None of the transactions described in this document have been approved or disapproved by any securities regulatory authority or stock exchange, nor has any securities regulatory authority or stock exchange expressed an opinion about, or passed upon the fairness or merits of, the transactions described in this document or the adequacy of the information contained in this document and it is an offense to claim otherwise.

**SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON AUGUST 13, 2024**

# NOTICE OF SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR

***THIS NOTICE OF SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF FANSUNITE ENTERTAINMENT INC. OF PROXIES TO BE VOTED AT THE SPECIAL MEETING OF SHAREHOLDERS OF FANSUNITE ENTERTAINMENT INC.***

**TO BE HELD IN PERSON ON AUGUST 13, 2024, AT 11:00 AM PACIFIC TIME.**

**Dated: JULY 5, 2024**

**THE BOARD OF DIRECTORS OF FANSUNITE ENTERTAINMENT INC. RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RESOLUTIONS**

These materials are important and require your immediate attention. They require shareholders of FansUnite Entertainment Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisor.

**QUESTIONS OR REQUESTS FOR VOTING ASSISTANCE MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT:**

**NORTH AMERICAN TOLL FREE:**
**1-877-452-7184**

**CALLS OUTSIDE NORTH AMERICA:**
**1-416-304-0211**

**EMAIL: ASSISTANCE@LAURELHILL.COM**

July 5, 2024

Dear Shareholder:

The Board of Directors (the "**FANS Board**") of FansUnite Entertainment Inc. ("**FANS**" or the "**Company**") cordially invites you to attend the special meeting (the "**Meeting**") of holders (the "**Shareholders**") of the Company's issued and outstanding common shares (the "**Common Shares**") to be held at the offices of DLA Piper (Canada) LLP, 1133 Melville Street, Suite 2700, The Stack Building, Vancouver, British Columbia Canada at 11:00 am (Pacific time) on August 13, 2024. At this time, the Meeting will be conducted as an in person meeting, and there will be no opportunity for Shareholders to participate via other mediums.

Inside this document, you will find important information and instructions about how to participate in the Meeting.

On June 27, 2024, FANS entered into a stock purchase agreement (as may be subsequently amended, supplemented or otherwise modified, the "**Stock Purchase Agreement**") with its wholly owned subsidiary, FansUnite US Inc. ("**FansUS**"), Hero Group Corp. as the purchaser (the "**Purchaser**"), and GeoComply Solutions Inc. ("**GeoComply**"), which sets out, among other things, the terms and conditions upon which FANS is proposing to sell 100% of the equity interest in FansUS and its wholly-owned subsidiary, American Affiliate Co. LLC ("**AffiliateCo**"), which holds the Company's Betting Hero assets and customer acquisition, retention and development brand, to the Purchaser for total cash consideration of US$37,500,000 ("**Consideration**"), subject to adjustments for working capital of FansUS on the date of closing. Such sale by FANS will constitute the disposition of all or substantially all of FANS' undertaking under the *Business Corporations Act* (British Columbia) (the "**Sale Transaction**") and accordingly requires approval of the Shareholders under such statute. Upon closing of the Sale Transaction, Jai Maw and Jeremy Jakary (together, the "**Betting Hero Co-Founders**") will hold a 60% equity interest in the Purchaser and GeoComply will hold a 40% equity interest in the Purchaser. The proposed Sale Transaction is the result of the FANS Board's review of strategic alternatives, as further described in the management information circular accompanying this letter (the "**Circular**") in the section entitled "*Business of the Meeting – Sale of All or Substantially All of the Company's Assets*".

At the Meeting, you will be asked to consider and approve: (i) a special resolution authorizing the Sale Transaction (the "**Sale Resolution**"); (ii) a special resolution authorizing the reduction in the capital (the "**Capital Reduction**") of the Common Shares to facilitate the distribution of a portion of the net proceeds to be received by FANS from the Sale Transaction to the holders of Common Shares as a return of capital, to be implemented only in the event that the Sale Transaction is completed (the "**Capital Reduction Resolution**"); and (iii) an ordinary resolution authorizing, subject to the completion of the Sale Transaction and Capital Reduction, the voluntary delisting of the Common Shares (the "**Voluntary TSX Delisting**") from the Toronto Stock Exchange (the "**TSX Delisting Resolution**").

The FANS Board and the special committee of independent directors of the Company (the "**Special Committee**") considered and relied upon a number of factors in making their respective conclusions and recommendations regarding the Sale Transaction, including, among others, the following:

(a) ***Premium and Immediate Liquidity.*** Pursuant to the Stock Purchase Agreement, the Company agreed to distribute at least 90% of the net proceeds of the Consideration (after payment or discharge of certain obligations and liabilities of the Company, including those associated with the Sale Transaction or otherwise), subject to applicable solvency and other legal or contractual requirements, to its Shareholders. The purchase price represents a premium valuation for the FansUS business relative to market multiples for similar publicly traded companies and M&A transactions. Receipt of the net proceeds of the Consideration should enable the Company to complete a cash distribution (the "**Distribution**") in the range of $0.065 to $0.075 per Common Share, representing a premium of between 44% and 67% to the closing price of the Common Shares on the Toronto

Stock Exchange on June 26, 2024, and a premium of between 71% and 97% to the 30-day volume weighted average price (VWAP) of the Common Shares on the Toronto Stock Exchange for the period ended June 26, 2024 (subject to the qualifications, assumptions and risks discussed elsewhere in this Circular). The Distribution will be paid entirely in cash and provide immediate liquidity and certainty of value for the Shareholders.

(b) ***Elimination of Indebtedness***. In connection with the Sale Transaction, the Company will eliminate all indebtedness of the Company and its subsidiaries, including, but not limited to bank indebtedness and deferred and contingent consideration.

(c) ***No Escrow or Holdback of Any Portion of Consideration***. There is no requirement under the Stock Purchase Agreement that any portion of the Consideration be placed into escrow.

(d) ***Lack of Financing Condition***. GeoComply has the capability and funds to effect the Sale Transaction, and the Sale Transaction is not subject to a financing condition.

(e) ***Guarantee***. The Purchaser's payment obligations under the Stock Purchase Agreement are unconditionally guaranteed by GeoComply.

(f) ***Future Opportunity to Retain Exposure***. The Company expects to retain net cash of approximately $500,000 to explore new business opportunities for the economic benefit of the Shareholders who will continue to maintain their interest in the Company following completion of the Distribution.

Additional factors considered by the FANS Board and Special Committee are described in the Circular in the section entitled "*Business of the Meeting – Reasons for the Sale Transaction*".

The FANS Board anticipates that, following completion of the Sale Transaction, it will make the Distribution to Shareholders currently estimated to be approximately CDN$25 million (approximately CDN$0.07 per Common Share), by way of a return of capital on the Common Shares, in an amount to be determined by the FANS Board, in its sole discretion. The amount and timing of the Distribution will be determined by the FANS Board exercising its fiduciary duty and subject to applicable solvency or other legal or contractual requirements. The Distribution will be made after payment of all fees and taxes associated with the Sale Transaction, and retention by FANS of approximately $500,000 in order to search out and, if considered appropriate by the FANS Board, participate in new business opportunities following the Closing of the Sale Transaction. The FANS Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for the Distribution, but there is no assurance this will remain the case.

The completion of the Sale Transaction is subject to, among other conditions, the passage of the Sale Resolution at the Meeting and customary closing conditions. The completion of the Distribution is conditional upon passage of the Sale Resolution and the Capital Reduction Resolution at the Meeting, and completion of the Sale Transaction. The Voluntary TSX Delisting is conditional upon the passage of the Sale Resolution, the Capital Reduction Resolution and the TSX Delisting Resolution at the Meeting, completion of the Sale Transaction and Distribution, and customary conditions pursuant to a TSX conditional approval letter. In the event the TSX Delisting Resolution is not approved at the Meeting, it is expected that following Closing, the TSX will place FANS under delisting review in accordance with TSX policies and the Common Shares will be delisted from the TSX thereafter. The Sale Transaction is currently expected to close by the third quarter of 2024.

In order to become effective, the Sale Resolution must be approved by: (i) at least 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting; and (ii) a simple majority of votes cast by Shareholders present in person or represented by proxy at the Meeting after excluding votes cast by Shareholders who are required to be excluded in accordance with Section 8.1 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and the policies of the Toronto Stock Exchange. The Capital Reduction Resolution must be approved by at least 66⅔% of the votes cast at the Meeting by the Shareholders. The TSX Delisting Resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders. Abstentions and broker non-votes will not have any effect on the approval of any of such resolutions.

As of the date of the Circular: (i) each of FANS' directors and officers owning shares carrying approximately 6% of the votes entitled to be cast at the Meeting; and (ii) certain other Shareholders owning shares carrying approximately 21% of the votes entitled to be cast at the Meeting (together owning shares carrying approximately 27% of the votes entitled to be cast at the Meeting), have entered into voting support agreements agreeing to vote their shares in favour of the Sale Resolution.

**After consulting with FANS management and receiving advice of its financial and legal advisors, and after careful consideration of a number of alternatives and factors, including, among others, receipt of the unanimous recommendation from the Special Committee, the formal valuation and fairness opinion and the factors set out in the Circular under the heading "*Reasons for the Sale Transaction*", the members of the FANS Board unanimously (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and abstained from voting in respect thereof) determined that the consummation of the transactions contemplated by the Stock Purchase Agreement, including the Sale Transaction, are in the best interests of FANS and are fair to Shareholders (other than the Betting Hero Co-Founders) and recommend that Shareholders vote "FOR" the Sale Resolution.**

The accompanying Circular describes the background to the FANS Board's determinations and recommendations. The accompanying Circular also contains a detailed description of the Stock Purchase Agreement and the Sale Transaction and includes other information to assist you in considering the matters to be voted upon which we encourage you to carefully consider. If you require assistance, you should consult your financial, tax, legal and other professional advisors.

**Your vote is important regardless of the number of Common Shares you own**. All Shareholders are encouraged to take the time to complete, sign, date and return the applicable form of proxy in accordance with the instructions set out therein and in the accompanying Circular so that your Common Shares are voted at the Meeting in accordance with your instructions. If you are a Non-Registered Shareholder and hold your Common Shares through a broker, custodian, nominee or other intermediary, please follow their instructions. **Please vote as soon as possible**.

**The Circular contains important information about FANS and the Meeting. We encourage you to review it prior to voting.**

While certain matters, such as the satisfaction of certain other conditions, are beyond FANS' control, if the requisite approvals are obtained from Shareholders, it is currently anticipated that the Sale Transaction will be completed by the third quarter of 2024.

**If you have any questions or need assistance voting, please call Laurel Hill, the Company's proxy solicitor. Shareholders in the U.S. and Canada may call toll free at 1-877-452-7184; banks and brokers, as well as Shareholders outside of North America, may call collect at 1-416-304-0211.**

On behalf of FANS, I would like to thank all Shareholders for your ongoing support.

Sincerely,

"*Scott Burton*"
Scott Burton
CEO and Director
FansUnite Entertainment Inc.

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of FansUnite Entertainment Inc. ("**FANS**" or the "**Company**") will be held at the offices of DLA Piper (Canada) LLP, 1133 Melville Street, Suite 2700, The Stack Building, Vancouver, British Columbia, Canada, on August 13, 2024 at 11:00 am (Pacific time) for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Sale Resolution**"), the full text of which is set forth in Appendix "A" to the accompanying management information circular (the "**Circular**"), approving the sale of all or substantially all of the undertaking of the Company (the "**Sale Transaction**") in accordance with the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), as contemplated by the stock purchase agreement dated June 27, 2024 (as may be subsequently amended, supplemented or otherwise modified, the "**Stock Purchase Agreement**") entered into among the Company, FansUnite US Inc., Hero Group Corp. and GeoComply Solutions Inc.;

2. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Capital Reduction Resolution**"), the full text of which is set forth in Appendix "B" to the accompanying Circular, approving the reduction in the capital of the Common Shares to facilitate the distribution of a portion of the net proceeds received by FANS from the Sale Transaction as a return of capital, contingent upon adoption of the Sale Resolution;

3. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**TSX Delisting Resolution**"), the full text of which is set forth in Appendix "C" to the accompanying Circular, approving the voluntary delisting of the Common Shares from the Toronto Stock Exchange (the "**TSX**"), subject to completion of the Sale Transaction; and

4. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

**Notice-and-Access**

**The Company has elected to use the notice-and-access ("Notice-and-Access") provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to distribute the Meeting materials (the "Meeting Materials") to its Shareholders. Notice-and-Access allows issuers to post electronic versions of proxy related materials on SEDAR+ and on one additional website, rather than mailing paper copies to Shareholders. Shareholders have the right to request hard copies of any proxy related materials posted online by the Company under Notice-and-Access.**

**The proxy materials for the above noted Meeting are available at https://fansunite.com/investors OR www.sedarplus.com. We remind you to access and review all of the important information contained in the Circular and the Meeting Materials before voting.**

**Obtaining a Copy of the Meeting Materials**

Shareholders may request to receive paper copies of the Meeting Materials by mail at no cost. Shareholders may request to receive a paper copy of the Meeting Materials for up to one year from the date the Meeting Materials were filed on www.sedarplus.com. To ensure you receive the materials in advance of the proxy voting deadline and Meeting date, all requests must be received by the Company no later than July 30, 2024 at 4:00 p.m. (Pacific time) to ensure timely receipt. If you do request the Meeting Materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes.

For more information regarding notice-and-access or to obtain a paper copy of the Meeting Materials you may contact Broadridge Investor Communications Corporation ("**Broadridge**") toll free at 1-877-907-7643 (Canada and U.S.) or 303-562-9305 (international), either before or after the Meeting. Shareholders will be asked to enter the control number indicated on the form of proxy or voting instruction form they received with this notice of Meeting to request a paper copy of the Meeting Materials.

The Circular accompanying this Notice of Meeting provides additional information relating to the matters to be brought before the Meeting, including the Sale Transaction. A copy of the Stock Purchase Agreement is available on the Company's profile at www.sedarplus.com.

The Company's board of directors (the "**FANS Board**") unanimously (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and abstained from voting in respect of the Sale Resolution) recommends that Shareholders vote "**FOR**" the resolutions described above. It is a condition of the consummation of the Sale Transaction, and any return of capital, that the Sale Resolution is adopted at the Meeting.

The FANS Board fixed July 4, 2024, as the record date for the Meeting (the "**Record Date**"). Shareholders of record at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat or at any adjournment or postponement thereof.

To be adopted, the Sale Resolution must be approved by: (i) at least 66⅔% of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting; and (ii) in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and Section 501(c) of the TSX Company Manual, a simple majority of votes cast by the holders of Common Shares, present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by any "interested party" (as defined in MI 61-101). Abstentions and broker non-votes will not have any effect on the approval of the Sale Resolution. The votes attaching to the Common Shares held by the "interested parties" will be excluded for the purposes of determining whether "minority approval" has been obtained for the purposes of MI 61-101 and the policies of the TSX.

To be adopted, the Capital Reduction Resolution must be approved by at least 66⅔% of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting. To be adopted, the TSX Delisting Resolution must be approved by a simple majority of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting. Abstentions and broker non-votes will not have any effect on the approval of any resolution.

**Meeting Format and Voting**

The Meeting is being held at the offices of DLA Piper (Canada) LLP, 1133 Melville Street, Suite 2700, The Stack Building, Vancouver, British Columbia, Canada, at 11:00 am (Pacific time) on August 13, 2024. The Company intends to hold the Meeting in person, and there will be no opportunity for Shareholders to participate via other mediums. We encourage Shareholders to vote their Common Shares prior to the Meeting by any of the means described in the Circular. Please refer to the sections titled "*General Proxy Information*" and "*How to Vote Your Shares*" in the Circular for details on how to vote at the Meeting.

Registered holders of Common Shares ("**Registered Shareholders**") and duly appointed proxyholders are entitled to vote at the Meeting either by attending in person or by submitting a form of proxy, as described in the Circular under the headings, "*General Proxy Information*" and "*How to Vote Your Shares*".

Beneficial Shareholders who hold their Common Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary ("**Non-Registered Shareholders**") who have not duly appointed themselves as proxyholder will be able to attend the Meeting but will not be able to vote at the Meeting. Registered Shareholders may attend, participate in and vote at the Meeting or may be represented by proxy.

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting (including Non-Registered Shareholders who have appointed themselves as proxyholder to attend, participate in or vote at the Meeting) **MUST** submit their duly completed proxy or voting instruction form, as applicable, in advance of the proxy cut-off at 11:00 am (Pacific time) on August 9, 2024.

If you are a Registered Shareholder and are unable to attend the Meeting in person, please exercise your right to vote by completing, signing, dating and returning the applicable accompanying form of proxy to Odyssey Trust Company, the registrar and transfer agent of the Company as soon as possible, so that as large a representation as possible may be had at the Meeting. To be valid, completed proxy forms must be signed, dated and deposited with Odyssey Trust Company using one of the following methods:

| | |
|---|---|
| **By Mail or Hand Delivery:** | Odyssey Trust Company<br>350-409 Granville Street<br>Vancouver BC, V6C 1T2 |
| **Facsimile:** | 800.517.4553 |
| **Email:** | proxy@odysseytrust.com |
| **Online:** | As listed on Form of Proxy or Voter Information Card |

Proxies must be deposited with Odyssey Trust Company not later than 11:00 am (Pacific time) on August 9, 2024, or, if the Meeting is adjourned or postponed, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such reconvened Meeting or any adjournment or postponement thereof. The Chair of the Meeting shall have the discretion to waive or extend the proxy deadlines without notice.

If you are unable to attend the Meeting, we encourage you to complete and return the enclosed form of proxy as soon as possible so that as large a representation as possible may be had at the Meeting. If a Shareholder receives more than one form of proxy because such holder owns Common Shares registered in different names or addresses, each form of proxy must be completed and returned in order to ensure all Common Shares are voted.

If you are a Registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary, as applicable.

The Common Shares represented by the enclosed form of proxy will be voted in accordance with the instructions indicated thereon. If no instructions are given, such Common Shares will be voted "FOR" the Sale Resolution, the Capital Reduction Resolution, and the TSX Delisting Resolution.

**Dissent Rights**

Registered Shareholders as at the close of business on the Record Date have the right to dissent with respect to the Sale Resolution and, if the Sale Resolution is adopted, to be paid the fair value of their Common Shares in accordance with the provisions of Section 237 to 247 of the BCBCA. A Registered Shareholder as at the close of business on the Record Date who wishes to dissent must: (a) deliver a written notice of dissent to FANS c/o DLA Piper (Canada) LLP, 1133 Melville Street, Suite 2700, The Stack Building, Vancouver, BC V6E 4E5, Attention: Denis Silva, by 5:00 p.m. on August 11, 2024, being the date that is two days immediately prior to the Meeting, or any date which is two days immediately prior to the date on which the Meeting may be postponed or adjourned; and (b) otherwise strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary and who wish to dissent must make arrangements for the Common Shares beneficially owned by them to be registered in their name prior to the time the written objection to the Sale Resolution is required to be received by the Company or, alternatively, make arrangements for the Registered Shareholder of such Common Shares to dissent on their behalf, all as described in the accompanying Circular under the heading "*Business of the Meeting – Dissent Rights*". It is recommended that you seek independent legal advice if you wish to exercise a right of dissent**. Failure to strictly comply with the requirements set forth in Section 237 to 247 of the BCBCA may result in the loss of any right to dissent.**

The Circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of Meeting. Additional information about FANS is also available under its SEDAR+ profile at www.sedarplus.com.

**Stratification**

The Company is providing paper copies of its Circular only to Shareholders that have previously requested to receive paper materials.

If you have any questions regarding the submission of your vote, please contact Laurel Hill Advisory group, toll-free in North America at 1-877-452-7184, collect from outside of North America at 1-416-304-0211, or by email at assistance@laurelhill.com.

DATED at Vancouver, British Columbia this 5th day of July, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

"*Scott Burton*"
Scott Burton
CEO and Director
FansUnite Entertainment Inc.

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**FANSUNITE ENTERTAINMENT INC.**

**MANAGEMENT INFORMATION CIRCULAR**
**FOR THE SPECIAL MEETING OF SHAREHOLDERS**
**TO BE HELD ON AUGUST 13, 2024**

## PURPOSE OF SOLICITATION

This management information circular (the "**Circular**") and accompanying form of proxy are furnished in connection with the solicitation of proxies by the management of FansUnite Entertainment Inc. ("**FANS**" or the "**Company**") for use at the special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares of the Company (the "**Common Shares**") to be held on August 13, 2024 commencing at 11:00 am (Pacific time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of special meeting (the "**Notice of Meeting**").

