in this MD&A are made only as of the date of this MD&A.

In some cases, these forward-looking statements can be identified by words or phrases such as “**may**”, “**might**”, “**will**”, “**expect**”, “**anticipate**”, “**estimate**”, “**intend**”, “**plan**”, “**indicate**”, “**seek**”, “**believe**”, “**predict**” or “**likely**”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. These statements involve known and unknown risks, uncertainties and other factors, including those risk factors identified in the Company’s prospectus dated September 17, 2021 (the “**Prospectus**”) under the heading “*Risk Factors*”, that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under Risks and Uncertainties.

DESCRIPTION OF BUSINESS

The Company was incorporated on October 28, 2016 under the *Business Corporations Act* (Ontario) as PMML Corp. The registered head office is located at 116 Spadina Avenue Suite 701, Toronto, ON Canada M5V 2K6.

PMML intends to carry on the business of Rivalry Limited (“**Rivalry**”). Rivalry is an emerging sports betting and sports media company with the ambition to become a leader in both esports and sports betting for a younger demographic (young Millennials and Gen Z generations). Rivalry has developed an in-house technology platform offering fixed odds sports betting on both esports and traditional sports, in addition to an originally developed casino product called Rushlane. As sports and esports betting is a regulated industry, on January 19, 2018, Rivalry Limited, a wholly owned subsidiary of the Company, was granted an Isle of Man Licence (“**IOM Licence**”) to operate by the Gambling Supervision Commission (“**GSC**”), pursuant to the *Online Gambling Regulation Act* 2011. The IOM Licence allows Rivalry to offer multiple forms of sports betting such as esports and traditional sports and casino

games. The Company has found success in a number of jurisdictions as permitted under the IOM Licence. Rivalry Limited's primary operating markets currently are: (a) South America, where the Company sees approximately 80% of monthly revenue; (b) 10% from the Commonwealth of Independent States region; and (c) 10% from the Southeast Asia region. On March 15, 2021, Rivalry Australia Pty Ltd., a wholly owned subsidiary of the Company, was granted a conditional licence from the Northern Territory Racing Commission (the "**Australian Conditional Licence**"). The Company anticipates launching in Australia in Q4 2021, and therefore expects to continue to see an increased geographic mix in its business.

PMML's overall strategic vision is to market and grow the existing sportsbook and build out Rivalry into a positive cash flow business. The Company views its overall strategy in three broad pillars: continued market leading product innovation, ongoing expansion into new jurisdictions under the Company's existing IOM Licence and new regulated market licences such as its recently granted Australian Conditional Licence, and developing best in class video content and social media properties to create global brand resonance for the brand Rivalry.

The Company will continue to apply for additional licences to further expand its active legal betting markets. With this in mind, the Company also recognizes that it may, from time to time, be required to comply with regulatory bodies. The Company will ensure that when seeking licences, it has understood the requirements in each market it operates in and will maintain and develop protocols to address compliance. Finally, the Company endeavours to develop and maintain the appropriate financial processes to provide transparency to shareholders.

Together with its management team, the Company continues to work towards delivering a profitable betting business. The Company will continue to try to identify strategic investments and partnerships to expand the Company's network. The Company is continually reviewing potential acquisitions and strategic partnerships and joint ventures and it is in the normal course of the Company's business to routinely consider and evaluate offers on assets or acquisitions that fit within its business model.

The Company believes that the anticipated available funds together with cash flow from operations will be sufficient to achieve the Company's objectives over the next twelve months.

Management of the Company will provide operational, marketing and administrative expertise to all operating subsidiaries.

HIGHLIGHTS AND DEVELOPMENTS

Casino

In May 2021, Rivalry soft launched its first originally developed casino game called Rushlane. The Company had been internally developing this casino product for nearly twelve months, and following full regulatory approval from the GSC and a third-party provably fair certification from Gaming Laboratories International ("**GLI**"), the game was soft launched to the public. The purpose of the soft launch is to test user behaviours and overall appetite and iterate the product ahead of a more significant marketing push. Consistent with technology development generally, a soft launch is done to ensure that the product and original design works and to further understand what does not work. As a result of this soft launch, the Company has generated a significant volume of user feedback which allows the Company's development team to enhance the product to increase odds of user success and monetization for the Company. To date, no material revenue has been generated by Rushlane. The Company anticipates that beginning in early Q4/21 Rushlane will begin to be more meaningfully marketed to its user base, cross-sold through other products, and generate increased revenue for the Company.