The Company is holding the Meeting at the offices of DLA Piper (Canada) LLP, 1133 Melville Street, Suite 2700, The Stack Building, Vancouver, British Columbia, Canada. The Company intends to hold the Meeting in person, and there will be no opportunity for Shareholders to participate via other mediums. Please refer to the sections titled "*General Proxy Information*" and "*How to Vote Your Shares*" in the Circular for details on how to vote at the Meeting.

All summaries of, and references to, the Sale Transaction, the Resolutions, the Stock Purchase Agreement, the Voting Agreements, other related agreements, and the Formal Valuation and Fairness Opinion in this Circular are qualified in their entirety by reference to the complete text of these documents, each of which is either included in this Circular, as an appendix to this Circular or filed under the Company's profile on SEDAR+ at www.sedarplus.com. Shareholders are urged to carefully read the full text of these documents.

**The Company is using Notice-and-Access procedures for distributing proxy-related materials to Registered Shareholders (as defined herein) and Non-Registered Shareholders (as defined herein).**

## GENERAL MATTERS

### Defined Terms

In this Circular, unless otherwise indicated or the context otherwise requires, terms defined in the Glossary of Terms herein shall have the meanings attributed thereto. Words importing the singular include the plural and vice versa and words importing gender include all genders.

### Information Contained in this Circular

The information contained in this Circular, unless otherwise indicated, is given as of July 5, 2024.

No Person is authorized by FANS to give any information (including any representations) in connection with the matters to be considered at the Meeting other than the information contained in this Circular.

Information contained in this Circular should not be construed as legal, tax or financial advice, and Shareholders should consult their own professional advisors concerning the consequences of the matters being put forward by the FANS Board to the Shareholders for a vote in their own circumstances.

Neither the Stock Purchase Agreement (including its fairness or merits), the Sale Transaction (including its fairness or merits), the Distribution (including its fairness or merits), the Voluntary TSX Delisting (including its fairness or merits), nor this Circular (including the accuracy or adequacy of the information contained in this Circular) has been approved or disapproved by any securities regulatory authority (including any Canadian Securities Regulator and the TSX), and any representation to the contrary is unlawful.

**Information Contained in this Circular Regarding GeoComply and the Purchaser**

Certain information included in this Circular pertaining to GeoComply and the Purchaser has been furnished by GeoComply. With respect to this information, the FANS Board has relied exclusively upon GeoComply, without independent verification by the Company. Although the Company does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Company nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for the failure by GeoComply to disclose events or information that may affect the completeness or accuracy of such information.

**Currency**

Unless otherwise indicated in this Circular, all references to "$", "CDN$" or "dollars" set forth in this Circular are to the currency of Canada and references to "US$" are to United States dollars. For the purposes of this Circular, the conversion of all amounts from United States dollars to Canadian dollars and, in particular, the Consideration to be paid to the Company, is based on an exchange rate of US$1.00:CDN$1.3696, being the daily exchange rate quoted by the Bank of Canada as at June 26, 2024, being the day immediately prior to the Announcement Date. Such exchange rate is being used for illustrative purposes only. The Canadian dollar amount of the Consideration will be determined based on the United States Canadian Dollar exchange rate at the relevant date.

## GLOSSARY OF TERMS

In this Circular and accompanying Notice of Meeting, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

| | |
|---|---|
| **"Acquisition Proposal"** | means, other than the transactions contemplated by the Stock Purchase Agreement and other than any transaction involving only the Company and/or one or more of its wholly-owned Subsidiaries, any inquiry, proposal, indication of interest or offer (whether written or oral) from any Person or group of Persons (other than the Purchaser, one of its Affiliates or any Person acting jointly or in concert with the Purchaser) received by the Company after the date of the Stock Purchase Agreement relating to (a) any direct or indirect acquisition, purchase, sale or disposition (or any lease, license or other arrangement having the same economic effect as an acquisition, purchase, sale or disposition), in a single transaction or series of related transactions, of assets (including equity interests of Subsidiaries of the Company) representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenues of the Company and its Subsidiaries, taken as a whole (in each case based on the consolidated financial statements of the Company most recently filed in the FANS Public Documents prior to such inquiry, proposal, indication of interest or offer); (b) any direct or indirect tender offer, take-over bid, exchange offer, treasury issuance or other transaction, in a single transaction or series of related transactions, that if consummated, would result in a Person or group of Persons beneficially owning or exercising control or direction over, directly or indirectly, 20% or more of any class of voting or equity securities (including securities convertible into or exchangeable or exercisable for voting or equity securities) of the Company or any one or more of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenues of the Company and its Subsidiaries, taken as a whole (in each case based on the consolidated financial statements of the Company most recently filed in the FANS Public Documents prior to such inquiry, proposal, indication of interest or offer); or (c) any amalgamation, merger, plan of arrangement, reorganization, consolidation, share exchange, business combination or similar transaction involving the Company or any of its Subsidiaries, that if consummated, would result in a Person or group of Persons beneficially owning or exercising control or direction over, directly or indirectly, 20% or more of any class of voting or equity securities (including securities convertible into or exchangeable or exercisable for voting or equity securities) of the Company or any one or more of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenues of the Company and its Subsidiaries, taken as a whole (in each case based on the consolidated financial statements of the Company most recently filed in the FANS Public Documents prior to such inquiry, proposal, indication of interest or offer). |
| **"Action"** | means any action, audit, charge, claim, hearing, inquiry, investigation, arbitration, litigation, mediation, proceeding, subpoena or suit, whether civil, criminal, administrative, arbitral, judicial or investigative, whether formal or informal, whether public or private, commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority. |

| | |
|---|---|
| **"Affiliate"** | means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. |
| **"AffiliateCo"** | means American Affiliate Co. LLC, a Delaware limited liability company. |
| **"allowable capital loss"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*". |
| **"Announcement Date"** | means June 27, 2024, being the date that FANS announced by press release that it had entered into the Stock Purchase Agreement. |
| **"Articles"** | means the Articles of the Company. |
| **"associate"** | has the meaning ascribed thereto in the Securities Act. |
| **"BCBCA"** | means the *Business Corporations Act* (British Columbia). |
| **"BCSC"** | means the British Columbia Securities Commission. |
| **"BDO"** | means BDO Canada LLP, the independent financial advisor to the Special Committee. |
| **"BDO Engagement Letter"** | means the engagement agreement entered into between BDO and the Special Committee dated April 9, 2024. |
| **"Betting Hero"** | means the Company's customer acquisition, retention and development brand, owned by AffiliateCo. |
| **"Betting Hero Co-Founders"** | means collectively, Jai Maw and Jeremy Jakary, and "**Betting Hero Co-Founder**" means any one of them. |
| **"Broadridge"** | means Broadridge Investor Communications Corporation. |
| **"broker non-votes"** | has the meaning ascribed thereto under "*How to Vote your Shares – Quorum*". |
| **"Burton Bonus"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Management Bonus*". |
| **"Burton Employment Bonus"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Employment Termination and Change of Control Benefits*". |
| **"Business"** | means the business of the Company as currently conducted or presently contemplated to be conducted, including providing live activation, research, and related affiliate services for the regulated and lawful online sports betting and gaming industry. |
| **"Business Day"** | means each day other than a Saturday, Sunday or other day on which banks in Vancouver, British Columbia are not required by Law to be open. |
| **"Canadian Securities Laws"** | means the Securities Act, together with all other applicable federal and provincial Securities Laws and the rules and regulations and published policies of the securities authorities thereunder, as now in effect and as they may be |

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| | promulgated or amended from time to time, and includes the rules and policies of the TSX. |
| **"Canadian Securities Regulators"** | means the BCSC and the other securities regulatory authorities in the provinces of Canada in which the Company is a reporting issuer and the TSX. |
| **"Capital Reduction"** | means the capital reduction of the Common Shares. |
| **"Capital Reduction Resolution"** | means the special resolution of the Shareholders to be considered at the Meeting, approving the capital reduction of the Common Shares, substantially in the form set out in Appendix "B" hereto. |
| **"Change of Control Amounts"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Employment Termination and Change of Control Benefits*". |
| **"Change in Recommendation"** | means when the FANS Board (a) fails to unanimously recommend or withholds, withdraws, amends, qualifies or modifies the FANS Board Recommendation, or publicly proposes or publicly states an intention to do any of the foregoing, (b) adopts, approves, accepts, endorses, recommends or otherwise declares advisable an Acquisition Proposal, or publicly proposes or publicly states an intention to do any of the foregoing, (c) takes no position or remains neutral with respect to any publicly announced or publicly disclosed Acquisition Proposal for more than a five (5) Business Day period (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, by the end of the third (3rd) Business Day prior to the date of the Meeting), (d) fails to publicly reaffirm (without qualification) the FANS Board Recommendation within a five (5) Business Day period after the Purchaser, acting reasonably, so requests in writing (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, by the end of the third (3rd ) Business Day prior to the date of the Meeting), provided that if at the time of such request an Acquisition Proposal has been made then after such Acquisition Proposal has been determined not to be a Superior Proposal, or (e) fails to include the FANS Board Recommendation in the Circular. |
| **"Circular"** | means the accompanying Notice of Meeting and this management information circular, including all schedules, appendices and exhibits hereto, as amended, supplemented or otherwise modified from time to time. |
| **"Closing"** | means the completion of the transactions contemplated by the Stock Purchase Agreement. |
| **"Closing Date"** | means the date of the Closing, which is currently anticipated to take place by the third quarter of 2024. |
| **"Common Share"** | means a common share in the authorized share structure of the Company. |
| **"Company" or "FANS"** | means FansUnite Entertainment Inc., a company existing under the BCBCA and listed on the TSX. |
| **"Consideration"** | means US$37,500,000, the consideration payable to the Company by the Purchaser for the purchase of the FansUS Shares under the Stock Purchase Agreement. |

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| **"Court"** | means the Supreme Court of British Columbia. |
| **"CRA"** | means the Canada Revenue Agency. |
| **"Demand Note"** | means the demand note in the principal amount of US$6,900,000 issued by the Company to the Betting Hero Co-Founders, as contributed and assigned to the Purchaser prior to Closing. |
| **"Dissent Rights"** | means the rights of dissent exercisable by Registered Shareholders as at the close of business on the Record Date in respect of the Sale Resolution in the manner set forth and pursuant to Sections 237 to 247 of the BCBCA. |
| **"Dissenting Shareholder"** | means a Registered Shareholder as at the close of business on the Record Date who has duly and validly exercised Dissent Rights in respect of the Sale Resolution in strict compliance with the dissent procedures set out in Sections 237 to 247 of the BCBCA and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and who is ultimately determined to be entitled to be paid the fair value of the Common Shares held by such Registered Shareholder. |
| **"Dissenting Shares"** | means all of the Common Shares held by a Dissenting Shareholder and in respect of which a Dissenting Shareholder has validly given a Notice of Dissent. |
| **"Distribution"** | means the proposed distribution of cash by the Company to the Shareholders, described herein. |
| **"Distribution Amount"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Capital Reduction and Distribution*". |
| **"Distribution Record Date"** | has the meaning ascribed thereto under "*Capital Reduction and Distribution – Background to the Capital Reduction and Distribution*". |
| **"Earn-out Consideration"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Merger Agreement*". |
| **"Estimate Valuation Report"** | has the meaning ascribed thereto under "*Business of the Meeting – Formal Valuation and Fairness Opinion – Independence of BDO*". |
| **"executive officer"** | has the meaning ascribed thereto in National Instrument 51-102 – *Continuous Disclosure Obligations*. |
| **"FANS Board"** | means the board of directors of the Company as constituted from time to time. |
| **"FANS Board Recommendation"** | means the FANS Board, having received the unanimous recommendation of the Special Committee and after consultation with its financial and legal advisors (A) determined the Consideration to be received by the Company pursuant to the Sale Transaction is fair, from a financial perspective, to the Company and the Shareholders (other than the Betting Hero Co-Founders) and that the Sale Transaction is in the best interests of the Company, (B) authorized the execution and delivery of the Stock Purchase Agreement, the performance of the Company of its covenants and other obligations thereunder, and the Sale Transaction on the terms and conditions set forth therein, and (C) resolved to recommend to the Shareholders that they vote in favour of the Sale Resolution. |

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| **"FANS Employment Agreements"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Employment Termination and Change of Control Benefits*". |
| **"FANS Holder Securities"** | has the meaning ascribed thereto under "*Business of the Meeting – Voting Agreements*". |
| **"FANS Locked-Up Shareholders"** | means certain of the directors and officers of FANS, together with certain other Shareholders holding Common Shares carrying approximately 27% of the votes attached to the issued and outstanding Common Shares. |
| **"FANS Public Documents"** | means all forms, reports, schedules, statements and other documents publicly filed by the FANS on SEDAR or SEDAR+ since January 1, 2022, including all annual information forms, news releases, financial statements, management's discussion and analysis, material change reports, information circulars, and other continuous disclosure documents pursuant to NI 51-102. |
| **"FansUS"** | FansUnite US Inc., a Delaware corporation. |
| **"FansUS Shares"** | all of the issued and outstanding shares of capital stock of FansUS. |
| **"Final Letter of Interest"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"FMV"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"Formal Valuation and Fairness Opinion"** | means the formal valuation and fairness opinion of BDO which provided a valuation of the fair market value of the FansUS Shares and concluded that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Company pursuant to the Sale Transaction is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders), a copy of which is attached as Appendix "D" to this Circular. |
| **"forward-looking information"** | has the meaning ascribed thereto under "*Cautionary Note Regarding Forward-Looking Information*". |
| **"Gaming Authority"** | means any agency, authority, board, bureau, commission department, office or instrumentality of any nature whatsoever, whether now or hereafter existing, or any officer or official thereof, with the authority to regulate gambling, gaming, sports wagering, fantasy sports, or gaming activities, terrestrial or online, in any jurisdiction worldwide, in which FansUS is operating. |
| **"GeoComply"** | means GeoComply Solutions Inc., a British Columbia company. |
| **"Governmental Authority"** | means any (a) federal, state, local, foreign, municipal, provincial, national, supranational or other government or quasi-governmental authority, regulatory or administrative authority or entity, or any political subdivision thereof, (b) court, tribunal, arbitral body (public or private), administrative or regulatory agency, department, instrumentality, ministry, bureau, subdivision or commission or other governmental authority or agency, (c) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, |

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| | regulatory, or taxing authority, or (d) any Canadian Securities Regulator or stock exchange, including the TSX. |
| **"Grove Consideration"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Merger Agreement*". |
| **"Holder"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*". |
| **"IFRS"** | means International Financial Reporting Standards as issued by the International Accounting Standards Board, as incorporated in the CPA Canada Handbook, at the relevant time, applied on a consistent basis. |
| **"Initial Indication of Interest"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"Interested Parties"** | means Chris Grove, Scott Burton, Jai Maw and Jeremy Jakary, or such other individuals as may be considered interested parties under MI 61-101. |
| **"Intermediary"** | means an intermediary such as a bank, trust company, securities dealer, broker, trustee or administrator of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan or similar plan or other nominee. |
| **"Law" or "Laws"** | means, any Canadian, United States or other federal, state, provincial, territorial, local, municipal, foreign, international, multinational or other law, treaty, rule, order, regulation, statute, ordinance, code, decree, directive, decision or other binding requirement of any Governmental Authority of any kind and the rules, regulations, policies and orders promulgated thereunder. |
| **"Letter of Interest"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"Management Bonus"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Management Bonus*". |
| **"Matching Period"** | has the meaning ascribed thereto under "*Business of the Meeting – The Stock Purchase Agreement – Non-Solicitation – Right to Match*". |
| **"Material Adverse Effect"** | means any effect, event, development or change that, individually or in the aggregate with all other effects, events, developments or changes is, or would reasonably be expected to be, material and adverse to the assets, liabilities, business, operations, results of operations and condition (financial or otherwise) of the FansUS and its Subsidiaries, taken as a whole, except any such effect, event, development or change resulting from or arising in connection with: (i) any change, development, event or condition generally affecting the industries or segments in which FansUS and its Subsidiaries operate or carry on their business or the competitive landscape of such industries or segments; (ii) any change, development or condition in or relating to global, national or regional political conditions (including national strikes, or lockouts, civil unrest, riots, protests, terrorism, outbreak of hostilities, declared or undeclared war, insurrections or facility takeover for emergency purposes) or in general economic, business, banking, currency exchange, interest rate, rates of inflation or market conditions or in global financial, credit or capital markets; (iii) any adoption, proposal, implementation or change in |

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| | Law or in any interpretation, application or non-application of any Law by any Governmental Authority, in each case, after the date of the Stock Purchase Agreement; (iv) any change in applicable regulatory accounting requirements, including IFRS, tax requirements, or in the interpretation, application or non-application of the foregoing by any Governmental Authority; (v) any hurricane, flood, tornado, earthquake or other natural disaster; (vi) any epidemic, pandemic, disease outbreak or general outbreak of illness or any worsening thereof; (vii) any change in the market price or trading volume of any securities of the Company (provided, however, that the causes underlying such change may be considered to determine whether a Material Adverse Effect has occurred); (viii) the failure of the Company or FansUS to meet any internal, published or public projections, forecasts, guidance or estimates, including revenues, earnings or cash flows (provided, however, that the causes underlying such failure may be considered to determine whether a Material Adverse Effect occurred); (ix) the announcement or performance of the Stock Purchase Agreement or the consummation of the Sale Transaction and such other transactions contemplated hereby, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of FansUS or any of its Subsidiaries with any of its current or prospective employees, customers, shareholders, distributors, suppliers, counterparties, insurance underwriters or partners; (x) any action not taken by the Company, FansUS or its Subsidiaries solely as a result of the refusal of the Purchaser to provide a consent required to such action; (xi) any action taken (or omitted to be taken) by the Company, FansUS or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Stock Purchase Agreement or that is consented or approved to by the Purchaser; or (xii) any legal action of a Shareholder connected with, or arising from, the Stock Purchase Agreement or the transactions contemplated by the Stock Purchase Agreement. |
| **"Meeting"** | means the special meeting of Shareholders, including any adjournment or postponement thereof to consider and if thought fit, adopt, the Resolutions. |
| **"Meeting Materials"** | has the meaning ascribed thereto under "*General Proxy Information – Notice-and-Access*". |
| **"Merger Agreement"** | means the Agreement and Plan of Merger dated November 22, 2021, as amended. |
| **"MI 61-101"** | means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions.* |
| **"Moore Employment Bonus"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Employment Termination and Change of Control Benefits*". |
| **"NDA"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"NI 51-102"** | means National Instrument 51-102 – *Continuous Disclosure Obligations*. |
| **"NI 52-110"** | means National Instrument 52-110 – *Audit Committees*. |
| **"NI 54-101"** | means National Instrument 54-101 – *Communication with Beneficial Holders of Securities of a Reporting Issuer*. |

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| **"Non-Objecting Beneficial Owners" or "NOBOs"** | has the meaning ascribed thereto under "*How To Vote Your Shares - How to Vote – Non-Registered Shareholder*s". |
| **"Non-Registered Shareholder"** | means a non-registered holder of Common Shares whose Common Shares are registered in the name of an Intermediary. |
| **"Non-Resident Holder"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada*". |
| **"Notice-and-Access"** | has the meaning ascribed thereto under "*General Proxy Information – Notice-and-Access*". |
| **"Notice-and-Access Notification"** | has the meaning ascribed thereto under "*General Proxy Information – Notice-and-Access*". |
| **"Notice of Articles"** | means the Notice of Articles of the Company filed with the British Columbia Registrar of Companies. |
| **"Notice of Dissent"** | has the meaning ascribed thereto under "*Business of the Meeting – Dissent Rights – Sections 237 to 247 of the BCBCA*". |
| **"Notice of Intention"** | has the meaning ascribed thereto under "*Business of the Meeting – Dissent Rights – Sections 237 to 247 of the BCBCA*". |
| **"Notice of Meeting"** | means the Notice of Special Meeting of Shareholders that accompanies this Circular. |
| **"Notice Shares"** | has the meaning ascribed thereto under "*Business of the Meeting – Dissent Rights – Sections 237 to 247 of the BCBCA*". |
| **"Objecting Beneficial Owners" or "OBOs"** | has the meaning ascribed thereto under "*How To Vote Your Shares - How to Vote – Non-Registered Shareholders*". |
| **"Outside Date"** | means September 27, 2024 or such later date as may be agreed to by the parties in writing; provided, however, that the Outside Date shall be automatically extended by 90 days if all closing conditions in Article IX of the Stock Purchase Agreement (other than the condition in Section 9.08 (*Gaming Approvals*)), which can be satisfied or waived prior to September 27, 2024 have been satisfied or waived and the Purchaser, acting reasonably, is satisfied that FANS has acted in good faith and exercised all commercially reasonable and expedient efforts to obtain consents and approvals, if required, from the Gaming Authorities in Exhibit "B" of the Stock Purchase Agreement. |
| **"Payout Value"** | has the meaning ascribed thereto under "*Business of the Meeting – Dissent Rights*". |
| **"Person"** | means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, estate, limited liability company, Governmental Authority or other entity, whether or not having legal status. |
| **"Pre-Closing Period"** | means the period from the date of the Stock Purchase Agreement until the earlier of the termination of the Stock Purchase Agreement or the Closing. |