Subscription Receipt Private Placement

On June 9, 2021, the Company closed an offering of 37,814,655 subscription receipts of the Company ("**Subscription Receipts**") for total gross proceeds of approximately USD \$21,932,500 (the "**Subscription Receipt Offering**"). The Subscription Receipts were sold at a price of USD \$0.58 per Subscription Receipt (the "**Offering Price**") pursuant to the terms of an agency agreement among the Company, Eight Capital and Cormark Securities Inc. (together, the "**Co-Lead Agents**") and Canaccord Genuity Corp. and M Partners Inc. Each Subscription Receipt entitles the holder,

without payment of additional consideration, to receive one common share of the Company upon satisfaction of the Escrow Release Conditions (as defined herein).

BASIS OF PRESENTATION

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”).

IMPACT OF COVID-19

In March 2020, the World Health Organization declared the coronavirus outbreak (“**COVID-19**”) a "Public Health Emergency of International Concern" and on March 11, 2020, declared it a pandemic which continues to exist as of the date of these financial statements causing business disruptions and, in some cases, business closures. The extent of the impact on the Company's operations, its suppliers and other vendors, customer base, and employees will depend on certain developments, including the duration and spread of the virus, and vaccine availability. To address the uncertainties posed by COVID-19, the Company and its management have taken certain steps and measures to address the risks to its operations, and potential impacts on future results. Measures taken include cash management and implementation of new health and safety and remote work procedures where possible.

PMML's business could be significantly and adversely affected by the effects of any widespread global outbreak of the 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 PMML's services and likely impact operating results. In particular, the outbreak of COVID-19 has had a negative impact on global financial conditions. PMML cannot accurately predict the impact COVID-19 will have on PMML's ability to remain open for business in response to government public health efforts to contain COVID-19. The Company cannot accurately predict the impact of COVID-19 on the ability to obtain financing or third parties' ability to meet their obligations with the Company, 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 PMML'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 PMML'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 the Company become infected with COVID-19 or similar pathogens, it could have a material negative impact on PMML's operations and prospects.

After the release of the traditional sports betting platform on Rivalry, the COVID-19 pandemic began. Although this initially hampered growth in Rivalry's traditional sports betting product given the near complete global shutdown of all traditional sports, it proved to be a boon to esports viewership and betting. With COVID-19 and the lockdown measures taken by many jurisdictions across the globe, video games became an optimal medium to connect with others. This resulted in a surge in sales, and viewership on live streaming platforms of general gaming content. Esports hit all-time monthly records, which consequently drove significant interest in esports betting.

FINANCIAL HIGHLIGHTS

The following table sets forth a summary of our highlighted financial results as indicated in our consolidated financial statements for the three and six month period ended June 30, 2021 and June 30, 2020:

	Three months ended			Six months ended		
	June 30, 2021	June 30, 2020		June 30, 2021	June 30, 2020	
Revenue	\$ 3,317,393	\$ 684,988	\$	\$ 5,228,874	\$ 769,518	
Cost of Sales	(2,647,026)	(287,522)		(4,016,597)	(394,577)	
Net Loss	(2,591,216)	(1,072,681)		(4,938,929)	(2,381,516)	
Net Loss per Share:						
Basic	(0.01)	(0.01)		(0.02)	(0.03)	
Diluted	(0.01)	(0.01)		(0.02)	(0.02)	

RESULT OF OPERATIONS

Revenue

The Company recognized revenue of \$3,317,393 and \$684,988 for the three months ended June 30, 2021 and 2020 from online wagering and \$5,228,874 and \$769,518 for the six months ended June 30, 2021 and 2020. Revenue consists of esports and traditional sports online gambling revenue which is comprised of bets placed less payouts to customers.