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| **"Proposed Amendments"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*". |
| **"proxyholder"** | means a Person that is duly appointed by a Shareholder to be that Shareholder's representative at the Meeting. |
| **"Purchaser"** | means Hero Group Corp., a Delaware Corporation. |
| **"Record Date"** | means July 4, 2024. |
| **"Registered Shareholder"** | means a registered holder of Common Shares who is in possession of a physical share certificate or who is entitled to receive a physical share certificate and whose name and address are recorded in the Company's central securities register maintained by the Transfer Agent. |
| **"Representative"** | means the agents, officers, directors, employees, accountants, counsel, financial advisors, investment advisors and other representatives of a Person. |
| **"Resident Holder"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Residents of Canada*". |
| **"Resolutions"** | means, collectively, the Sale Resolution, the Capital Reduction Resolution and the TSX Delisting Resolution. |
| **"Revised Indication of Interest"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"Sale Resolution"** | means the special resolution of the Shareholders to be considered at the Meeting, approving the Sale Transaction, substantially on the terms and in the form set out in Appendix "A" hereto. |
| **"Sale Transaction"** | means the acquisition by the Purchaser of the FansUS Shares in exchange for the Consideration, in accordance with the terms of the Stock Purchase Agreement. |
| **"Second Revised Indication of Interest"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"Securities Act"** | means the *Securities Act* (British Columbia), as amended from time to time. |
| **"Securities Laws"** | means Canadian Securities Laws, the Securities Act of 1933 (United States), as amended, and the rules and regulations and published policies thereunder, and the Securities Exchange Act of 1934 (United States), as amended, and the rules and regulations and published policies thereunder. |
| **"SEDAR+"** | means the System for Electronic Document Analysis and Retrieval as outlined in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval*, which can be accessed online at www.sedarplus.com. |
| **"Shareholders"** | means the shareholders of the Company. |
| **"Special Committee"** | means the special committee of independent directors of the Company as constituted from time to time. |

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| **"Spin-out Consideration"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Merger Agreement*". |
| **"SR&ED Advisory Services"** | has the meaning ascribed thereto under "*Business of the Meeting – Formal Valuation and Fairness Opinion – Independence of BDO*". |
| **"Stifel"** | means Stifel Financial Corp., the financial advisor to the Company. |
| **"Stock Purchase Agreement"** | means the stock purchase agreement dated June 27, 2024, among the Company, FansUS, GeoComply and the Purchaser pursuant to which the Company agreed to sell and the Purchaser agreed to purchase, all of the FansUS Shares, as such agreement may be subsequently amended, supplemented or otherwise modified. |
| **"Subsidiary"** | means with respect to any Person, any other Person of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, a majority of the outstanding equity securities or securities carrying a majority of the voting power in the election of the board of directors or other governing body of such Person (or is entitled to the majority of the profits or holds a majority of the partnership or similar interests of such Person). |
| **"Superior Proposal"** | means a written *bona fide* Acquisition Proposal by a Person or group of Persons made after the date of the Stock Purchase Agreement to acquire not less than all of the outstanding FansUS Shares, all or substantially all of the assets of FansUS and its Subsidiaries on a consolidated basis, not less than all of the outstanding shares of the Company or all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis: (a) that complies with Securities Laws and did not involve a breach of the non-solicitation restrictions in the Stock Purchase Agreement; (b) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the FANS Board (or the Special Committee) that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (c) that is not subject to a due diligence condition; (d) in respect of which the FANS Board (or the Special Committee) determines, acting in good faith after receiving the advice of its legal and financial advisors, taking into account all of the terms and conditions of such Acquisition Proposal and other factors deemed relevant by the FANS Board (including the identity of the Person or group of Persons making such Acquisition Proposal), that if consummated in accordance with its terms, would or would reasonably be likely to result in a transaction more favorable, from a financial point of view, to the Company or the Shareholders than the Sale Transaction (including any adjustment to the terms and conditions of the Sale Transaction proposed by the Purchaser); and (e) that is reasonably capable of being consummated in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the identity of the Person or group of Persons making such Acquisition Proposal. |
| **"Superior Proposal Notice"** | has the meaning ascribed thereto under "*Business of the Meeting – The Stock Purchase Agreement – Non-Solicitation – Right to Match*". |
| **"Tax Act"** | means the *Income Tax Act* (Canada), including all regulations made thereunder, as amended from time to time. |

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| **"taxable capital gain"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*". |
| **"Tekkorp"** | has the meaning ascribed thereto under "*Business of the Meeting – Background to the Sale Transaction*". |
| **"Termination Fee"** | means US$1,750,000. |
| **"Termination Fee Event"** | has the meaning ascribed thereto under "*Business of the Meeting – The Stock Purchase Agreement – Termination – Termination Fee*". |
| **"Transfer Agent"** | means Odyssey Trust Company. |
| **"Treaty"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*". |
| **"TSX"** | means Toronto Stock Exchange. |
| **"TSX Delisting Resolution"** | means the ordinary resolution of the Shareholders to be considered at the Meeting, approving the voluntary delisting of the Common Shares from the TSX, substantially in the form set out in Appendix "C" hereto. |
| **"United States" or "U.S."** | means the United States of America, its territories and possessions, any State of the United States and the District of Columbia. |
| **"U.S. Exchange Act"** | has the meaning ascribed thereto under "*Notice to Shareholders Outside of Canada*". |
| **"U.S. Holder"** | has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada*". |
| **"VIF"** | means a voting instruction form. |
| **"Voluntary TSX Delisting"** | means the voluntary delisting of the Common Shares from the TSX. |
| **"Voting Agreements"** | means, collectively, the respective support and voting agreements dated June 27, 2024, between the Purchaser and each of the FANS Locked-Up Shareholders setting forth the terms and conditions upon which the FANS Locked-Up Shareholders have agreed, among other things, to vote their Common Shares FOR the Sale Resolution. |
| **"Winter Employment Bonus"** | has the meaning ascribed thereto under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction – Employment Termination and Change of Control Benefits*". |

## NOTICE TO SHAREHOLDERS OUTSIDE OF CANADA

FANS is a company existing under the laws of the Province of British Columbia. The solicitation of proxies in connection with the approval of the matters described in the Notice of Meeting and this Circular is being effected in accordance with British Columbia corporate laws and Canadian Securities Laws. Shareholders should be aware that requirements under such Canadian laws differ materially from requirements applicable to U.S. companies under the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). The proxy rules under the U.S. Exchange Act are not applicable to the Company nor to this solicitation and this solicitation is not being effected in accordance with the U.S. Exchange Act or the rules and regulations promulgated thereunder.

The enforcement by Shareholders of civil liabilities under United States federal Securities Laws or the Securities Laws of other jurisdictions outside of Canada may be affected adversely by the fact that FANS is incorporated under the laws of the province of British Columbia. A Shareholder may not be able to sue FANS or its officers or directors in a Canadian court for violations of U.S. or other foreign securities laws. Moreover, it may be difficult to compel FANS to subject itself to a judgment of a court outside of Canada.

Certain information concerning tax consequences of the Distribution for Shareholders who are not resident in Canada is set forth under the headings "C*ertain Canadian Federal Income Tax Considerations – Non-Residents of Canada*". Shareholders who are not residents of Canada for purposes of the Tax Act should be aware that any Distribution may have tax consequences both in Canada and in any applicable foreign jurisdiction in which the Shareholder is subject to tax. Such foreign tax considerations are not described herein. It is recommended that Shareholders consult their own tax advisors in this regard.

**Neither the TSX, nor any other securities regulatory authority has approved or disapproved the Sale Transaction, the terms of the Stock Purchase Agreement, nor, passed upon the merits or fairness of the Sale Transaction or the adequacy or accuracy of the disclosure in this Circular. Any representation to the contrary is a criminal offense.**

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Circular contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this Circular. Examples of such statements include statements with respect to the timing and outcome of the Sale Transaction; the intentions, plans and future actions of FANS; the timing for the completion of the Sale Transaction; the anticipated benefits of the Sale Transaction; the likelihood of the Sale Transaction being completed; certain of the expectations of the Special Committee and the FANS Board with respect to the benefits of the Sale Transaction; the satisfaction or waiver of the closing conditions set out in the Stock Purchase Agreement; the receipt and the use of the net proceeds to be received by the Company in connection with the Sale Transaction; the timing and amount of the Distribution; the potential tax consequences to Shareholders of any Distribution; and the timing of the Voluntary TSX Delisting. To the extent any forward-looking information constitutes future-oriented financial information or financial outlook, such information is being provided to describe the matters set forth in the Circular, and readers are cautioned this information may not be appropriate for any other purpose, including investment decisions, and the reader should not place undue reliance on such future-oriented financial information and financial outlooks.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary shareholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Stock Purchase Agreement; the ability of the parties to the Stock Purchase Agreement to satisfy, in a timely manner, the conditions to Closing of the Sale Transaction; risks related to certain directors and executive officers of the Company having interests in the transactions contemplated by the Stock Purchase Agreement that are different from those of other Shareholders; risks relating to the possibility that holders of the Common Shares may exercise their right to dissent; the available funds of the Company and the anticipated use of such funds; changes in general economic, business and political conditions, including changes in the financial and stock markets; legal and regulatory risks inherent in the industry in which the Company operates, including political risks and risks relating to regulatory change; risks relating to anti-money laundering Laws; compliance with extensive government regulation and the interpretation of various Laws regulations and policies; risk associated with divesting certain assets; public opinion and perception of the industry in which the Company operates; and such other risks set forth under the heading "*Risk Factors*" below and those contained in the public filings of the Company filed with Canadian Securities Regulators and available under the Company's profile on SEDAR+ at www.sedarplus.com.

In respect of the forward-looking information concerning the anticipated benefits and completion of the matters put forward to the Shareholders for a vote at the Meeting, the Company has provided such statements and information in reliance on certain assumptions that the Company believes are reasonable at this time. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this Circular are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. Unless otherwise provided, the forward-looking information included in this Circular are made as of the date of this Circular. The Company does not undertake any obligation to update, publicly or otherwise, any forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable Canadian Securities Laws. There can be no assurance that the Sale Transaction will occur, or that such events will occur on the terms and conditions contemplated in this Circular. The Stock Purchase Agreement could be modified, restructured or terminated. Forward-looking information is information about the future and is inherently uncertain. There can be no assurance that the forward-looking information will prove to be accurate. Actual results could differ materially from those reflected in the forward-looking information as a result of, among other things, the matters set out in this Circular generally and economic and business factors, some of which may be beyond the control of the Company. The Company expressly disclaims any intention or obligation to update or revise any information contained in this Circular (including forward-looking information) except as required by applicable Laws, and Shareholders should not assume that any lack of update to information contained in this Circular means that there

has been no change in that information since the date of this Circular and should not place undue reliance on forward-looking information.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

**This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting to be held at 11:00 am (Pacific time) on August 13, 2024 and at any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Meeting.**

The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Company. Directors, officers and employees of the Company will not receive any extra compensation for such activities. The Company may pay brokers or other Persons holding Common Shares in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Company. The Company has engaged Laurel Hill Advisory Group to assist in the solicitation of proxies in connection with the Meeting. The Company has agreed to pay Laurel Hill Advisory Group a fee of $45,000 plus reasonable out-of-pocket expenses for the proxy solicitation service.

No Person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

### Notice-and-Access

The Company has elected to use the "notice-and-access" provisions ("**Notice-and-Access**") that came into effect on February 11, 2013 under NI 54-101 and NI 51-102, for distribution of this Circular and other meeting materials, including the form of proxy, the VIF and the Notice of Meeting (collectively, the "**Meeting Materials**"), to Registered Shareholders and Non-Registered Shareholders, other than those Shareholders with existing instructions on their accounts to receive printed Meeting Materials or those Shareholders that request printed Meeting Materials.

Notice-and-Access allows issuers to post electronic versions of the Meeting Materials online, via SEDAR+ and one other website, rather than mailing paper copies of such Meeting Materials to Shareholders. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

The Company has posted the Meeting Materials, under its profile at www.sedarplus.com and on its website at **https://fansunite.com/investors.**

Although the Meeting Materials will be posted electronically online, Registered Shareholders and Non-Registered Shareholders (subject to the provisions set out below under the heading "*Non-Registered Shareholders*") will receive a "notice package" (the "**Notice-and-Access Notification**") by prepaid mail, which includes the information prescribed by NI 54-101, and a form of proxy, in the case of registered shareholders, or VIF, in the case of Non-Registered Shareholders, enabling them to vote at the Meeting. Shareholders should follow the instructions for completion and delivery contained in the form of proxy or VIF, and are reminded to review the Circular before voting.

Shareholders will not receive paper copies of the Meeting Materials unless they contact Broadridge toll-free at 1-866-600-5869 (Canada and U.S.) or 303-562-9305 (international), either before or after the Meeting. Shareholders will be asked to enter the control number indicated on the form of proxy or VIF they received with this Notice of Meeting to request a paper copy of the Meeting Materials.

Provided the request is made prior to the Meeting, Broadridge will mail the requested Meeting Materials within three business days. **Requests for paper copies of the Meeting Materials should be made by July 30, 2024 in order to receive the Meeting Materials in time to vote before the Meeting.**

**Meeting Format**

The Company intends to hold the Meeting in person, and there will be no opportunity for Shareholders to participate via other mediums. The Company encourages Shareholders to vote their Common Shares in advance of the Meeting via mail, telephone, facsimile or online.

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting (including Non-Registered Shareholders who wish to appoint themselves as proxyholder to attend, participate in or vote at the Meeting) **MUST** submit their duly completed proxy or VIF, as applicable, in advance of the proxy cut-off at 11:00 am (Pacific time) on August 9, 2024. See "*Appointment of a Third-Party as a Proxy*". Non-Registered Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting but will not be able to vote at the Meeting.

**Record Date**

Only Shareholders of record at the close of business on July 4, 2024 will be entitled to receive notice of and to vote at the Meeting, or any adjournment or postponement thereof. No Shareholder who becomes a Shareholder after the Record Date shall be entitled to notice of, or to vote at, the Meeting.

**Appointment of a Third-Party as a Proxy**

The following applies to Shareholders who wish to appoint a Person, other than the management nominees set forth in the form of proxy or VIF, as proxyholder, including Non-Registered Shareholders who wish to appoint themselves as proxyholder to attend, participate in or vote at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to attend, participate in or vote at the Meeting as their proxy **MUST** submit their proxy or VIF, as applicable, appointing such third-party proxyholder as described below.

To appoint a third-party proxyholder, insert such Person's name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. If you are a Non-Registered Shareholder located in the United States, you must also provide the Transfer Agent with a duly completed legal proxy if you wish to attend, participate in or vote at the Meeting or, if permitted, appoint a third-party as your proxyholder. See "*General Proxy Information – Legal Proxy – U.S. Non-Registered Shareholders*" for additional details.

If you are a Non-Registered Shareholder and wish to vote at the Meeting in person, you have to insert your own name in the space provided on the VIF sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary.

**The Persons named in the form of proxy accompanying this Circular are directors and/or officers of the Company. A Shareholder has the right to appoint a Person (who need not be a Shareholder), other than the Persons whose names appear in such form of proxy, to attend and act for and on behalf of such Shareholder at the Meeting and at any adjournment or postponement thereof. Such right may be exercised by either striking out the names of the Person specified in the form of proxy and inserting the name of the Person to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Transfer Agent in time for use at the Meeting in the manner specified in the Notice of Meeting or depositing the completed and executed form of proxy with the Chair of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.**

**Legal Proxy – U.S. Non-Registered Shareholders**

If you are a Non-Registered Shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party as your proxyholder, in addition to the steps described herein, you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the legal proxy form and VIF sent to you, or contact your Intermediary to request a legal proxy form or a legal proxy if you have not received one.

After obtaining a valid legal proxy from your Intermediary, you must then submit such legal proxy to the Transfer Agent.

## HOW TO VOTE YOUR SHARES

Your vote is important. Please read the information below so that your Common Shares are properly voted.

**Registered Shareholders and Non-Registered Shareholders**

How you vote your Common Shares depends on whether you are a Registered Shareholder or a Non-Registered Shareholder. In either case, there are two ways you can vote at the Meeting – by appointing a proxyholder or by attending the Meeting.

***Registered Shareholder***

You are a Registered Shareholder if you hold one or more share certificates which indicate your name and the number of Common Shares which you own. As a Registered Shareholder, you will receive a form of proxy from the Transfer Agent representing the Common Shares you hold. If you are a Registered Shareholder refer to "*How to Vote – Registered Shareholders*" below.

***Non-Registered Shareholder***

You are a Non-Registered Shareholder if an Intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Common Shares for you, or for someone else on your behalf, registered in the name of the nominee. In accordance with Canadian Securities Laws, the Company distributes copies of its Meeting Materials to Non-Registered Shareholders by sending them to Intermediaries for onward distribution to Non-Registered Shareholders. As a Non-Registered Shareholder, you will most likely receive a VIF from Broadridge on behalf of the Intermediary holding your Common Shares. It is also possible, however that in some cases you may receive a form of proxy directly from the Intermediary holding your Common Shares. If you are a Non-Registered Shareholder, refer to "*How to Vote – Non-Registered Shareholders*" below.

Intermediaries who hold Common Shares in "street name" for a Non-Registered Shareholder typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from the Non-Registered Shareholder. However, Intermediaries are not allowed to exercise their voting discretion with respect to the approval of matters that are "non-routine", such as approval of any of the Resolutions proposed to be put forth at the Meeting, without specific instructions from the Non-Registered Shareholder. "Broker non-votes" refers to Common Shares held by an Intermediary that are present in person or otherwise represented at the Meeting, but with respect to which the Intermediary is not instructed by the Non-Registered Shareholder to vote on the particular proposal and the Intermediary does not have discretionary voting power with respect to such proposal. Because all proposals for the Meeting are non-routine and non-discretionary, FANS anticipates that there will not be any broker non-votes in connection with the Resolutions. If an Intermediary holds your Common Shares in "street name," your Intermediary will vote your Common Shares only if you provide instructions on how to vote by filling out the VIF sent to you by your Intermediary with this Circular.

**How to Vote – Registered Shareholders**

If you are a Registered Shareholder you may either vote by proxy or at the Meeting in person.

***Submitting Votes by Proxy***

There are four ways to submit your vote by proxy, in accordance with the instructions on the form of proxy:

| | |
|---|---|
| **By Mail or Hand Delivery:** | Odyssey Trust Company<br>350-409 Granville Street<br>Vancouver BC, V6C 1T2 |
| **Facsimile:** | 800.517.4553 |
| **Email:** | proxy@odysseytrust.com |
| **Online:** | As listed on Form of Proxy or Voter Information Card |

Each completed form of proxy must be submitted no later than 11:00 am (Pacific time) on August 9, 2024, or, in the event that the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the reconvened Meeting or any adjournment or postponement thereof.

If you are voting by facsimile or internet, you will need the pre-printed control number and holder account number on your form of proxy.

A form of proxy submitted by mail must be in writing, dated the date on which you signed it and signed by you (or your authorized attorney). If a form of proxy submitted by mail is not dated, it will be deemed to bear the date on which it was sent to you.

***Revocation of Proxies***

A Registered Shareholder who has given a proxy may revoke the proxy at any time prior to use by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by their attorney authorized in writing or by electronic signature, or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof, or by transmitting by telephone or electronic means, a revocation signed, subject to the BCBCA, by electronic signature either: (i) to the head office of the Company, located at #303 – 780 Beatty Street, Vancouver, British Columbia, V6B 2M1, Canada, at any time prior to 5:00 pm (Pacific time) on the last Business Day preceding the day of the Meeting or any adjournment or postponement thereof; (ii) in person with the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, prior to the start of the Meeting or any adjournment or postponement thereof; or (iii) in any other manner permitted by Law.