Revenue increased by \$2,632,405 or 384% for the three months ended June 30, 2021 in comparison to the three months ended June 30, 2020. The increase for the six months ended June 30, 2021 was \$4,459,356 or 579%. This is due to additional marketing efforts to attract and retain users to the site and the shift of attention to esports due to COVID-19 lockdown measures as traditional sporting events were either cancelled, suspended, or terminated in as of March 2020.

Cost of Sales

Cost of sales increased by \$2,359,504 or 821% for the three months ended June 30, 2021 in comparison to the same time period in the previous year as a function of the increase in revenue. The increase for the six months ended June 30, 2021 and 2020 was \$3,622,020 or 918%.

Operating Expenses

The Company incurred operating expenses of \$3,259,470 and \$1,465,527 for the three months ended June, 2021 and 2020, respectively, an increase of 122%. The operating expense for the six months ended June 30, 2021 and 2020 were \$6,147,378 and \$2,750,569, respectively, an increase of 123%. The breakdown is provided below with commentary on all variances above 10% or greater than \$25,000.

	Three months ended			Six months ended		
	June 30, 2021	June 30, 2020	\$ Change	June 30, 2021	June 30, 2020	\$ Change
Marketing, advertising and promotion	\$ 1,162,502	\$ 684,327	\$ 478,175	\$ 1,878,482	\$ 1,273,415	\$ 605,067
General and Administration	1,095,039	497,314	\$ 597,725	1,942,327	911,027	\$ 1,031,300
Bad debt expense	385,844	-	\$ 385,844	1,110,629	-	\$ 1,110,629
Technology and content	387,242	188,401	\$ 198,841	634,665	304,168	\$ 330,497
Miscellaneous expenses (net of SR&ED)	176,019	26,005	\$ 150,014	364,794	155,881	\$ 208,913
Finders warrants expense	-	-	\$ -	111,182	-	\$ 111,182
Depreciation and amortization	52,824	69,480	\$ (16,656)	105,299	106,078	\$ (779)
Total Operating Expenses	\$ 3,259,470	\$ 1,465,527	\$ 1,793,943	\$ 6,147,378	\$ 2,750,569	\$ 3,396,809

Marketing, advertising and promotion

Marketing, advertising and promotion expenses increased by \$478,175 or 70% to \$1,162,502 for the three months ended June 30, 2021 in comparison to the same time period the previous year, as the Company more than doubled the number of personnel assisting with the marketing function and additional spending on marketing campaigns to attract and retain users to the site. For the six months ended June 30, 2021, and 2020 marketing, advertising and

promotion expenses increased by \$605,067 or 48% to \$1,878,482. The effects of this additional expenditure can be seen in the direct increase of betting revenue by 384% for the three months ending June 30, 2021 and 579% for the six months ending June 30, 2021.

General and Administration

General and Administration expenses increased by \$597,725 or 120% to \$1,095,039 for the three months ended June 30, 2021 in comparison to the same time period the previous year as the Company hired more employees and legal and professional fees to support its operations. For the six months ended June 30, 2021, and 2020 general and administration expenses increased by \$1,031,300 or 113% to \$1,942,327.

Bad debt expense

On June 30, 2021, the Company recorded a total bad debt expense of \$1,110,629 for the six month ended June 30, 2021 due to a loan made to a related party, GG Corp, for operational purposes.

Technology and content

Technology and content expenses increased by \$198,841 or 106% to \$387,242 for the three months ended June 30, 2021 and 2020 from fees paid to odds providers but also as a result of the additional technology support required from an increase in user base and a growing team of developers. For the six months ended June 30, 2021 and 2020, the increase was \$330,497 or 109% to \$634,665.

Miscellaneous expenses

Miscellaneous expenses increased by \$150,014 or 577% to \$176,019 for the three months ended June 30, 2021 and 2020 from the increase in fees charged by payment service providers. Users deposit and withdraw funds through these payment service providers and the increase is expected with the growth of revenue and increased number of transactions. For the six months ended June 30, 2021 and 2020, the increase was \$208,913 or 134% to \$364,794.

Finders warrants expense

On March 3, 2021, the Company issued 1,231,246 finders warrants in connection with the closing of its fourth round non-brokered private placement of 12,788,234 units at the price of USD \$0.34. These warrants are valued at \$111,182 based on a Black-Scholes valuation model at the date of the grant.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2021, the Company had working capital of \$18,477,317 (March 31, 2021 – \$20,982,320) which does not include the funds held in escrow as a result of the Subscription Receipt financing. The Company's management continues to finance its cash needs through the issuance of common shares. The Company completed the Subscription Receipt Offering on June 9, 2021 for gross proceeds of approximately USD \$21,932,500. The net funds raised in the Subscription Receipt Offering have been deposited in escrow with Odyssey Trust Company in its capacity as subscription receipt agent. Each Subscription Receipt will entitle the holder thereof to receive, upon satisfaction or waiver of the following escrow release conditions (the “**Escrow Release Conditions**”) prior to the escrow release deadline and without payment of additional consideration or further action, one common share in the Company:

- (i) the Company obtaining a final receipt for the Prospectus from the securities regulatory authorities in each of the qualifying provinces;
- (ii) the Company obtaining all requisite corporate, shareholder and regulatory approvals in connection with the Company's proposed going public transaction by way of clearing this prospectus in connection with the listing of the common shares of the Company on the TSXV, including without limitation, the conditional approval from the TSXV or such other recognized Canadian stock exchange acceptable to the Co-Lead Agents to list the common shares of the Company;
- (iii) the Company obtaining requisite shareholder approval for a certain reorganization of the Company following the issuance of the final receipt for the Prospectus and promptly filing the articles of amendment required to give effect thereto; and

- (iv) the Company and the Co-Lead Agents having delivered a joint notice to the subscription receipt agent confirming that the conditions set forth in (i) to (iii) above have been met or waived.

If the Escrow Release Conditions are not satisfied on or before on or before 5:00 p.m. (Toronto time) on October 7, 2021 (the “**Escrow Release Deadline**”) or prior to the Escrow Release Deadline the Company advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the escrowed funds pertaining to the Subscription Receipt Offering shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that such escrowed funds are not sufficient to refund the aggregate Offering Price paid by the holders of the Subscription Receipts (plus the accrued interest earned thereon), the Company shall be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

Debt

The Company had no debt as of June 30, 2021 nor has it entered debt agreements in the past. The only form of debt at the Company is intercompany debt among its subsidiaries.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	June 30, 2021	June 30, 2020
Cash provided by (used in) operating activities	\$ (24,617,735)	\$ (1,878,199)
Cash provided by (used in) investing	(11,320)	-
Cash provided by financing activities	42,305,000	(14,551)
Effect of foreign exchange on cash and cash equivalents	(823,753)	(125,443)
Net increase (decrease) in cash and cash equivalents	16,852,192	(2,018,193)
Cash and cash equivalents at beginning of year	1,426,578	3,538,894
Cash and cash equivalents at end of year	\$ 18,278,770	\$ 1,520,701

Operating Activities

Cash used in operating activities includes the impact of changes in accounts receivable and payables and also attributed to player balances. Player balances are composed of the net cash deposited, won or lost, and withdrawn by each user which is recorded as current liabilities on the balance sheet. Cash provided by operating activities for the six months ended June 30, 2021 decreased by \$22,739,536. The funds held in escrow due to the subscription receipt completed on June 9, 2021 in the amount of \$25,252,624 make up the large difference.

Investing Activities

The amounts impacting cash used in investing are from purchases of property and equipment.

Financing Activities

The cash provided by financing activities increased by \$42,319,551 to \$42,305,000. The increase was due to the financing rounds completed in the three months ended March 31, 2021 in the amount of \$16,881,208 and the additional funds held in escrow as a result of the subscription receipt completed on June 9, 2021 in the amount of \$25,756,647.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

RELATED PARTY DISCLOSURES

The remuneration of directors and key management personnel during the three and six month period ended June 30, 2021, included management fees of \$147,601 and \$ 295,967, respectively. The remuneration of directors and key

management personnel during the three and six -month period ended June 30, 2020, included management fees of \$98,837 and \$197,611, respectively. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by both parties.