***Exercise of Discretion by Proxies***

The Common Shares represented by a valid form of proxy will be voted on any ballot that may be conducted at the Meeting, or at any adjournment or postponement thereof, in accordance with the instructions contained on the form of proxy and, if the Shareholder specifies a choice with respect to any matter to be acted on, the Common Shares will be voted accordingly. **In the absence of instructions, the Persons named in the form of proxy will vote such Common Shares <u>FOR</u> each Resolution.**

**The enclosed form of proxy(ies), when properly completed and signed, confers discretionary authority upon the Persons named therein to vote on any amendments to or variations of the matters described in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment or postponement thereof, whether or not any amendments variations or other matters are routine or contested**. As at the date hereof, management of the Company knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matter which is not now known to management of the Company should properly be brought before the Meeting, or any adjournment or postponement thereof, the Common Shares represented by such proxy will be voted on such matter in accordance with the judgment of the Persons named as proxy thereon.

***Signing of Proxy***

The form of proxy must be signed by a Registered Shareholder or the duly appointed attorney thereof authorized in writing or, if the Registered Shareholder is a corporation, by an authorized officer of such corporation, whose title should be indicated, and the corporate seal affixed if the corporation has a corporate seal. A form of proxy signed by the Person acting as attorney of the Registered Shareholder or in some other representative capacity, including an officer of a corporation which is a Registered Shareholder, should indicate the capacity in which such Person is signing following their signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act. A Registered Shareholder or their attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Registered Shareholder or by or on behalf of their attorney, as the case may be.

**How to Vote – Non-Registered Shareholders**

Only Registered Shareholders of the Company, or the Persons they appoint as their proxy, are entitled to vote at the Meeting. The Common Shares of a Non-Registered Shareholder who beneficially owns Common Shares will generally be registered in the name of either:

(a) an Intermediary with whom the Non-Registered Shareholder deals in respect of their Common Shares; or

(b) a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies such as Broadridge to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders will be given either:

(a) a VIF which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a VIF, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should **properly complete the form of proxy and deposit it with Odyssey Trust Company as set forth above**.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a VIF or a form of proxy wish to attend and vote at the Meeting (or have another Person attend and vote on its behalf), the Non-Registered Shareholder should strike out the names of the Persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other Person's) name in the blank space provided or, in the case of a VIF, follow the directions

indicated on the form. Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which its Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

There are two types of Non-Registered Shareholders: (i) those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**"), and (ii) those who do not object to their identity being made known to the issuers of securities which they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54- 101, issuers may deliver proxy-related materials directly to NOBOs. FANS may utilize the Broadridge QuickVoteTM service to assist Shareholders with voting their Common Shares. Those Shareholders who have not objected to FANS knowing who they are (NOBOs) may be contacted by Laurel Hill to conveniently obtain a vote directly over the phone.

The Company will be mailing the Notice-and-Access Notification to OBOs on a stratified basis. The Company does not otherwise intend to pay for Intermediaries to forward the Notice-and-Access Notification to OBOs, and such OBOs will not receive the Notice-and-Access Notification unless the OBOs' Intermediaries assume the cost of delivery.

*The Notice-and-Access Notification is being sent to both Registered Shareholders and Non-Registered Shareholders.*

*By choosing to send the Notice-and-Access Notification to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Notice-and-Access Notification to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions set out in the VIF.*

**Quorum**

The quorum for the Meeting will be one Person present, being a Shareholder entitled to vote thereat or a duly appointed proxy for an absent Shareholder so entitled. In the event that a quorum is not present at the time fixed for holding the Meeting, the Meeting shall stand adjourned to such date and to such time and place as may be determined by the Shareholders present at the Meeting.

Abstentions are not counted for the purpose of determining whether a quorum is present. Because brokers do not have discretionary authority to vote on any of the proposals at the Meeting, if you do not instruct your bank, broker or other nominee to vote your Common Shares, your Common Shares will not be voted ("**broker non-votes**") and are not counted for the purpose of determining the presence of a quorum.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The FANS Board has fixed July 4, 2024 as the Record Date for the determination of the Shareholders entitled to receive the Notice of Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting or at any adjournment or postponement thereof on the basis of one (1) vote for each Common Share held.

To be adopted, the Sale Resolution must be approved by: (i) not less than 66⅔% of the votes cast on the Sale Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and (ii) not less than a simple majority of votes cast by the holders of Common Shares, present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by any Interested Parties. Abstentions and broker non-votes will not have any effect on the approval of the Sale Resolution.

The votes attaching to the Common Shares held by Interested Parties will be excluded for the purposes of determining whether "minority approval" has been obtained for the purposes of MI 61-101 and the policies of the TSX. See "*Canadian Securities Law Matters – MI 61-101*".

To be adopted, the Capital Reduction Resolution must be approved by at least 66⅔% of the votes cast at the Meeting by the holders of Common Shares and the TSX Delisting Resolution must be approved by a simple majority of the votes cast at the Meeting by the holders of Common Shares. Abstentions and broker non-votes will not have any effect on the approval of any of such resolutions. See "*Business of the Meeting – Capital Reduction and Distribution", "Capital Reduction Resolution*" and "*Voluntary TSX Delisting*".

Each of the FANS Locked-Up Shareholders, collectively holding approximately 27% of the votes entitled to vote at the Meeting, have entered into Voting Agreements agreeing to vote their Common Shares in favour of the Sale Resolution.

The authorized share structure of the Company consists of an unlimited number of Common Shares. As of the date of this Circular, the Company had 359,557,910 Common Shares outstanding.

As of the date hereof, neither GeoComply, the Purchaser nor any of their affiliates, other than the Betting Hero Co-Founders, owns, or controls or directs, directly or indirectly, any Common Shares.

Additional information concerning the rights attaching to the Common Shares can be found in the FANS Annual Information Form and Notice of Articles and Articles, a copy of each of which can be found at www.sedarplus.com under the Company's profile.

As of the date of this Circular, to the knowledge of the directors and executive officers of the Company, no Person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the Common Shares.

## BUSINESS OF THE COMPANY

The Company's principal business activity is the provision of live activation, research, and related affiliate services for the regulated and lawful online sports betting and gaming industry.

The Company operates Betting Hero through FansUS and its Subsidiary, AffiliateCo. With a history of working closely with established operators in the sports betting industry, Betting Hero has established itself as the premier live activation company in the United States.

## DESCRIPTION OF AUTHORIZED SHARE STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at the date of this Circular, 359,557,910 Common Shares without par value were issued and outstanding, each such Common Share carrying the right to one (1) vote at the Meeting.

## BUSINESS OF THE MEETING

### Sale of All or Substantially All of the Company's Assets

As announced on June 27, 2024, the Company and FansUS entered into the Stock Purchase Agreement with the Purchaser and GeoComply, pursuant to which the Company agreed to sell the FansUS Shares to the Purchaser for the Consideration. See "*Business of the Meeting – The Stock Purchase Agreement – Purchase Price*".

Pursuant to Section 301(1) of the BCBCA, a company must not sell, lease or otherwise dispose of all or substantially all of its undertaking other than in the ordinary course of business unless it obtains the approval of its shareholders by way of a special resolution adopted by not less than 66⅔% of the votes cast at a meeting of shareholders.

As the FansUS Shares comprise all or substantially all of the assets of FANS, the Sale Transaction will constitute the sale of all or substantially all of the Company's undertaking for the purposes of the BCBCA. Accordingly, FANS is requesting Shareholders to pass the Sale Resolution, a copy of which is attached as Appendix "A" to this Circular, approving the Sale Transaction. To be adopted, the Sale Resolution must be approved by: (i) not less than 66⅔% of the votes cast on the Sale Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and (ii) not less than a simple majority of votes cast by the holders of Common Shares, present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by any Interested Parties. See "*Business of the Meeting – Approval of the Sale Resolution" and* "*Canadian Securities Law Matters – MI 61-101*".

### Background to the Sale Transaction

The Stock Purchase Agreement is the result of extensive negotiations between the Company, the Special Committee, the FANS Board, the Purchaser, GeoComply and their respective Representatives. The following is an overview of the context, process and negotiations leading to the execution and announcement of the Sale Transaction.

In the ordinary course of business, the FANS Board, with the assistance of the Company's management and advisors, continually reviews and assesses the Company's assets, and financial profile and business plans, and considers all available options that may be in the best interests of the Company and its Shareholders, including strategic transactions and other alternatives. Accordingly, over the past several years, the Company has evaluated and considered certain strategic alternatives, including potential change of control transactions, divestitures, wind-downs and strategic acquisitions in the context of the Company's long term business plan.

In January 2023, Stifel received an unsolicited inbound from a Representative of GeoComply regarding a potential strategic transaction with the Company, which led to an initial in-person meeting at the ICE London conference in London, England in February 2023.

On March 6, 2023, a Representative from GeoComply met with Mr. Burton, the Company's Chief Executive Officer, and indicated that GeoComply was interested in purchasing the Company's Betting Hero business and engaged in discussions regarding Betting Hero's progress to date and plans for the future. Following these discussions, the Company was interested in exploring a potential transaction subject to and following a more comprehensive review of the Company's strategic alternatives to assess other options that may be available to the Company. However, since the Company was in the midst of implementing various business planning initiatives, the parties agreed to reconnect once those were completed at a later time.

On April 4, 2023, the Company retained Stifel based on an assessment of its qualifications, expertise and industry experience to act as its financial advisor in connection with a change of control transaction or the sale of material assets of the Company and, among other things, to assist and advise the Company with soliciting, reviewing and analyzing any proposals in relation thereto. Previously, the Company had worked with and interviewed other investment banks. Stifel was engaged for the Company's brokered financing in July 2021, the purchase of AffiliateCo in November 2021, and the Company's debt financing in September 2022. The Company believed Stifel's past performance and institutional knowledge of its business would be valuable during the strategic review process.

On April 18, 2023, there was an introductory meeting with Stifel and the FANS Board where Stifel presented an overview of the strategic review process, including a discussion of a counterparties list, the preparation of a teaser, model and a non-disclosure agreement ("**NDA**") to be shared with potential counterparties.

Beginning in May 2023, Stifel, through a confidential process, reached out to eight (8) parties to explore their interest in a potential strategic transaction with FANS, including parties who had previously expressed an interest. The parties chosen were broadly targeted by Stifel and the FANS Board, with each party having a unique value proposition. During the months of May and June of 2023, five (5) parties signed NDAs and were subsequently sent a teaser describing the Company. After reviewing the teaser, Stifel hosted management calls with three (3) parties who engaged in high-level discussions with Scott Burton, Chris Grove and Graeme Moore from the Company.

On May 17, 2023, the Company and GeoComply entered into an NDA. Following the execution of the NDA, the Company and Stifel provided GeoComply with access to a data room, responded to requests for preliminary information and continued to have discussions with GeoComply with respect to a potential strategic transaction.

On June 2, 2023, GeoComply presented the Company a draft letter of interest (the "**Initial Indication of Interest**") to acquire the Betting Hero business. The parties held preliminary discussions on the terms of the potential transaction, including the transaction structure and purchase price, with the potential for performance-based deferred consideration. Subject to diligence and transaction structuring considerations, GeoComply proposed that it would retain the Betting Hero Co-Founders and additional team members to develop an integration plan and ensure a smooth transition post-closing.

The Company did not receive any expression of interest from any other potential counterparties and no other potential counterparties were provided with data room access.

On June 7, 2023, the FANS Board met with its legal counsel and Stifel to discuss the Initial Indication of Interest, Securities Law considerations and whether to form a special committee of independent directors.

On June 12, 2023, following further discussion and consideration of the Initial Indication of Interest, the FANS Board concluded that a special committee of independent directors should be formed to oversee the review and consideration of the Initial Indication of Interest as well as other strategic transactions and alternatives available to the Company. During this meeting, the FANS Board approved the formation and appointment of the Special Committee with responsibility for, among other things: (i) reviewing, considering and evaluating the Initial Indication of Interest and any other alternatives which may be available to the Company; (ii) supporting management and the FANS Board in the negotiation of the terms of any potential transaction; (iii) supervising the preparation of any valuations or other opinions as to the fairness of any potential transaction, and any other financial matters in respect thereof; and (iv) reporting and making recommendations to the FANS Board with respect to the Initial Indication of Interest or any other alternatives. The Special Committee was also authorized to engage its own independent advisors. The Special Committee is comprised of the following directors that are independent of GeoComply and Betting Hero Co-Founders

for purposes of MI 61-101: Quinton Singleton, as Chair, and James Keane. On June 14, 2023, the Special Committee engaged independent legal counsel.

On June 13, 2023, the FANS Board met with its legal counsel and Stifel. Stifel led a presentation on the analysis of strategic alternatives available to the Company, including a potential sale of the Betting Hero business. Stifel reviewed current market conditions, presented on the primary strategic alternatives available to the Company and discussed the advantages and disadvantages of a sale transaction in the context of these strategic alternatives. The FANS Board had detailed discussions regarding this analysis and considered various matters in respect of the potential offer and the prospects of the Company as a whole. In reviewing these alternatives, it was determined that while each had its merits, they varied in terms of their ability to generate value, their execution risk and the impact on the current business and business prospects of the Company.

The Special Committee held its first meeting on June 15, 2023, with its legal counsel present. At such meeting, the Special Committee decided on certain organizational matters, discussed the Special Committee's mandate, the Initial Indication of Interest and potential alternative structures for the proposed transaction.

On June 20, 2023, the FANS Board met to receive an update from the Special Committee regarding their preliminary deliberations on the Initial Indication of Interest.

On June 27, 2023 and July 4, 2023, the FANS Board met with its legal counsel and legal counsel to the Special Committee to receive an update from the Special Committee regarding the Initial Indication of Interest. Stifel was authorized to negotiate the terms of the Initial Indication of Interest with GeoComply on the Company's behalf.

On July 7, 2023, GeoComply presented a revised letter of interest (the "**Revised Indication of Interest**") to the Company to acquire Betting Hero. The Revised Indication of Interest modified the terms of the Initial Indication of Interest by reducing the proposed purchase price, clarifying the three main workstreams – structuring, due diligence and the development of a five (5) year business plan to be undertaken by Betting Hero – and revising the exclusivity period to an initial exclusivity period of 45 days, subject to mutually agreed extension.

On July 13, 2023, the Special Committee formally responded to GeoComply with the following proposals: (i) the purchase price would be all cash, with no deferred or contingent performance-based metrics; (ii) the parties would work towards a mutually agreeable structure; and (iii) the initial exclusivity period shall be 45 days, subject to mutually agreed extension.

On July 25, 2023, the FANS Board met with its legal counsel to receive an update from the Special Committee regarding the Revised Indication of Interest and whether to re-evaluate other potential opportunities. The FANS Board agreed to continue its discussions with GeoComply while continuing to explore alternative strategic transactions in parallel.

Between July 2023 and October 2023, Betting Hero conducted a comprehensive re-forecast of the business, including the development of a five (5) year business plan. Additionally, management focused on the upcoming football season given its importance to the Company's ongoing business and customer relationships, causing a delay in negotiations with GeoComply.

On October 3, 2023, GeoComply presented a further revised letter of interest (the "**Second Revised Indication of Interest**") to the Company to acquire, together with the Betting Hero Co-Founders, 100% of the equity interest in FansUS for US$37.5 million. The Second Revised Indication of Interest modified the terms of the Revised Indication of Interest by introducing a new transaction structure whereby GeoComply, together with the Betting Hero Co-Founders, would purchase Betting Hero by incorporating a new company to acquire 100% of the equity of FansUS. A sale of FansUS Shares, as opposed to a sale of assets, was executed in part due to the tax efficiencies gained by using existing cost basis, which can be used to shelter the proceeds from negative taxation impacts. In the Second Revised Indication of Interest, GeoComply also proposed a new requirement for the Company to distribute at least 75% of the transaction proceeds to the Shareholders.

On October 4, 2023, the FANS Board convened with its legal counsel and Stifel to discuss the Second Revised Indication of Interest. Subsequently, the FANS Board convened independently to further discuss the Second Revised Indication of Interest. Following these discussions, both the Special Committee and the FANS Board received advice from their respective counsels regarding MI 61-101 requirements, which include obtaining a formal valuation and "majority of the minority" shareholder approval, as a result of the transaction structure outlined in the Second Revised Indication of Interest constituting a related party transaction under MI 61-101. The FANS Board determined that the Company should continue to negotiate with GeoComply while also continuing to explore other strategic alternatives in parallel.

On October 6, 2023, the Special Committee formally responded to GeoComply to propose that the purchase price be increased, as a result of the added complexity of the proposed structure and its tax treatment, and the distribution requirement. The Special Committee also noted that acceptance of any negotiated purchase price would be subject to receipt of a formal valuation opinion.

On October 15, 2023, FANS entered into an NDA with another party and a call took place on October 18, 2023.

Between October 2023 and February 2024, the Company and GeoComply discussed the structuring proposed in the Second Revised Indication of Interest, as well as the post-transaction structure of FANS. Additionally, Stifel and FANS engaged in high-level discussions with another party from October 2023 to December 2023 to explore alternative options. The other party ultimately chose not to pursue a transaction with FANS and withdrew from further discussions.

On November 21, 2023, Tekkorp Holdings LLC ("**Tekkorp**") and FANS executed a non-disclosure agreement so that FANS could disclose the proposed sale transaction to Tekkorp and obtain its support. On June 27, 2024, Tekkorp entered into a Voting Agreement agreeing to vote its Common Shares in favour of the Sale Resolution.

On February 5, 2024, one of Betting Hero's significant customers launched a newly designed mobile sports betting application in the state of Nevada. Given the timing of the launch and its proximity to the 2024 Super Bowl held in Las Vegas, GeoComply requested to see Super Bowl results prior to delivering a further revised non-binding letter of interest.

During this time, negotiations were further protracted as the Company and GeoComply were primarily focused on transaction structuring discussions, which required significant input from their respective legal, tax and financial advisors.

On February 22, 2024, GeoComply presented the Company with a further revised letter of interest (the "**Letter of Interest**") to finalize the key terms to acquire, together with the Betting Hero Co-Founders, Betting Hero by way of acquiring 100% of the FansUS Shares for US$37.5 million. The Letter of Interest modified the terms of the Second Revised Indication of Interest by, among other things, changing the ownership structure of the new company to be formed by GeoComply and the Betting Hero Co-Founders to acquire Betting Hero. The ownership structure was changed to 60% to be held by the Betting Hero Co-Founders and 40% by GeoComply, compared to the previous proposal of 51% and 49%, respectively. The Letter of Interest also set out a proposed transaction structure and a requirement that the Company distribute at least 90% of the net transaction proceeds given the intended re-investment of proceeds into the business by the Betting Hero Co-Founders.

On February 25, 2024 and February 26, 2024, the FANS Board met with its legal counsel and Stifel to consider the terms of the Letter of Interest. A counter-offer was subsequently presented to GeoComply, which provided, among other matters, (i) clarification of the assets and liabilities included or excluded in the transaction, (ii) modification of the exclusivity period provision, (iii) that the purchase price and terms of the definitive agreement would be subject to the receipt of a formal valuation pursuant to MI 61-101 and an independent fairness opinion, (iv) that the definitive agreement would provide customary fiduciary out provisions in favor of FANS, and (v) that other structural considerations would remain subject to further negotiation and tax analysis.

In the days that followed, negotiations and exchanges between the Company, the Special Committee, FANS Board, GeoComply and their respective advisors took place on, among other things, the amount of the purchase price, the

length of the exclusivity period, and certain other terms to be included in any of the definitive agreement. As a result of the negotiations, GeoComply and the Company agreed, among other things, that the transaction would be structured as a public company style deal with no post-closing indemnity and no post-closing purchase price adjustment. The parties also agreed that FANS would distribute at least 90% of the net transaction proceeds to the Shareholders, as determined by the FANS Board exercising its fiduciary duty and subject applicable solvency or other legal or contractual requirements.

On March 1, 2024, the Company executed the finalized Letter of Interest (the "**Final Letter of Interest**"). The Final Letter of Interest was non-binding, except for customary administrative provisions and an exclusivity provision whereby the Company agreed to negotiate for a period of eight (8) weeks, subject to a mutually agreed 14-day extension.

Between March 2024 and June 2024, GeoComply undertook confirmatory due diligence and the Company, GeoComply and their respective advisors engaged in various discussions and negotiated the terms and conditions of a draft stock purchase agreement, the draft voting support agreements and all other ancillary matters. Throughout this period, various discussions (formal and informal) took place between all parties and stakeholders involved including, among others, FANS, the Betting Hero Co-Founders, GeoComply and their respective financial and legal advisors.

During this time, FANS approached each party entitled to received funds in connection with the proposed transaction and requested they make concessions in order to maximize shareholder value. The Company was able to successfully negotiate certain concessions in order to meet the expected Distribution target.

On April 9, 2024, the Special Committee retained BDO to provide a formal valuation and fairness opinion with respect to a potential transaction with GeoComply and in connection therewith, entered into the BDO Engagement Letter.

On May 9, 2024, the Special Committee convened to receive and consider a detailed preliminary valuation report of BDO. During the course of BDO's presentation, the representatives of BDO received comments from, and answered numerous questions to the satisfaction of, the members of the Special Committee.

Throughout the process of negotiating the Stock Purchase Agreement and the terms thereof, each of the FANS Board and the Special Committee engaged in discussions concerning any "collateral benefit" (as defined in MI 61-101) that may be considered to be received by Interested Parties as a consequence of the Sale Transaction and gave consideration to the provisions of MI 61-101.

On June 26, 2024, the FANS Board and Special Committee jointly met to receive a presentation from management of the Company, Stifel and the Company's legal counsel on the background to the transaction and terms of the proposed stock purchase agreement. The FANS Board and Special Committee then received an oral formal valuation from BDO, which provided that, as of June 26, 2024, subject to the assumptions, limitations and qualifications set forth in the Formal Valuation and Fairness Opinion, the business enterprise value of FansUS is between US$31,000,000 and US$37,000,000 and the fair market value ("**FMV**") of the FansUS Shares is between US$17,000,000 and US$23,000,000, followed by an oral fairness opinion that, as of June 26, 2024, subject to the assumptions, limitations and qualifications set out in the Formal Valuation and Fairness Opinion, the Consideration is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders). Both the oral formal valuation and oral fairness opinion were subsequently confirmed in writing in the Formal Valuation and Fairness Opinion. The Special Committee then had a discussion regarding whether the Sale Transaction was in the best interest of the Company, the Shareholders and other stakeholders, and whether the Consideration is fair, from a financial point of view. The Special Committee ultimately determined that: (i) the Sale Transaction is in the best interests of the Company and that the Consideration is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders); and (ii) to recommend that the FANS Board approve the Sale Transaction, the execution and delivery of the Stock Purchase Agreement and the ancillary agreements relating thereto.

Thereafter, following further discussion on the key benefits and risks of the Sale Transaction, including those noted under the heading "*Reasons for the Sale Transaction*", and after consulting with its legal and financial advisors and following receipt of the recommendation of the Special Committee and receipt of the oral formal valuation and oral fairness opinion from BDO (as set out above), the FANS Board unanimously (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and

abstained from voting in respect thereof) (a) concluded that the Sale Transaction is in the best interests of the Company and that the Sale Transaction is fair to the Shareholders; (b) approved the Sale Transaction, the entering into of the Stock Purchase Agreement and related matters; and (c) determined to recommend Shareholders vote in favour of the Sale Transaction.

Throughout the evening of June 26, 2024, the Company, GeoComply and each of their Representatives finalized the Stock Purchase Agreement and the related documents, and the press release of the Company announcing the Stock Purchase Agreement. The Stock Purchase Agreement was executed and released from escrow at 12:01 am (Pacific time) on June 27, 2024 and, prior to opening of trading on the TSX on June 27, 2024, the Company issued a press release announcing entry into the Stock Purchase Agreement.

**Formal Valuation and Fairness Opinion**

The Special Committee engaged BDO, determined by the Special Committee to be a qualified and independent valuator and financial advisor, to prepare and deliver the Formal Valuation and Fairness Opinion with respect to the Sale Transaction. Prior to the Company entering into the Stock Purchase Agreement, BDO provided the Special Committee with an oral formal valuation and oral fairness opinion on June 26, 2024, which was subsequently confirmed in writing in the Formal Valuation and Fairness Opinion dated June 26, 2024.

On June 26, 2024, BDO delivered an oral formal valuation of the FansUS Shares in accordance with MI 61-101. BDO concluded that, as of June 26, 2024, subject to the assumptions, limitations and qualifications set forth in the Formal Valuation and Fairness Opinion, the business enterprise value of FansUS is between US$31,000,000 and US$37,000,000, and the FMV of the FansUS Shares is between US$17,000,000 and US$23,000,000. The Consideration to be received by the Company under the Stock Purchase Agreement is greater than the FMV of the FansUS Shares. In addition, on June 26, 2024, BDO delivered a fairness opinion to the Special Committee, pursuant to which it concluded that, as of June 26, 2024, the Consideration to be received by the Company under the Stock Purchase Agreement is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders).

The full text of the Formal Valuation and Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Formal Valuation and Fairness Opinion, is attached as Appendix "D" to this Circular. Shareholders may also request a copy of the Formal Valuation and Fairness Opinion from the Company free of charge. Shareholders are urged to read the Formal Valuation and Fairness Opinion in its entirety, especially with regard to the assumptions and limitations contained therein. The summary of the Formal Valuation and Fairness Opinion described in this Circular is qualified in its entirety by, and should be read in conjunction with, the full text of the Formal Valuation and Fairness Opinion.

In connection with the proposed Sale Transaction, within the context of the requirements of MI 61-101, BDO has prepared a formal valuation under MI 61-101 and a corresponding fairness opinion. The Formal Valuation and Fairness Opinion has been prepared to provide information for consideration by the Special Committee and FANS Board with respect to the proposed Sale Transaction, but does not constitute a recommendation to any party as to any course of action they might take. Despite any conclusions reached by BDO, the circumstances of individual shareholders will necessarily determine what course of action they will take in responding to the proposed Sale Transaction.

***Background***

The Sale Transaction is a "related party transaction" under MI 61-101 for which no exemption is available from the formal valuation requirement. As a result, the Company is required to obtain a formal valuation of the FansUS Shares in connection with the Sale Transaction.

The Special Committee determined that BDO was a qualified and independent valuator for the purposes of MI 61-101. As a result, the Special Committee engaged BDO to prepare the Formal Valuation and Fairness Opinion in accordance with the standards set out in MI 61-101.

***Engagement of BDO***

The Special Committee initially contacted BDO regarding a potential assignment in connection with the proposed Sale Transaction on March 4, 2024. BDO was formally engaged by the Special Committee pursuant to BDO Engagement Letter dated as of April 9, 2024.

Under the terms of the BDO Engagement Letter, BDO is to be paid a fixed fee of $87,500, including a $21,875 retainer upon signing of the BDO Engagement Letter, plus 7% thereof for internal charges for rendering the Formal Valuation and Fairness Opinion. In addition, BDO will be reimbursed for its reasonable out-of-pocket expenses incurred in respect of carrying out its obligations under the BDO Engagement Letter up to $10,000, and BDO will be indemnified against certain liabilities incurred in connection with the provision of its services. The fee payable to BDO under the BDO Engagement Letter is not contingent, either in whole or in part, upon the conclusions reached by BDO in the Formal Valuation and Fairness Opinion, or upon the successful completion of the proposed Sale Transaction. The Company will pay for the Formal Valuation and Fairness Opinion.

***Qualifications of BDO***

The firms of the BDO global network provide industry-focused assurance, tax, and specialist advisory services to enhance value for clients and their stakeholders. More than 80,000 people in 167 countries across BDO's network share their expertise and thought leadership to develop practical solutions for clients. In Canada, BDO and its related entities have more than 4,000 partners and staff in over 125 offices across the country. The firm's specialist advisory capabilities include significant experience advising on mergers & acquisitions and valuation matters for both public and privately held businesses.

BDO's specialist advisory capabilities include significant experience advising on mergers and acquisitions and valuation matters for both public and privately held businesses. BDO's financial advisory services group includes finance professionals, many of whom have earned professional designations, such as Chartered Business Valuator (CBV), Chartered Financial Analyst (CFA), Chartered Professional Accountant (CPA), Chartered Accountant (CA), Certified Public Accountant (CPA) and Accredited Senior Appraiser (ASA).

The conclusion expressed in the Formal Valuation and Fairness Opinion represents the opinion of BDO, and the form and content thereof have been approved by a group of BDO partners, each of whom is a member of the Chartered Professional Accountants of Canada and the Canadian Institute of Chartered Business Valuators, and have experience in mergers, acquisitions, divestitures, valuations, fairness opinions, and related matters.

***Independence of BDO***

BDO does not have any present or contemplated interest in the business, assets, liabilities, or ownership interests of FansUS. The fees quoted for the Formal Valuation and Fairness Opinion are not contingent upon BDO's conclusion, findings or any other event.

BDO is independent of the Interested Parties, as determined in accordance with applicable Canadian Securities Laws.

The principal preparer and other staff involved in the preparation of the Formal Valuation and Fairness Opinion are all independent of the Company and the Purchaser.

Neither BDO nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101) (i) is an "insider", "associate" or "affiliate" (as those terms are defined for the purposes of MI 61-101) of the Company, the Betting Hero Co-Founders, GeoComply and the Purchaser, or any of their respective associates or affiliates; (ii) is an advisor to any of the Company, the Betting Hero Co-Founders, GeoComply and the Purchaser in connection with the Sale Transaction other than to the Special Committee pursuant to the BDO Engagement Letter; (iii) is a manager or co-manager of a soliciting dealer group for the Sale Transaction (or a member of the soliciting dealer group for the Sale Transaction providing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group); or (iv) has a material financial interest in the completion of the Sale Transaction.

BDO and its affiliated entities are not the auditor of the Company, GeoComply or the Purchaser. BDO has no present or contemplated interest in the Company, the Betting Hero Co-Founders, GeoComply and the Purchaser that could impair its independence with regard to the Formal Valuation and Fairness Opinion.

Other than as described below, during the two years preceding the date that BDO was first contacted for the purpose of the Formal Valuation and Fairness Opinion, BDO and its affiliated entities were not engaged by, did not provide any professional services for, and did not receive any compensation from the Company, the Betting Hero Co-Founders, GeoComply or the Purchaser or any of their respective associates or affiliates. BDO provides certain ordinary course tax advisory services to GeoComply with respect to claiming Canadian Scientific Research and Experimental Development tax credits (the "**SR&ED Advisory Services**"). GeoComply paid BDO a total of approximately $60,000 for these services provided in the year ended December 31, 2022, and it is expected that GeoComply will pay BDO a total of approximately $110,000 for these services provided in the year ended December 31, 2023 (when invoiced). BDO prepared an independent estimate valuation report ("**Estimate Valuation Report**") of the fair value of the acquired identifiable intangibles of AffiliateCo as at November 22, 2021. The Estimate Valuation Report was prepared for financial reporting purposes. The Company paid BDO a total of approximately $35,000 for the Estimate Valuation Report in the year ended December 31, 2022.

In the future, BDO and its affiliated entities may provide, in the ordinary course of their business, financial advisory, tax or other professional services to the Company, the Betting Hero Co-Founders, GeoComply or the Purchaser or any of their respective associates or affiliates. While not currently being contemplated other than the SR&ED Advisory Services, BDO believes that such services will not impair its objectivity in the performance of the Formal Valuation and Fairness Opinion and BDO does not believe that its compensation structure affects its ability to act independently and impartially in this matter. BDO is not aware of any conflict that would affect its ability to act impartially.

BDO did not act as a financial advisor to the Company, the Betting Hero Co-Founders, GeoComply or the Purchaser or any of their respective associates or affiliates in connection with any aspect of the Sale Transaction other than the preparation of the Formal Valuation and Fairness Opinion and BDO did not participate in the negotiation of the Stock Purchase Agreement. There are no understandings, agreements or commitments between BDO, on the one hand, and any of the Company, the Betting Hero Co-Founders, GeoComply or the Purchaser or any of their respective associates or affiliates, on the other hand, with respect to any future business dealings.

BDO confirmed to the Special Committee that it is of the view that it is independent within the meaning of MI 61-101 of the Company and the Purchaser and any Interested Party in the Sale Transaction and that it has the appropriate qualifications to prepare the Formal Valuation and Fairness Opinion.

***Scope of Review and Assumptions and Limitations***

The scope of review, major assumptions, restrictions and other qualifications of the Formal Valuation and Fairness Opinion are set forth in the full text of the Formal Valuation and Fairness Opinion attached as Appendix "D".

BDO relied on certain assumptions, including in respect of: (i) the assets, liabilities, revenues, expenses, balance sheet, market value and tangible assets and reported earnings of FansUS; (ii) the lack of significant non-arm's length transactions (at other than FMV) during the period under review, except as noted in the Formal Valuation and Fairness Opinion; (iii) financial projections; and (iv) other material transactions, strategic initiatives and offers that have been disclosed to BDO.

BDO has relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material relating to FansUS, or any of its Subsidiaries or associates provided to BDO by or on behalf of FansUS, or otherwise obtained by BDO in connection with the engagement of BDO. The Formal Valuation and Fairness Opinion is conditional upon such completeness, accuracy and fair presentation. BDO has not been requested to, and has not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such information.

BDO has assumed that all financial budgets, forecasts, projections, and estimates provided to or otherwise obtained by BDO in connection with its engagement and used in its analyses were reasonably prepared reflecting the best currently available information to the management of the Company.

***Approach to Value***

BDO prepared the Formal Valuation and Fairness Opinion in accordance with MI 61-101 and the practice standards of the Canadian Institute of Chartered Business Valuators. The valuation contained in the Formal Valuation and Fairness Opinion is based on consideration of the following business valuation methodologies and analyses for FansUS: (i) a discounted cash flow analysis of each business segment of FansUS; (ii) an analysis of the financial multiples of the selected comparable companies whose securities are publicly traded; and (iii) an analysis of the financial multiples, to the extent publicly available, of selected precedent merger and acquisition transactions.

BDO also reviewed and considered other valuation methodologies and valuation reference points, including the market capitalization of the Company, the internal rate of return implied by the Consideration and the historical prices of the Common Shares.

***Approach to Fairness***

In arriving at its opinion as to whether the Consideration to be received by the Company pursuant to the Sale Transaction is fair from a financial point of view to the Company and the Shareholders (other than Betting Hero Co-Founders), BDO considered a number of factors including, but not limited to, the fact that the Consideration to be received by the Company pursuant to the Sale Transaction is equal to or greater than the FMV of the FansUS Shares.

***Valuation Conclusions***

Subject to the assumptions, limitations and qualifications set out in the Formal Valuation and Fairness Opinion, BDO is of the opinion that the business enterprise value of FansUS is between US$31,000,000 and US$37,000,000 and the FMV of the FansUS Shares is between US$17,000,000 and US$23,000,000 as of June 26, 2024.

***Fairness Opinion Conclusion***

Subject to the assumptions, limitations and qualifications set out in the Formal Valuation and Fairness Opinion, BDO is of the opinion that, as of the date hereof, the Consideration to be received by the Company pursuant to the Sale Transaction is fair from a financial point of view to the Company and the Shareholders (other than the Betting Hero Co-Founders).

**Recommendation of the Special Committee**

The Special Committee, after consultation with FANS management and receipt of advice of its financial and legal advisors and after careful consideration of a number of alternatives and factors including, among others, the Formal Valuation and Fairness Opinion and the factors set out below under the heading "*Reasons for the Sale Transaction*", unanimously determined that the Sale Transaction is in the best interests of the Company and that the Consideration is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders) and recommended that the FANS Board approve the Sale Transaction and that the FANS Board recommend that the Shareholders vote in favour of the Sale Resolution.

**Recommendation of the FANS Board**

The FANS Board, after consultation with FANS management and receipt of advice of its financial and legal advisors, and after careful consideration of a number of alternatives and factors including, among others, the receipt of the unanimous recommendation of the Special Committee, the Formal Valuation and Fairness Opinion and the factors set out below under the heading "*Reasons for the Sale Transaction*", unanimously (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and abstained from voting in respect thereof) determined that the Sale Transaction is in the best interests of the Company

and that the Consideration is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders). **Accordingly, the FANS Board unanimously (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and abstained from voting in respect thereof) recommends that Shareholders vote "FOR" the Sale Resolution.**

**All of the FANS Locked-Up Shareholders are required to vote all of their Common Shares in favour of the Sale Resolution, subject to the terms of the Stock Purchase Agreement and the Voting Agreements. See "*Business of the Meeting – Voting Agreements*".**

**Reasons for the Sale Transaction**

In making their respective conclusions and recommendations regarding the Sale Transaction, each of the Special Committee and the FANS Board carefully considered all aspects of the Sale Transaction and received the benefit of advice from their respective financial and legal advisors, and the conclusions and recommendations of the Special Committee and the FANS Board were made after considering the totality of the information and factors considered. In particular, in unanimously determining that the Sale Transaction is in the best interests of the Company and that the Consideration is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders), taking into account the relevant stakeholders thereof, and recommending to the Shareholders that they approve the Sale Transaction, the Special Committee and the FANS Board considered and relied upon a number of factors, including, among others, the following:

(a) ***Premium and Immediate Liquidity.*** Pursuant to the Stock Purchase Agreement, the Company agreed to distribute at least 90% of the net proceeds of the Consideration (after payment or discharge of certain obligations and liabilities of the Company, including those associated with the Sale Transaction or otherwise), subject to applicable solvency and other legal or contractual requirements, to its Shareholders. The purchase price represents a premium valuation for the FansUS business relative to market multiples for similar publicly traded companies and M&A transactions. Receipt of the net proceeds of the Consideration should enable the Company to complete a cash distribution in the range of $0.065 to $0.075 per Common Share, representing a premium of between 44% and 67% to the closing price of the Common Shares on the TSX on June 26, 2024, and a premium of between 71% and 97% to the 30-day volume weighted average price (VWAP) of the Common Shares on the TSX for the period ended June 26, 2024 (subject to the qualifications, assumptions and risks discussed elsewhere in this Circular). The Distribution will be paid entirely in cash and provide immediate liquidity and certainty of value for the Shareholders. See "*Business of the Meeting – Capital Reduction and Distribution*".

(b) ***Elimination of Indebtedness***. In connection with the Sale Transaction, the Company will eliminate all indebtedness of the Company and its Subsidiaries, including, but not limited to bank indebtedness and deferred and contingent consideration.

(c) ***No Escrow or Holdback of Any Portion of Consideration***. There is no requirement under the Stock Purchase Agreement that any portion of the Consideration be placed into escrow.

(d) ***Lack of Financing Condition***. GeoComply has the capability and funds to effect the Sale Transaction, and the Sale Transaction is not subject to a financing condition.

(e) ***Guarantee***. The Purchaser's payment obligations under the Stock Purchase Agreement are unconditionally guaranteed by GeoComply.

(f) ***Future Opportunity to Retain Exposure***. The Company expects to retain net cash of approximately $500,000 to explore new business opportunities for the economic benefit of the Shareholders who will continue to maintain their interest in the Company following completion of the Distribution.

(g) ***Receipt of Formal Valuation and Fairness Opinion***. BDO has provided to the Special Committee the Formal Valuation and Fairness Opinion in connection with the Sale Transaction which provides

an opinion to the effect that, as of the date of such opinion and subject to the assumptions, limitations, and qualifications on which such opinion is based, the business enterprise value of FansUS is between US$31,000,000 and US$37,000,000 and the FMV of the FansUS Shares is between US$17,000,000 and US$23,000,000 as of June 26, 2024, and the Consideration to be received under the Sale Transaction is fair, from a financial point of view, to the Company and the Shareholders (other than the Betting Hero Co-Founders).

(h) ***Support for the Transaction*.** Pursuant to the Voting Agreements, the FANS Locked-Up Shareholders, who in the aggregate hold approximately 27% of the voting rights attached to the Common Shares, have agreed, among other things, to vote their Common Shares in favour of the approval of the Sale Resolution, subject to the terms and conditions of such Voting Agreements. See "*Business of the Meeting – Voting Agreements*".

(i) ***Reasonableness of the Terms of the Stock Purchase Agreement and "Fiduciary Out"***. The Stock Purchase Agreement is the result of extensive and deliberate arm's length negotiations that was overseen and supervised by the Special Committee and the FANS Board, as advised by their respective qualified legal and financial advisors, and resulted in terms and conditions that are reasonable in the judgment of the Special Committee and the FANS Board, including a customary "fiduciary out" that will enable the Company to enter into a superior proposal in certain circumstances.

(j) ***Alternatives to the Sale Transaction***. The Sale Transaction is the result of a comprehensive strategic review process conducted by the FANS Board starting in 2023. Both prior to and throughout the negotiations of the terms of the Stock Purchase Agreement with GeoComply and the Purchaser, the FANS Board, with the assistance of its advisors, and based upon their collective knowledge of the business, operations, financial condition, earnings and prospects of the Company, as well as their collective knowledge of the current and prospective environment in which the Company operates (including economic and market conditions), assessed the relative benefits and risks of various alternatives reasonably available to the Company including continued execution of the Company's strategic plan and the possibility of soliciting other potential buyers of the Company's assets. The FANS Board assessed each reasonably available alternative throughout the process of evaluating and negotiating the Stock Purchase Agreement and the FANS Board and the Special Committee ultimately concluded that entering into the Stock Purchase Agreement was the most favourable alternative reasonably available.