OUTSTANDING SHARE DATA

Description	Authorized Capital of the Company	Outstanding as at the date of this MD&A
Common Shares	Unlimited	200,903,964
Class A Shares	Unlimited	10,000,000
Warrants		44,985,000
Compensation Options		1,725,540
Stock Options	Up to 15%	7,359,620

Common shares include the 37,814,655 subscription receipts as part of the June 9, 2021 offering.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Right-of-Use Assets and Lease Liabilities

The Company assesses whether a contract is or contains a lease, at inception of a contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. The right-of-use asset is amortized over the estimated life of the asset. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in net finance costs in the consolidated statements of operations and comprehensive income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Share-Based Payments

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Loss per Share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of common shares outstanding during each of the years presented. Contingently issuable shares (including shares held in escrow) are not considered outstanding Common Shares and consequently are not included in the loss per share calculations.

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has two categories of dilutive potential common shares: warrants and stock options. In order to determine diluted loss per share, it is assumed that any proceeds from the exercise of dilutive stock options would be used to repurchase common shares at the average market price during the period. The diluted loss per share calculation excludes any potential conversion of options that would increase earnings per share or decrease loss per share.

SIGNIFICANT AND SUBSEQUENT EVENTS

All subsequent events requiring recognition at June 30, 2021, have been incorporated into these consolidated financial statements.

**SCHEDULE “B”
AUDIT COMMITTEE CHARTER**

PMML CORP.

AUDIT COMMITTEE CHARTER

1. Introduction

The Audit Committee (the “**Committee**” or the “**Audit Committee**”) of PMML Corp. (the “**Company**”) is a committee of the Board of Directors (the “**Board**”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

A majority of the members of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The auditors are responsible for auditing the Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Company, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under IFRS;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;

- (x) review results of the Company's audit committee whistleblower program; and
- (xi) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

(f) Periodical Review of Procedures

The Audit Committee shall assess the adequacy of the procedures set out in (d) and (e) above on an annual basis and shall make recommendation to the Board with respect to any necessary amendments to this Audit Committee Charter.

Auditors

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) Communication with Internal Auditor

The internal auditor, when appointed, shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall periodically review and approve the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function.

Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) General

The Audit Committee shall review the Company's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Whistleblower Procedures

The Audit Committee shall establish for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and legal counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. Authority

The Audit Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) to communicate directly with the internal and external auditors.

6. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. Mandate Review

The Audit Committee shall review and update this Mandate annually and present it to the Board for approval where the Audit Committee recommends amendments to this Mandate.

CERTIFICATE OF THE CORPORATION

Dated September 17, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Newfoundland & Labrador.

(signed) "Steven Salz"
Steven Salz
Chief Executive Officer

(signed) "Kejda Qorri"
Kejda Qorri
Chief Financial Officer

On Behalf of the Board of Directors

(signed) "Kevin Wimer"
Kevin Wimer
Director

(signed) "Ryan White"
Ryan White
Director

CERTIFICATE OF PROMOTERS

Dated September 17, 2021

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of Provinces of British Columbia, Alberta, Ontario, New Brunswick and Newfoundland & Labrador.

(signed) "Steven Salz"
Steven Salz

(signed) "Kevin Wimer"
Kevin Wimer

(signed) "Ryan White"
Ryan White

(signed) "Steven Isenberg"
Steven Isenberg

2538373 ONTARIO INC.

2550170 ONTARIO INC.

(signed) "Steven Salz"
Director

(signed) "Steven Isenberg"
Director

CRAYNEACE INC.

(signed) "Ryan White"
Director

CERTIFICATE OF THE AGENTS

Dated September 17, 2021

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of Provinces of British Columbia, Alberta, Ontario, New Brunswick and Newfoundland & Labrador.

EIGHT CAPITAL

(signed) "Michelle Goh"
Michelle Goh
Principal, Managing Director

CORMARK SECURITIES INC.

(signed) "Alfred Avanessy"
Alfred Avanessy
Managing Director, Head of Investment Banking

CANACCORD GENUITY CORP.

(signed) "Michael Kogan"
Michael Kogan
Managing Director

M PARTNERS INC.

(signed) "Steven Isenberg"
Steven Isenberg
Chief Executive Officer