(k) ***Likelihood of Closing***. The Special Committee and the FANS Board believe that there is a high likelihood that the conditions precedent to the completion of the Sale Transaction will be satisfied.

(l) ***Reasonable Completion Time***. The Special Committee and the FANS Board believes that the Sale Transaction is likely to be completed in accordance with the terms of the Stock Purchase Agreement and within a reasonable time, with Closing currently anticipated to occur by the third quarter of 2024.

(m) ***Procedural Protections***. The Sale Transaction is subject to a number of procedural protections under MI 61-101, including the requirement for approval of a "majority of the minority" vote of the Shareholders in accordance with MI 61-101, in addition to approval by not less than two-thirds (66 2/3%) of the votes cast by Shareholders. In evaluating the Sale Transaction, the Shareholders have the benefit of enhanced disclosure requirements under MI 61-101 and the Formal Valuation and Fairness Opinion prepared by BDO.

(n) ***Other Factors***. The FANS Board also carefully considered the terms of the Stock Purchase Agreement and proposed Sale Transaction, current economics, industry and market trends affecting FANS in its market, and information concerning the business, operations, assets, financial condition, operating results and prospects of FANS.

In the course of its deliberations, the Special Committee and the FANS Board also identified and considered a variety of risks (as described in greater detail under "*Risk Factors*") and potentially negative factors relating to the Sale Transaction without limitation, the following:

(a) If the Sale Transaction is successfully completed, the Company will no longer have any ongoing business operations and Shareholders will be unable to participate in the potential longer term benefits of the Business.

(b) The potential risk of diverting management attention and resources from the operation of the Company's business, including other strategic opportunities and operational matters, while working toward the completion of the Sale Transaction.

(c) The potential negative effect of the pendency of the Sale Transaction on the Company's business, including its relationships with third parties.

(d) The fact that the Company has incurred and will continue to incur significant transaction costs and expenses in connection with the Sale Transaction, regardless of whether the Sale Transaction is completed.

(e) The limitations contained in the Stock Purchase Agreement on the Company's ability to solicit alternative transactions from third parties, as well as the fact that if the Stock Purchase Agreement is terminated in certain circumstances, the Company may be required to pay the Termination Fee, which may adversely affect the Company's financial condition.

(f) The Consideration is to be paid in U.S. dollars. If the value of the Canadian dollar relative to the U.S. dollar appreciates as compared to such relative value on the Announcement Date, the amount to be received by Shareholders on any subsequent distribution of that amount that is paid in, or converted to, Canadian dollars will be lessened.

(g) The conditions to GeoComply's and the Purchaser's obligation to complete the Sale Transaction and GeoComply's and the Purchaser's rights to terminate the Stock Purchase Agreement in certain circumstances.

(h) The restrictions imposed pursuant to the Stock Purchase Agreement on the conduct of the Company's business during the period between the execution of the Stock Purchase Agreement and the consummation of the Sale Transaction or the termination of the Stock Purchase Agreement.

(i) The fact that as a result of the Stock Purchase Agreement, certain of the Company's directors, officers and employees, including the Betting Hero Co-Founders, will receive benefits that differ from, or are in addition to, the interests of Shareholders generally as described under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction*".

(j) Other risks associated with the parties' ability to complete the Sale Transaction.

The Special Committee and the FANS Board believes that, overall, the anticipated benefits of the Sale Transaction to the Company outweigh these risks and negative factors. The reasons of the Special Committee and the FANS Board for recommending the Sale Transaction include certain assumptions relating to forward-looking information, and such information and assumptions are subject to certain risks. See "*Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors*" in this Circular.

The foregoing summaries of the information and factors considered by the Special Committee and the FANS Board are not intended to be exhaustive, but includes material information and factors considered by the Special Committee and the FANS Board in their consideration of the Sale Transaction. In view of the wide variety of factors considered in connection with its evaluation of the terms of the Sale Transaction and the complexity of these matters, the Special Committee and the FANS Board did not find it useful to, and did not attempt to, quantify, rank or otherwise assign

relative weights to these factors. In addition, individual members of the Special Committee and FANS Board and individual Shareholders considering the Sale Transaction may give different weight to different factors.

The FANS Board (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and abstained from voting in respect thereof) unanimously recommended support for the Sale Transaction. The process of evaluating the Sale Transaction was overseen by the Special Committee, which is comprised of members of the FANS Board who are not members of management and are independent directors within the meaning ascribed to such term in NI 52-110. The members of the Special Committee met regularly with its legal and financial advisors and members of management throughout the process of negotiating the Stock Purchase Agreement.

**IN LIGHT OF THE FOREGOING, THE FANS BOARD UNANIMOUSLY (WITH THE EXCEPTION OF MESSRS. BURTON AND GROVE, WHO DECLARED THEIR INTEREST IN THE TRANSACTIONS CONTEMPLATED BY THE STOCK PURCHASE AGREEMENT AND ABSTAINED FROM VOTING IN RESPECT THEREOF) RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE APPROVAL OF THE SALE RESOLUTION**.

To be adopted, the Sale Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and (ii) not less than a simple majority of votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by any Interested Parties.

Pursuant to the Voting Agreements, 97,742,740 Common Shares, representing approximately 27% of the outstanding voting rights attached to the Common Shares as of the date of this Circular, will be voted "FOR" the Sale Resolution, subject to the terms thereof. **Unless it is specified in the enclosed form of proxy that Common Shares represented by the form of proxy will be voted against the Sale Resolution, the Persons designated in the enclosed form of proxy intend to vote such Common Shares "FOR" the Sale Resolution.**

## Interests of Certain Persons in the Sale Transaction

In considering the Sale Transaction, Shareholders should be aware that certain directors and executive officers of the Company have interests in connection with the Sale Transaction and the Stock Purchase Agreement that may present them with actual or potential conflicts of interest. The FANS Board and the Special Committee are aware of these interests and considered them along with other matters described above under "*Business of the Meeting – Reasons for the Sale Transaction*", "*Risk Factors*" and "*Canadian Securities Law Matters – MI 61-101*". These interests and benefits are described below.

Except as otherwise disclosed below or elsewhere in this Circular, no director, or executive officer of the Company, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### *Special Committee Fees*

Quinton Singleton, as Chair and a member of the Special Committee, received fees of $2,500 and $10,000 per quarter since formation of the Special Committee on June 12, 2023. James Keane, as a member of the Special Committee, received fees of $10,000 per quarter since formation of the Special Committee on June 12, 2023.

### *Merger Agreement*

Pursuant to the Merger Agreement, in the event the Company no longer beneficially owns (directly or indirectly) a majority of the outstanding voting equity interests of FansUS as a result of a transaction occurring by November 22, 2027, being within five (5) years of closing of the transaction contemplated thereunder, certain seller parties thereto shall receive 5% of the total consideration paid in such transaction (the "**Spin-out Consideration**"). As a result of subsequent amendments to the Merger Agreement and the proposed Sale Transaction, the Betting Hero Co-Founders will be entitled to Spin-out Consideration in the aggregate amount of US$1,854,000.

Pursuant to the Merger Agreement, certain seller parties thereto are entitled to receive earn-out payments determined for quarterly and annual periods until November 22, 2024 (the "**Earn-out Consideration**"). In connection with the proposed Sale Transaction, the Company, FansUS, AffiliateCo and certain seller parties under the Merger Agreement entered into a Settlement and General Release Agreement pursuant to which, among other things, the remaining Earn-out Consideration would accelerate and be payable on Closing of the Sale Transaction. As a result, the Betting Hero Co-Founders are entitled to Earn-out Consideration in the aggregate amount of up to US$10.8 million.

Mr. Grove, a director of the Company, was entitled to Spin-out Consideration and deferred consideration under the Merger Agreement in his capacity as a seller party thereto. Pursuant to an Amendment and General Release Agreement dated September 6, 2022, as further amended on December 19, 2022 and on May 30, 2024, such entitlements were reduced to a total amount of US$1,435,805 (the "**Grove Consideration**").

***Management Bonus***

The FANS Board approved a resolution providing that certain executive officers of FANS, namely Scott Burton, Graeme Moore and Ian Winter, would be entitled to receive a management cash bonus equivalent to a combined 0.35% of the net proceeds of the sale of all of the shares of AffiliateCo or FansUS, or all of the Betting Hero assets held in AffiliateCo, if the sale is completed for net proceeds of at least $25,000,000, subject to a maximum total payment of $750,000 (the "**Management Bonus**"). On completion of the proposed Sale Transaction, Mr. Burton is entitled to receive US$28,250 (the "**Burton Bonus**"), Graeme Moore is entitled to receive US$28,250 and Ian Winter is entitled to receive US$28,250.

***Employment Termination and Change of Control Benefits***

The Company is party to executive employment agreements with Scott Burton, the Company's Chief Executive Officer, Graeme Moore, the Company's Chief Financial Officer and Ian Winter, the Company's Chief Operating Officer (collectively the "**FANS Employment Agreements**"). The FANS Employment Agreements contain change of control provisions which are triggered by the sale of all or substantially all of the assets of the Company, such as the proposed Sale Transaction.

The FANS Employment Agreements each provide that if such agreement is terminated or deemed to be terminated due to a change of control, the Company will become obligated to pay the employees certain termination fees.

Pursuant to the Executive Employment Agreement between FANS and Scott Burton dated August 11, 2020, as amended on February 1, 2024 and the Amended and Restated Executive Employment Agreement between FANS and Graeme Moore dated July 31, 2022, as amended on February 1, 2024, if there is a "change of control" and the employee's employment is terminated by the Company or the employee terminates his employment for "Good Reason" (as defined therein), concurrently or within six (6) months of a "change of control", the employee is entitled to receive severance in an amount equal to 18 months' annual base compensation and continuance of any benefits provided under any insured standard benefit plan for 18 months.

Pursuant to the Employment Agreement between FANS and Ian Winter dated August 11, 2020, if there is a "change of control" and the employee's employment is terminated by the Company or the employee terminates his employment for "Good Reason" (as defined therein), concurrently or within six (6) months of a "change of control", the employee is entitled to receive severance in an amount equal to 12 months' annual base compensation and continuance of any benefits provided under any insured standard benefit plan for 12 months.

In the case of the termination of Mr. Burton's employment agreement upon a change of control, Mr. Burton will be entitled to receive an aggregate amount of CDN$420,000 (the "**Burton Employment Bonus**").

In the case of the termination of Mr. Moore's employment agreement upon a change of control, Mr. Moore will be entitled to receive an aggregate amount of CDN$375,000 (the "**Moore Employment Bonus**")

In the case of the termination of Mr. Winter's employment agreement upon a change of control, Mr. Winter will be entitled to receive an aggregate amount of CDN$185,000 (the "**Winter Employment Bonus**", and together with the Burton Employment Bonus and the Moore Employment Bonus, the "**Change of Control Amounts**").

***Securities Held by Directors and Officers of FANS***

The following table sets out for each director and officer of the Company (i) the number of Common Shares beneficially owned, directly or indirectly, by such director and officer and its associates or affiliates, as of the Record Date, and (ii) the amount of cash payable pursuant to the Distribution for Common Shares held by such director and officer.

| Name, Title | Common Shares | Cash Payment Under the Distribution[(1)] |
|---|---|---|
| Scott Burton, CEO & Director | 4,896,584 | $342,760.88 |
| Graeme Moore, Chief Financial Officer | 585,000 | $40,950.00 |
| Ian Winter, Chief Operating Officer | 544,000 | $38,080.00 |
| Chris Grove, Director | 12,211,302 | $854,791.14 |
| Quinton Singleton, Director | 1,675,816 | $117,307.12 |
| James Keane, Director | 1,419,200 | $99,344.00 |

Note:

(1) Assuming a Distribution equal to $0.07 per Common Share.

As of the date hereof, FANS understands that neither GeoComply, the Purchaser nor any of their Affiliates other than the Betting Hero Co-Founders, owns, or controls or directs, directly or indirectly, any Common Shares.

See "*Canadian Securities Law Matters – MI 61-101*" and "*Interests of Certain Persons in Matters to be Acted Upon*".

**The Stock Purchase Agreement**

On June 27, 2024, FANS, FansUS, the Purchaser and GeoComply entered into the Stock Purchase Agreement, which sets out, among other things, the terms and conditions upon which the Company agreed to sell, and the Purchaser agreed to purchase, the FansUS Shares. As provided by the Stock Purchase Agreement, the Closing is subject to the approval of the Shareholders, TSX acceptance, the satisfaction of all third party consents and regulatory approvals and the fulfilment of certain conditions, and is currently expected to occur in the third quarter of 2024.

The following summarizes the material provisions of the Stock Purchase Agreement. This summary may not contain all of the information about the Stock Purchase Agreement that is important to Shareholders. The rights and obligations of the parties to the Stock Purchase Agreement are governed by the express terms and conditions of the Stock Purchase Agreement and not by this summary or any other information contained in this Circular.

In reviewing the Stock Purchase Agreement and this summary, please remember that the following summary has been included to provide Shareholders with information regarding the terms of the Stock Purchase Agreement and is not intended to provide any other factual information about FANS, FansUS, the Purchaser, the Betting Hero Co-Founders, GeoComply or any of their Subsidiaries or affiliates. The Stock Purchase Agreement contains representations and warranties and covenants by each of the parties thereto, which are summarized below.

***The following is a summary of the principal terms of the Stock Purchase Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Stock Purchase Agreement, a copy of which has been filed under the Company's profile at www.sedarplus.com. Shareholders are encouraged to read the Stock Purchase Agreement carefully in its entirety.***

***Purchase Price***

The Consideration payable by the Purchaser to the Company under the Stock Purchase Agreement as consideration for the FansUS Shares, subject to adjustments for working capital of FansUS on the date of Closing, is US$37,500,000, as follows:

- US$30,600,000 is to be paid in cash on the Closing, adjusted on a cash-free, debt-free basis; and
- US$6,900,000 is to be satisfied through the offset and settlement of the Demand Note.

***Representations, Warranties and Covenants***

The Stock Purchase Agreement contains customary representations, warranties and covenants made by the Company, FansUS, the Purchaser and GeoComply. These representations, warranties and covenants were made by and to the parties thereto as set out in the Stock Purchase Agreement and are subject to the limitations and qualifications agreed to by the parties in connection with negotiating and entering into the Stock Purchase Agreement. Such representations, warranties and covenants have been made solely for the benefit of the parties to the Stock Purchase Agreement as set out therein, and (i) are not intended as statements of fact to be relied upon by third parties, but rather as a way of allocating the risk to one of the parties to the Stock Purchase Agreement should such any such representations, warranties or covenants prove to be inaccurate; and (ii) may apply standards of materiality in a way that is different from what may be viewed as material by Shareholders or other investors, or may be qualified by reference to materiality thresholds. In addition, certain representations and warranties were made as of specified dates, and information concerning the subject matter of the representations and warranties may have changed since the date of the Stock Purchase Agreement. Accordingly, the representations, warranties, covenants and other provisions of the Stock Purchase Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this Circular.

The representations and warranties made by the Company, FansUS, the Purchaser and GeoComply are customary for transactions of this nature negotiated between sophisticated purchasers and sellers, certain of which are qualified as to materiality and knowledge and subject to reasonable exceptions. Such representations and warranties made by the Company and FansUS in favour of the Purchaser relate to, among other things: organization and authority; capitalization; indebtedness; no violation or conflict; financial statements; absence of certain developments; no undisclosed liabilities; compliance with laws; assets and properties; tax matters; intellectual property; privacy and data security; contracts; insurance; litigation; employees and employee benefits; customers and suppliers; bank accounts; ownership of equity; brokers' fees; real property; affiliated transactions; securities law matters; special committee and board matters; and disclosure matters. The Stock Purchase Agreement also contains certain customary representations and warranties provided by the Purchaser and GeoComply to the Company and relating to, among other things: organization and authority; no violation or conflict; litigation; brokers' fees; and availability of funds.

***Covenants***

Covenants Regarding Interim Period

During the Pre-Closing Period, each of FansUS and its Subsidiaries is required to conduct its business and operations in the ordinary course, except (i) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), (ii) as required by the Stock Purchase Agreement, by Law or a Governmental Authority, or (iii) as set out in the disclosure letter to the Stock Purchase Agreement, and FansUS and its Subsidiaries shall each use commercially reasonable efforts to preserve intact its current business organization, keep available the services of their current officers, employees, independent contractors and consultants and maintain its relations and goodwill with all suppliers, customers, landlords, creditors, employees and other Persons having material business relationships with FansUS and its Subsidiaries.

FANS, FansUS and its Subsidiaries have also agreed to certain additional negative and affirmative customary covenants relating to the conduct of business during the Pre-Closing Period, and Shareholders should refer to the Stock Purchase Agreement for details regarding these additional covenants.

Covenants Relating to the Sale Transaction

Each of the Company and the Purchaser has agreed to use its reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper and advisable under applicable law to consummate and make effective the transactions contemplated by the Stock Purchase Agreement, and without limiting the generality of the foregoing, FansUS has agreed that during the Pre-Closing Period:

(a) it will and will cause its Representatives and its Subsidiaries to, subject to Law and compliance with the terms of any existing contracts: (a) provide the Purchaser and its Representatives, upon reasonable advance notice, and with, at the option of the Company, a Representative of the Company being present, with reasonable access during normal business hours to the Company, FansUS and its Subsidiaries' Representatives, personnel, properties and assets and to all books, records, tax returns, work papers and other documents and information relating to FansUS and its Subsidiaries; and (b) promptly upon request, provide the Purchaser and its Representatives with copies of such existing books, records, tax returns, work papers and other documents and information relating to FansUS and its Subsidiaries, and with such additional financial, operating and other data and information regarding FansUS and its Subsidiaries as the Purchaser may reasonably request. During such time, the Purchaser and its Representative may make inquiries of Persons having business relationships with any of FansUS and its Subsidiaries (including suppliers, licensors and customers) and FansUS and its Subsidiaries shall help facilitate (and shall cooperate fully with the Purchaser in connection with) such inquiries, in each case in compliance with all applicable Laws;

(b) it will promptly notify the Purchaser in writing of: (a) any Material Adverse Effect; (b) the commencement of or any threat to commence, any Action that challenges or that, if adversely determined, would reasonably be expected to have the effect of preventing, materially delaying, making illegal or otherwise interfering with any of the transactions contemplated by the Stock Purchase Agreement; (c) any breach of any covenant or obligation of FansUS; and (d) any event, condition, fact or circumstance that would reasonably be expected to make the timely satisfaction of any of the conditions set forth in the Stock Purchase Agreement impossible or unlikely;

(c) it will deliver to the Purchaser (i) as promptly as practicable (and in any event within ten (10) Business Days) after the end of each calendar month an unaudited consolidated balance sheet and related statement of income of FansUS, and (ii) within seven (7) Business Days after the end of each calendar month a preliminary version of such documents; and

(d) it will keep the Purchaser reasonably informed on a current basis regarding any stockholder litigation or similar Action against FansUS or its directors or officers relating to the Sale Transaction, whether commenced prior to or after the execution and delivery of the Stock Purchase Agreement, and it will give the Purchaser (a) the right to review and comment on all filings or responses to be made before such filings or responses are made by FansUS in connection with such Action (and the Company shall in good faith take such comments into account) and (b) the opportunity to participate, at its expense, in the defense or settlement of any such Action, and FansUS shall not settle, or offer to settle, any such Stockholder Litigation without the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed);

and the Company and FansUS have each agreed that during the Pre-Closing Period, the Company and FansUS will not communicate, and the Company and FansUS will ensure that none of their respective Affiliates or their or their respective Affiliates' Representatives communicates, with any employee of FansUS or AffiliateCo regarding post-Closing employment matters (including post-Closing employee benefit plans and compensation) without the prior written consent of the Purchaser, and FansUS and its Affiliates will consult with the Purchaser (and will consider in good faith the advice of the Purchaser) prior to sending any notices or other communication materials to employees of FansUS or AffiliateCo.

***Non-Solicitation***

Pursuant to the Stock Purchase Agreement, the Company agreed that it will not, and will not authorize the Company's Subsidiaries or Representatives to:

(a) solicit, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Company or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer from any Person (other than the Purchaser and its Affiliates) that constitutes or would reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than GeoComply, the Purchaser and their Affiliates) regarding any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to an Acquisition Proposal; provided that the Company may (i) advise any Person of the restrictions of the Stock Purchase Agreement, (ii) clarify the terms of any proposal in order to determine if it may reasonably be expected to result in a Superior Proposal; and (iii) advise any Person making an Acquisition Proposal that the FANS Board has determined that such Acquisition Proposal does not constitute, or is not reasonably expected to result in, a Superior Proposal;

(c) make a Change in Recommendation;

(d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal;

(e) prior to terminating the Stock Purchase Agreement in accordance with its terms, submit any Acquisition Proposal to a vote of the Shareholders; or

(f) enter into, or publicly propose to accept or enter into, any contract in respect of an Acquisition Proposal.

The Company has agreed that it will, and will cause its Subsidiaries and their respective Representatives, to immediately cease and terminate solicitations, encouragement, discussions or negotiations commenced prior to the date of the Stock Purchase Agreement with any person (other than GeoComply, the Purchaser and their Affiliates) with respect to any inquiry, proposal or offer that constitutes, or would reasonably be expected to constitute or lead to, an Acquisition Proposal, to discontinue disclosure of information with respect thereto, and to request the return or destruction of all confidential information and the destruction of all material related to the Company and its Subsidiaries provided to any such person.

The Company has also agreed to take commercially reasonable actions to enforce confidentiality, standstill or other similar agreements to which it or any of its Subsidiaries are party.

<u>Notification of Acquisition Proposals</u>

The Company has agreed to promptly (and in any event within 24 hours) notify GeoComply and the Purchaser in the event that it receives an Acquisition Proposal or an inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to an Acquisition Proposal, which notice shall include the material terms and conditions of such Acquisition Proposal and the identity of the Person making the Acquisition Proposal, and to keep GeoComply and the Purchaser promptly and reasonably informed as to the status of material developments and negotiations with respect to any such Acquisition Proposal or inquiry, proposal, offer or request.

Responding to an Acquisition Proposal

At any time prior to the approval of the Sale Resolution by the Shareholders, the Company may engage in or participate in discussions or negotiations with, and otherwise furnish confidential information of the Company and its Subsidiaries to any Person making an unsolicited Acquisition Proposal if:

(a) the FANS Board (or the Special Committee) first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal;

(b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction;

(c) the Company has been in compliance with its non-solicitation prohibitions described above, including with respect to the Acquisition Proposal; and

(d) prior to or concurrently with providing information to such Person, the Company enters into a confidentiality and standstill agreement with such Person on terms that are no less favourable to the Company and no more favourable to such Person than those of the non-disclosure agreement entered into between the Company and GeoComply, and a copy of such confidentiality and standstill agreement provided to such Person are provided to GeoComply and the Purchaser.

Right to Match

If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the Sale Resolution being approved by the Shareholders at the Meeting, the FANS Board (or the Special Committee) may approve, recommend or enter into a definitive agreement with respect to such Acquisition Proposal, or make a Change in Recommendation, if and only if: (A) the Person making the Acquisition Proposal was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction; (B) the Company has been, and continues to be, in compliance with its non-solicitation obligations under the Stock Purchase Agreement; (C) the Company has delivered to GeoComply and the Purchaser a written notice of the determination of the FANS Board (or the Special Committee) that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the FANS Board (or the Special Committee) to approve, recommend or enter into a definitive agreement with respect to such Superior Proposal or to make a Change in Recommendation (the "**Superior Proposal Notice**"), together with a copy of such definitive agreement (including any ancillary agreements and any financing documents supplied to the Company in connection therewith); (D) at least five (5) Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which GeoComply and the Purchaser received the Superior Proposal Notice and the date on which GeoComply and the Purchaser received a copy of the proposed definitive agreement for the Superior Proposal from the Company; (E) during any Matching Period, GeoComply and the Purchaser have had the opportunity (but not the obligation) to offer to amend the Stock Purchase Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal; (F) if GeoComply and the Purchaser have offered to amend the Stock Purchase Agreement, the FANS Board (or the Special Committee) has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal compared to the terms of the Sale Transaction as proposed to be amended by GeoComply and the Purchaser; (G) the FANS Board has determined in good faith, after consultation with the Company's outside legal counsel, that the failure of the FANS Board to approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, or make a Change in Recommendation, would be inconsistent with its fiduciary duties under applicable Law; and (H) prior to or concurrently with entering into such definitive agreement, the Company terminates the Stock Purchase Agreement and pays the Termination Fee.

During the Matching Period, or such longer period as the Company may approve (in its sole discretion) in writing for such purpose: (A) the Purchaser shall have the opportunity (but not the obligation) to offer to amend the Stock Purchase Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal, (B) the FANS Board (or the Special Committee) shall review any such offer made by the Purchaser to amend the terms of the Stock Purchase Agreement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal, and (C) the

Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of the Stock Purchase Agreement as would enable the Purchaser to proceed with the transactions contemplated by the Stock Purchase Agreement on such amended terms. If the FANS Board (or the Special Committee) determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser, and FANS and the Purchaser shall amend the Stock Purchase Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than ten (10) Business Days before the Meeting, the Company shall be entitled to, and the Purchaser shall be entitled to require the Company to, postpone the Meeting to a date that is not more than 15 Business Days after the scheduled date of the Meeting (and in any event, to a date which would not prevent the Closing Date from occurring on or prior to the Outside Date).

***Conditions Precedent to Closing***

Purchaser's Conditions Precedent to Closing

The obligation of the Purchaser to complete the Closing is subject to the satisfaction, prior to or at the Closing of the following conditions for the exclusive benefit of the Purchaser, which may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) ***No Injunction.*** No Governmental Authority shall have issued any injunction or other governmental order which enjoins, prevents, prohibits or restrains the consummation of the Sale Transaction.

(b) ***Representations and Warranties***. (a) Each of the representations and warranties set out in Section 3.01 (Organization), Section 3.02 (Authorization of Transaction), Section 3.03 (Capitalization), Section 3.22 (Brokers' Fees), Section 4.01 (Organization), Section 4.02 (Authorization), Section 4.09 (Ownership of Equity) and Section 4.14 (Brokers' Fees) of the Stock Purchase Agreement shall be true and correct in all respects as of the Closing, (b) each of the other representations and warranties of the Company and FansUS in the Stock Purchase Agreement shall be true and correct in all respects as of the Closing Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have and could not reasonably be expected to have a Material Adverse Effect (it being understood that, for the purposes of determining the accuracy of such representations and warranties, all "Material Adverse Effect" qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded), and (c) there shall be no inaccuracy in the indebtedness of FansUS as set forth in the disclosure letter to the Stock Purchase Agreement, in excess of US$50,000.

(c) ***Performance***. The Company shall have performed and complied in all material respects with all of the covenants required by the Stock Purchase Agreement, which are to be performed or complied with by it at or prior to Closing.

(d) ***Waiver of Warrants***. The Company shall have obtained from the holders of all outstanding Common Share purchase warrants of the Company a waiver of any and all rights such holders may have to the assumption of such Common Share purchase warrants by the Purchaser or its Affiliates as a result of the Sale Transaction.

(e) ***Delivery of Closing Documents***. The Company shall have delivered to the Purchaser the other deliveries required by the Stock Purchase Agreement.

(f) ***Customer Contract***. The contract with the Company's largest customer shall remain a legal, valid, binding and enforceable contract of AffiliateCo in full force and effect.

(g) ***No Material Adverse Effect***. Since the date of the Stock Purchase Agreement, there shall not have been a Material Adverse Effect which is continuing.

(h) ***Gaming Approvals.*** All consents and approvals, if required to be obtained by FansUS or AffiliateCo, from the Gaming Authorities in Arizona, Colorado, Indiana, Louisiana, Massachusetts, Maryland, Michigan, New Jersey, Pennsylvania, Tennessee, Virginia or West Virginia, pursuant to a *bona fide* request from the applicable Gaming Authority, shall have been obtained.

(i) ***Minimum Cash Balance.*** The cash balance of FansUS and AffiliateCo shall be no less than US$775,000 on Closing.

(j) ***Demand Note***. The Company shall have issued the Demand Note to the Betting Hero Co-Founders, who shall then contribute and assign such Demand Note to the Purchaser prior to the Closing.

Company's Conditions Precedent to Closing

The obligation of the Company to complete the Closing is subject to the satisfaction, prior to or at the Closing, of the following conditions for the exclusive benefit of the Company, which may only be waived, in whole or in part, by both the Company in its sole discretion:

(a) ***No Injunction.*** No Governmental Authority shall have issued any injunction or other governmental order which enjoins, prevents, prohibits or restrains the consummation of the Sale Transaction.

(b) ***Representations and Warranties***. Each of the representations and warranties of the Purchaser and GeoComply set forth in the Stock Purchase Agreement shall be true and correct in all material respects (except that the representations and warranties which are qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects), at and as of the Closing Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date).

(c) ***Performance***. The Purchaser and GeoComply shall have performed and complied in all material respects with all covenants required by the Stock Purchase Agreement, which are to be performed or complied with by it at or prior to Closing.

(d) ***Delivery of Closing Documents***. The Purchaser and GeoComply shall have delivered to Company the other deliveries required by the Stock Purchase Agreement.

Mutual Conditions Precedent to Closing

The obligations of each of the Company, FansUS, the Purchaser and GeoComply to complete the Closing is subject to the satisfaction, prior to or at the Closing, of the following conditions, which may only be waived, in whole or in part, by the mutual consent of each of the parties to the Stock Purchase Agreement:

(a) ***Sale Resolutions.*** The Sale Resolution shall have been approved and adopted by the Shareholders at the Meeting in accordance with the Company's articles and notice of articles and applicable Laws.

(b) ***No Legislation.*** No Law shall prohibit or restrict the consummation of the Sale Transaction.

***Termination***

Termination of the Stock Purchase Agreement

The Stock Purchase Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written agreement of the Company, FansUS, the Purchaser and GeoComply;

(b) by the Company if:

(i) there has been a material breach by the Purchaser or GeoComply of any of their respective representations, warranties, covenants or agreements under the Stock Purchase Agreement such that certain conditions precedent under the Stock Purchase Agreement shall have become incapable of fulfillment by the Outside Date, or, if capable of fulfillment, shall not have been cured within twenty (20) days of notice of such breach, provided that the Company is not then in breach of the Stock Purchase Agreement so as to cause any such condition precedent not to be satisfied;

(ii) prior to the approval of the Sale Resolution by the Shareholders, the FANS Board authorizes the Company to enter into a definitive written agreement (other than a confidentiality or standstill agreement) with respect to a Superior Proposal, provided that the Company is then in compliance with the non-solicitation provisions of the Stock Purchase Agreement and that prior to or concurrent with such termination the Company pays the Termination Fee;

(c) by the Purchaser if:

(i) there has been a material breach by the Company of any of its representations, warranties, covenants or agreements under the Stock Purchase Agreement such that certain conditions precedent under the Stock Purchase Agreement shall have become incapable of fulfillment by the Outside Date, or, if capable of fulfillment, shall not have been cured within twenty (20) days of notice of such breach, provided that neither the Purchaser nor GeoComply is then in breach of the Stock Purchase Agreement so as to cause any such condition precedent set forth not to be satisfied;

(ii) there has occurred a Material Adverse Effect or any event shall have occurred or circumstance or set of facts exists that, taken alone or in the aggregate, will result in a Material Adverse Effect with the passage of time, either of which is incapable of being cured on or before the Outside Date;

(iii) at any time (A) the FANS Board (or the Special Committee) has effected a Change in Recommendation, (B) the FANS Board (or the Special Committee) adopts, approves, accepts, endorses, recommends or otherwise declares advisable to enter into any written agreement (other than a confidentiality and standstill agreement permitted by and in accordance with the Stock Purchase Agreement in respect of an Acquisition Proposal); or (C) FANS breaches its non-solicitation obligations under the Stock Purchase Agreement in any material respect; or

(d) by the Company, FansUS, the Purchaser or GeoComply, if:

(i) the Sale Resolution is not approved by the Shareholders at the Meeting;

(ii) after the date of the Stock Purchase Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the transactions contemplated by the Stock Purchase Agreement illegal or otherwise prohibits the parties from

consummating the transactions contemplated by the Stock Purchase Agreement, provided that such illegality or prohibition has not been caused by, or is a result of, such party's breach of any of its representations, warranties, covenants or agreements under the Stock Purchase Agreement; or

(iii) the Closing does not occur prior to the Outside Date and the conditions precedent have become incapable of fulfillment, provided that a party may not terminate the Stock Purchase Agreement under this provision if the failure of the Closing to occur has been caused by a breach of such party of any of its representations, warranties, covenants or agreements under the Stock Purchase Agreement.

Termination Fee

If a Termination Fee Event occurs, the Company will be required to pay the Termination Fee. A "**Termination Fee Event**" will occur if the Stock Purchase Agreement is terminated:

(a) by the Company, if prior to the approval of the Sale Resolution at the Meeting, the FANS Board authorizes the Company to enter into a written agreement (other than a confidentiality or standstill agreement permitted by the Stock Purchase Agreement) with respect to a Superior Proposal;

(b) by the Purchaser, upon the FANS Board issuing a Change in Recommendation;

(c) by (x) the Company or the Purchaser, if the Sale Resolution is not approved or the Closing does not occur by the Outside Date or (y) the Purchaser if the Company breaches certain of its representations, warranties, covenants or agreement (provided that the Purchaser or GeoComply are not then in breach of the Stock Purchase Agreement to cause any condition of the Company or FansUS not to be satisfied); if (i) prior to such termination, an Acquisition Proposal is publicly announced or disclosed and not withdrawn, and (ii) within 12 months of such termination, (A) an Acquisition Proposal (whether or not the same Acquisition Proposal described in clause (i) above) is consummated, or (B) the Company or one or more of its Subsidiaries enters into an agreement with respect to an Acquisition Proposal and such Acquisition Proposal is later consummated (whether or not within the 12 month period following such termination).

**Voting Agreements**

The FANS Locked-Up Shareholders entered into Voting Agreements pursuant to which they agreed, subject to the terms and conditions thereof, to vote in favour of the Sale Resolution.

As of the Record Date, the FANS Locked-Up Shareholders, collectively, beneficially owned, or exercised control or direction over, an aggregate of 97,742,740 Common Shares representing approximately 27% of the issued and outstanding Common Shares on a non-diluted basis.

**Approval of the Sale Resolution**

At the Meeting, Shareholders will be asked to approve the Sale Resolution, the full text of which is set out in Appendix "A" to this Circular. In order for the Sale Transaction to be completed, the Sale Resolution must be approved by: (i) not less than 66⅔% of the votes cast on the Sale Resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and (ii) not less than a simple majority of votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by any Interested Parties. Abstentions and broker non-votes will not have any effect on the approval of the Sale Resolution. Should Shareholders fail to approve the Sale Resolution by the requisite majority, the Sale Transaction will not be completed. Notwithstanding the foregoing, the Sale Resolution authorizes the FANS Board, without further notice to or approval of Shareholders, to amend the Stock Purchase Agreement or to not proceed with the transactions contemplated thereby at any time prior to the Closing Date, subject to the terms of the Stock Purchase Agreement. The Sale Resolution is

subject to the minority approval requirement of MI 61-101 and the policies of the TSX. See "*Canadian Securities Law Matters – MI 61-101*".

After consulting with FANS management and receiving advice and assistance of its financial and legal advisors, and after careful consideration of a number of alternatives and factors, including, among others, receipt of the unanimous recommendation from the Special Committee, the Formal Valuation and Fairness Opinion and the factors set out under the heading "*Business of the Meeting – Reasons for the Sale Transaction*", the FANS Board unanimously (with the exception of Messrs. Burton and Grove, who declared their interest in the transactions contemplated by the Stock Purchase Agreement and abstained from voting in respect thereof) determined that the Sale Transaction is in the best interests of FANS and the Consideration to be received is fair to the Company and the Shareholders (other than the Betting Hero Co-Founders) and recommend that Shareholders vote "**FOR**" the Sale Resolution.

**Unless such authority is withheld, the management proxy nominees named in the accompanying proxy intend to vote "FOR" the approval of the Sale Resolution as disclosed in this Circular. If you do not specify how you want your Common Shares to be voted at the Meeting, the Persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting "FOR" the Sale Resolution.**

**Dissent Rights**

Registered Shareholders as at the close of business on the Record Date may exercise Dissent Rights with respect to the Sale Resolution pursuant to and in the manner set forth under Sections 237 to 247 of the BCBCA. **Registered Shareholders who wish to dissent should be aware that for their dissent to be valid, they must comply strictly with the applicable dissent procedures.**

***Dissent Rights With Respect to the Sale Resolution for Registered Shareholders***

As indicated in the Notice of Meeting, any Registered Shareholder as of the Record Date is entitled to be paid the fair value of the Common Shares held by such holder in accordance with Section 245 of the BCBCA if such holder duly and validly exercises Dissent Rights and the Sale Transaction is completed.

Anyone who is a Non-Registered Shareholder of Common Shares registered in the name of an Intermediary and who wishes to dissent should be aware that only Registered Shareholders as of the Record Date are entitled to exercise Dissent Rights. A Registered Shareholder who holds Common Shares as an Intermediary for one or more beneficial owners, one or more of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holder(s). In such case, the Notice of Dissent (described below) should specify the number of Common Shares held by the Intermediary for such Non-Registered Shareholder. A Dissenting Shareholder may dissent only with respect to all, but not less than all, of the Common Shares held on behalf of any one Non-Registered Shareholder and registered in the name of the Dissenting Shareholder.

**The following description of the right to dissent to which Registered Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Common Shares and is qualified in its entirety by reference to Sections 237 to 247 of the BCBCA, which are attached to this Circular as Appendix "E". A Registered Shareholder who intends to exercise the Dissent Rights should carefully consider and strictly comply with the provisions of Sections 237 to 247 of the BCBCA and seek independent legal advice. Failure to comply strictly with the provisions of Sections 237 to 247 of the BCBCA, and to adhere to the procedures established therein, may result in the loss of any Dissent Right.**

***Sections 237 to 247 of the BCBCA***

Section 238 of the BCBCA provides a dissenting shareholder with the right to dissent from certain resolutions of a company which effect extraordinary corporate transactions or fundamental corporate changes. Sections 238(1)(e) and 301(5) of the BCBCA provide Registered Shareholders with the right to dissent from the Sale Resolution pursuant to Division 2 of Part 8 of the BCBCA. Any Registered Shareholder who duly and validly exercises Dissent Rights in respect of the Sale Resolution in strict compliance with Sections 237 to 247 of the BCBCA will be entitled, in the

event that the Sale Transaction becomes effective, to be paid by the Company the fair value of the Common Shares held by the Dissenting Shareholder as determined as at the point in time immediately before the Sale Resolution is adopted by the Shareholders.

A Dissenting Shareholder must dissent with respect to all, but not less than all, of the Common Shares in which the holder owns a beneficial interest. A Registered Shareholder who wishes to dissent must: (a) deliver a written notice of dissent (a "**Notice of Dissent**") to FANS c/o DLA Piper (Canada) LLP, 1133 Melville Street, Suite 2700, The Stack Building, Vancouver, BC V6E 4E5, Attention: Denis Silva, by 5:00 p.m. on August 11, 2024, being the date that is two days immediately prior to the Meeting, or any date which is two days immediately prior to the date on which the Meeting may be postponed or adjourned; and (b) otherwise strictly comply with the requirements of Sections 237 to 247 of the BCBCA, including as described below. Any failure by a Registered Shareholder to strictly comply with such requirements may result in the loss of that holder's Dissent Rights.

Non-Registered Shareholders who wish to exercise Dissent Rights must arrange for the Registered Shareholder holding their Common Shares to deliver the Notice of Dissent. A Registered Shareholder, such as a broker, who holds Common Shares as nominee for Non-Registered Shareholders, some of whom wish to dissent, must exercise the Dissent Rights on behalf of such Non-Registered Shareholders with respect to all of the Common Shares held for such Non-Registered Shareholders. In such case, the demand for dissent should set out the number of Common Shares covered by it.

The exercise of Dissent Rights does not deprive a Registered Shareholder of the right to vote at the Meeting. However, a Shareholder is not entitled to exercise Dissent Rights in respect of the Sale Resolution if such holder votes any of the Common Shares beneficially held by such holder "FOR" the Sale Resolution. The execution or exercise of a proxy against the Sale Resolution does not constitute a Notice of Dissent for the purposes of exercising Dissent Rights. A vote against the Sale Resolution or an abstention does not constitute a Notice of Dissent.

For greater certainty, a Registered Shareholder that wishes to exercise Dissent Rights must prepare a separate Notice of Dissent for himself, herself, or itself if dissenting on his, her or its own behalf, and for each other person who beneficially owns Common Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting, and must dissent with respect to all of the Common Shares registered in his, her or its name beneficially owned by the Non-Registered Shareholders on whose behalf he, she or it is dissenting. The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and:

- if such Notice Shares constitute all of the Common Shares of which the holder is the registered and beneficial owner and the holder owns no other Common Shares beneficially, a statement to that effect;

- if such Notice Shares constitute all of the Common Shares of which the holder is both the registered and beneficial owner, but the holder owns additional Common Shares beneficially, a statement to that effect and the names of the registered holders of Common Shares, the number of Common Shares held by each such holder and a statement that written notices of dissent are being or have been sent with respect to such other Common Shares; or

- if the Dissent Rights are being exercised by a holder of Common Shares on behalf of a beneficial owner of Common Shares who is not the dissenting shareholder, a statement to that effect and the name and address of the beneficial holder of the Common Shares and a statement that the registered holder is dissenting with respect to all Common Shares of the beneficial holder registered in such registered holder's name.

A vote against the Sale Resolution, whether by attending and voting at the Meeting, or not voting on the Sale Resolution, does not constitute a Notice of Dissent. Promptly after the Sale Resolution is approved by the Shareholders, the Company must send to each Dissenting Shareholder a notice that the Sale Resolution has been adopted, stating that the Company intends to act, or has acted, on the authority of the Sale Resolution (the "**Notice of Intention**") and advise the Dissenting Shareholder of the manner in which dissent is to be completed under Section 244 of the BCBCA.

If the Sale Resolution is adopted by the Shareholders as required at the Meeting, and if FANS sends the Notice of Intention to the Dissenting Shareholders, pursuant to Section 244 of the BCBCA, the Dissenting Shareholder is then required, within one month after receipt of the Notice of Intention, to send to the Company or the Transfer Agent a signed written notice setting out the Dissenting Shareholder's name, the number and class of Common Shares in respect of which the Dissenting Shareholder dissents and that the Dissent Right is being exercised in respect of all of the Dissenting Shareholder's Common Shares. The written notice should contain any share certificate or certificates representing the Common Shares in respect of which the Dissenting Shareholder has exercised Dissent Rights (if any) and a demand for payment of the fair value of such Common Shares. A Dissenting Shareholder who fails to send to the Company or the Transfer Agent within the required periods of time the required notices or the certificates representing the Common Shares in respect of which the Dissenting Shareholder has dissented may forfeit its Dissent Rights. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold its Common Shares and the Company must comply with Section 245 of the BCBCA.

The Dissenting Shareholder and the Company may agree on the fair value of the Dissenting Shares (the "**Payout Value**"); otherwise, either party may apply to the Court to determine the Payout Value, and the Court may determine the Payout Value, or order that the Payout Value be established by arbitration or by reference to the registrar or a referee of the Court. If the Sale Transaction is completed and the Dissenting Shareholder has strictly complied with Section 244 of the BCBCA, after a determination of the Payout Value of the Dissenting Shares, the Company must then promptly pay that amount to the Dissenting Shareholder.

***Addresses for Notice***

All Notices of Dissent with respect to the Sale Resolution pursuant to Section 242 of the BCBCA must be received by the Corporate Secretary of the Company not later than 5:00 p.m. (Vancouver time) on August 11, 2024, being the date that is two days immediately prior to the Meeting, or any date which is two days immediately prior to the date on which the Meeting may be postponed or adjourned, at the following address:

FansUnite Entertainment Inc.
c/o DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
The Stack Building
Vancouver, BC V6E 4E5

Attention: Denis Silva

***Strict Compliance with Dissent Provisions Required***

The foregoing summary does not purport to provide comprehensive statements of the procedures to be followed by a Dissenting Shareholder under Sections 237 to 247 of the BCBCA, and reference should be made to the specific provisions of Sections 237 to 247 of the BCBCA. The BCBCA requires strict adherence to the procedures regarding the exercise of rights established therein. The failure to adhere to such procedures may result in the loss of all rights of dissent. Accordingly, each Registered Shareholder who wishes to exercise Dissent Rights should carefully consider and strictly comply with the provisions of Sections 237 to 247 of the BCBCA and consult an independent legal advisor. A copy of Sections 237 to 247 of the BCBCA is set out in Appendix "E" to this Circular. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

**Capital Reduction and Distribution**

Pursuant to the Stock Purchase Agreement, the Company has agreed that as soon as practicable after the Closing Date, but in no event later than 14 days thereafter, the Company will distribute at least 90% of the amount equal to the Consideration, less certain expenses and taxes payable by the Company, to its Shareholders, as determined by the FANS Board exercising its fiduciary duty and subject to applicable solvency or other legal or contractual requirements.

**Background to the Capital Reduction and Distribution**

Upon completion of the Sale Transaction, the Company will no longer have any material property or assets other than certain intellectual property rights, warrants and a contingent milestone payment from Betr Holdings Inc., cash-on-hand, and the cash proceeds of the Sale Transaction, which are expected to be approximately $26 million following: (i) satisfaction of the Spin-out Consideration, Earn-out Consideration and Grove Consideration arising under the Merger Agreement, including a reduction from the Consideration in an amount equal to the Demand Note, with respect to the offset and settlement thereof, and the payment of an estimated amount of approximately US$2.9 million, (ii) payment of outstanding indebtedness, (iii) payment of the Management Bonus and Change of Control Amounts, (iv) costs and expenses with respect to the Formal Valuation and Fairness Opinion, and payments and expenses for legal services, printing and mailing, together with all applicable taxes thereon, (v) payment of other fees, outstanding accounts payable, costs and expenses in connection with the Stock Purchase Agreement and Sale Transaction, and (vi) payment of any taxes in connection with the Sale Transaction.

The Company will retain a net cash amount of approximately $500,000 in order to search out, and if considered appropriate by the FANS Board, participate in new business opportunities, and will use approximately $25 million (including the remaining amount of the Consideration of $24 million and estimated cash on hand of $1 million) to make the Distribution (the "**Distribution Amount**"), currently estimated to be approximately $0.07 per Common Share. The Distribution will be conditional upon adoption of the Capital Reduction Resolution.

**Although management of the Company believes that the foregoing estimates are reasonable based on information currently available to the Company, the actual amounts may differ materially from those presented above and the cash amount distributed to Shareholders from the proceeds of the Sale Transaction may be less than the estimate of CDN$0.07 per Common Share for a variety of reasons.**

**Holders of outstanding stock options and warrants issued by the Company will not be entitled to participate in the Distribution. In order to participate in the Distribution, holders of such securities must duly exercise or convert such securities in accordance with their terms prior to the Distribution Record Date**. Any such exercises or conversions will reduce the per share amount of the Distribution.

The Distribution Amount will be distributed *pro rata* to Shareholders according to their holdings of Common Shares. If the requisite approvals are obtained at the Meeting from the Shareholders, the Distribution will take place on a date determined by the FANS Board (the "**Distribution Record Date**"). The Company anticipates that the Distribution Record Date will occur within 14 days after Closing the Sale Transaction, as required by the Stock Purchase Agreement.

Shareholders of record on the Distribution Record Date will be entitled to receive their *pro rata* share of the Distribution Amount divided by the number of Common Shares outstanding on the Distribution Record Date.

While the Distribution itself does not require Shareholder approval, a return of capital to the Shareholders requires a reduction in the capital of the Common Shares. The Capital Reduction will require approval by special resolution of the holders of the Common Shares, being at least 66⅔% of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the Capital Reduction Resolution authorizing the Company to reduce the capital of the Common Shares by the Distribution Amount, for the purpose of distributing the Distribution Amount as a return of capital.

If the Capital Reduction Resolution is approved by the Shareholders at the Meeting, the FANS Board intends to confirm the Distribution Amount and the Distribution Record Date as soon as practicable following the completion of the Sale Transaction, subject to applicable statutory and regulatory requirements and to the exercise by the FANS Board of its fiduciary duties.

**Effect of the Distribution**

The FANS Board believes that the Distribution will be an appropriate use of the financial resources of the Company following completion of the Sale Transaction. The resulting financial resources available to the Company following payment of the Distribution are expected to be adequate to fund the Company's operations moving forward.

As of the date of this Circular, the Company has no reasonable grounds to believe that the realizable value of the Company's assets would, after giving effect to the reduction in capital contemplated by the Capital Reduction Resolution, be less than the aggregate of its liabilities.

For a description of the principal Canadian federal income tax considerations applicable to the Shareholders in connection with the Distribution, see "*Certain Canadian Federal Income Tax Considerations*".

**Capital Reduction Resolution**

**The Capital Reduction Resolution will proceed to a vote only if the Sale Resolution is first approved at the Meeting**. While a Distribution itself does not require Shareholder approval, pursuant to the BCBCA, the Company must obtain Shareholder approval of the Capital Reduction Resolution in order to proceed with the reduction of the capital of the Common Shares by way of a Capital Distribution. Approval of the Capital Reduction Resolution is not a condition precedent to Closing under the Stock Purchase Agreement, and failure to obtain approval of the Capital Reduction Resolution will not permit the Company to terminate the Stock Purchase Agreement if the Sale Resolution is approved.

At the Meeting, assuming approval of the Sale Resolution, Shareholders will be asked to consider, and if deemed appropriate, to pass the Capital Reduction Resolution to approve the Capital Reduction, the full text of which is set out in Appendix "B" to this Circular.

**Recommendation of the FANS Board**

The FANS Board has unanimously determined that the Capital Reduction is in the best interests of the Company and the Shareholders and unanimously recommends that the Shareholders vote "**FOR**" the Capital Reduction Resolution.

In reaching its conclusion and recommendation, the FANS Board considered, among other things, the following factors: (i) information concerning the financial condition, results of operations, business plans and prospects of the Company, both before and after giving effect to the Distribution; (ii) alternative uses of the net proceeds of the Sale Transaction; (iii) the advice and assistance of the Company's management and strategic advisors in evaluating the Distribution; and (iv) the anticipated tax advantages to Shareholders in connection with the distribution of a portion of the Consideration as a return of capital. See "*Certain Canadian Federal Income Tax Considerations*".

The foregoing discussion of the information and factors considered and given weight by the FANS Board is not intended to be exhaustive. In reaching the determination to recommend for approval the Capital Reduction Resolution, the FANS Board did not assign any relative or specific weights to the factors which were considered, and individual directors may have given differing weights to different factors.

For the Capital Reduction Resolution, you may vote "**FOR**" or "**AGAINST**". Pursuant to the BCBCA, in order to be adopted, the Capital Reduction Resolution must be approved, with or without variation, by the affirmative vote of at least 66⅔% of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting. Abstentions and broker non-votes will not have any effect on the approval of the Capital Reduction Resolution. Approval of the Shareholders must be received in order for the Company to complete the Distribution to the Shareholders.

Should the Shareholders fail to approve the Capital Reduction Resolution by the requisite majority, no Distribution will be made.

**Unless such authority is withheld, the management proxy nominees named in the accompanying proxy intend to vote "FOR" the approval of the Capital Reduction Resolution as disclosed in this Circular. If you do not specify how you want your Common Shares to be voted at the Meeting, the Persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting "FOR" the approval of the Capital Reduction Resolution.**

**TSX Delisting Resolution**

**The TSX Delisting Resolution will proceed to a vote only if the Sale Resolution and Capital Reduction Resolution are first approved at the Meeting**. If FANS completes the Sale Transaction, FANS will no longer meet the TSX listing requirements and will apply to voluntarily delist from the TSX.

Approval of the TSX Delisting Resolution is not a condition precedent to Closing under the Stock Purchase Agreement, and failure to obtain approval of the TSX Delisting Resolution will not permit the Company to terminate the Stock Purchase Agreement if the Sale Resolution is approved.

At the Meeting, assuming approval of the Sale Resolution and Capital Reduction Resolution, Shareholders will be asked to consider, and if deemed appropriate, to pass the TSX Delisting Resolution to approve the Voluntary TSX Delisting, the full text of which is set out in Appendix "C" to this Circular.

In the event the TSX Delisting Resolution is approved, FANS intends to complete the Voluntary TSX Delisting as soon as possible after Closing.

In the event the TSX Delisting Resolution is not approved, it is expected that following Closing, the TSX will place FANS under delisting review in accordance with TSX policies and the Common Shares will be delisted from the TSX thereafter. Whether or not the TSX Delisting Resolution is approved, if Shareholders approve the Sale Resolution and the Sale Transaction is completed, it is expected that the Common Shares will be delisted from the TSX and, therefore, will no longer be available for purchase or sale through the TSX.

For additional information on the post delisting intentions of the Company, please refer to "*Business of the Meeting – Reasons for the Sale Transaction*".

For the TSX Delisting Resolution, you may vote "**FOR**" or "**AGAINST**". In order to be adopted, the TSX Delisting Resolution must be approved, with or without variation, by the affirmative vote of a simple majority of the votes cast by Shareholders, present in person or represented by proxy and entitled to vote at the Meeting. Abstentions and broker non-votes will not have any effect on the approval of the TSX Delisting Resolution. Approval of the Shareholders must be received in order for the Company to complete the Voluntary TSX Delisting.

The FANS Board unanimously recommends that Shareholders vote "**FOR**" the TSX Delisting Resolution.

**Unless such authority is withheld, the management proxy nominees named in the accompanying proxy intend to vote "FOR" the approval of the TSX Delisting Resolution as disclosed in this Circular. If you do not specify how you want your Common Shares to be voted at the Meeting, the Persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting "FOR" the approval of the TSX Delisting Resolution.**

## CANADIAN SECURITIES LAW MATTERS

**MI 61-101**

As the Company is a reporting issuer in British Columbia, Alberta, Manitoba, Ontario and Saskatchewan, FANS is subject to applicable Canadian Securities Laws of such provinces, including MI 61-101, which regulates transactions that raise the potential for conflicts of interest. The Sale Transaction is subject to the requirements of MI 61-101 and Section 501(c) of the TSX Company Manual.

MI 61-101 is intended to regulate, among other things, certain types of transactions with related parties to ensure the protection and fair treatment of minority shareholders. MI 61-101 requires in certain circumstances enhanced disclosure, approval by a majority of securityholders excluding "interested parties" or "related parties" (each as defined under MI 61-101), independent valuations, and approval and oversight of the transaction by a special committee of independent directors.

***Related Party Transaction***

A transaction will constitute a "related party transaction" within the meaning of MI 61-101 where, among other circumstances, the transaction is one between the Company and a person that is a "related party" of the Company at the time the transaction is agreed to, as a consequence of which, either through the transaction itself or together with "connected transactions" (as defined in MI 61-101), the Company directly or indirectly sells, transfers or disposes of an asset to the related party. Unless otherwise exempt, MI 61-101 requires that, in addition to any other required securityholder approval, a related party transaction is subject to "minority approval" (as defined in MI 61-101) from the holders of every class of "affected securities" (as defined in MI 61-101) of the issuer, in each case voting separately as a class. The minority approval requirements set out in Part 8 of MI 61-101 and discussed further below are in addition to the requirement that the Sale Transaction be approved by at least $66^2/_3\%$ of the votes cast by all Shareholders present or represented by proxy at the Meeting.

The Sale Transaction is a "related party transaction" under MI 61-101 as it involves the sale of assets to the Purchaser, which is a related party of the Company by virtue of the Betting Hero Co-Founders, each being senior officers of AffiliateCo, beneficially owning, in the aggregate, securities carrying 60% of the voting rights attached to the Purchaser's outstanding voting securities, exceeding the 50% threshold set out in MI 61-101.

***Collateral Benefits***

A "collateral benefit" (as defined in MI 61-101) includes any benefit that a "related party" of the Company is entitled to receive directly or indirectly, as a consequence of the Sale Transaction, including without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancements in benefits related to past or future services as an employee, director or consultant of the Company or another person.

As the Spin-out Consideration, which the Betting Hero Co-Founders are entitled to receive as an indirect consequence of the Sale Transaction, the Grove Consideration being paid to Mr. Grove and the Management Bonus payable to Mr. Burton are considered to confer a benefit to the Betting Hero Co-Founders, Mr. Grove and Mr. Burton, respectively, each of whom is a related party of the Company, such payments may constitute collateral benefits.

Under MI 61-101, when such a benefit is conferred to a related party as a consequence of a related party transaction, such as the Sale Transaction, and the related party in question beneficially owns or exercises control or direction over, more than 1.0% of the voting securities of the applicable issuer, among other things, the benefit so conferred constitutes a collateral benefit for the purposes of MI 61-101. As a result, the voting securities held by the affected related parties must be excluded from voting on the applicable transaction. Each of the Betting Hero Co-Founders, Mr. Grove and Mr. Burton own more than 1.0% of the voting securities of the Company.

Although the Management Bonus payable to Messrs. Moore and Winter could be construed as a collateral benefit pursuant to MI 61-101, the votes attached to the Common Shares held by Messrs. Moore and Winter are not excluded from voting on the Sale Transaction as each of Mr. Moore and Mr. Winter does not own more than 1.0% of the voting securities of the Company.

The Change of Control Amounts payable to Messrs. Burton, Moore and Winter could also be construed as collateral benefits pursuant to MI 61-101; however, the FANS Employment Agreements have not been terminated at this time.

***Minority Approval Requirements***

As a result of the Sale Transaction being considered a related party transaction under MI 61-101, the Company is required to obtain "minority approval" for the Sale Transaction. Pursuant to Section 8.1(2) of MI 61-101, in determining whether minority approval for the Sale Transaction has been obtained, the Company is required to exclude the votes attaching to the Common Shares beneficially owned by, or over which control or direction is exercised by, among others, interested parties, related parties of interested parties or any joint actors in respect thereof. MI 61-101 provides that "interested parties" include, but are not limited to related parties who receive a "collateral benefit" as a result of the related party transaction.

***Common Shares Excluded from Minority Vote***

The votes that are required to be excluded from the vote at the Meeting on the Sale Resolution approving the Sale Transaction for the purposes of determining majority of the minority approval pursuant to Section 8.1(2) of MI 61-101 and Section 501(c) of the TSX Company Manual, are, to the knowledge of the Company, after reasonable inquiry, limited to the votes attaching to the Common Shares beneficially owned or over which direction or control is exercised by each of Messrs. Burton, Grove, Maw and Jakary, each of whom are considered interested parties under MI 61-101.

To the knowledge of the Company, after reasonable inquiry, the votes to be excluded are those votes attaching to an aggregate of 81,018,724 Common Shares (being approximately 23% of the issued and outstanding Common Shares as at the date of this Circular), as follows:

| Name, Title | Number of Common Shares | Percentage of Voting Rights[(1)] |
|---|---|---|
| Scott Burton, CEO & Director | 4,896,584 | 1.36% |
| Chris Grove, Director | 12,211,302 | 3.40% |
| Jai Maw, President of Betting Hero | 29,270,550 | 8.14% |
| Jeremy Jakary, Senior VP, Strategy of Betting Hero | 34,640,288 | 9.63% |

Note:

(1) As of the Record Date, 359,557,910 Common Shares were issued and outstanding.

***Formal Valuation and Fairness Opinion***

MI 61-101 requires in certain circumstances that an issuer carrying out a related party transaction obtain a formal valuation prepared by an independent valuator and a corresponding fairness opinion. In connection with the proposed Sale Transaction, within the context of the requirements of MI 61-101, BDO has prepared the Formal Valuation and Fairness Opinion. See "*Business of the Meeting – Formal Valuation and Fairness Opinion*".

## TSX Acceptance

The Company has applied to the TSX for acceptance of Sale Transaction in accordance with the policies of the TSX. The Sale Transaction remains subject to final TSX acceptance.

## INFORMATION CONCERNING THE PURCHASER AND GEOCOMPLY

The Purchaser was incorporated under the laws of the State of Delaware on June 21, 2024 as a wholly-owned Subsidiary of GeoComply for the purpose of acquiring the FansUS Shares pursuant to the Stock Purchase Agreement. Prior to Closing, the Betting Hero Co-Founders will acquire an indirect 60% equity interest in the Purchaser through the contribution and assignment of the Demand Note to the Purchaser. The principal business of the Purchaser is that of a holding company, and its registered office is located at 850 New Burton Road, Suite 201, County of Kent, Dover, Delaware 19904.

GeoComply, a British Columbia company headquartered in Vancouver, B.C., is a global leader in geolocation compliance, anti-fraud, and identity technology, that has been trusted by leading online gaming operators and regulators for over ten years. GeoComply provides fraud prevention and cybersecurity solutions that detect location

fraud and verifies a user's true digital identity. GeoComply's geolocation solutions have been installed on over 400 million devices and analyze over a billion transactions every month. GeoComply's award-winning products are based on the technologies developed for the highly regulated and complex U.S. online gaming and sports betting market. Beyond iGaming, GeoComply provides geolocation fraud detection solutions for streaming video broadcasters and the online banking, payments and cryptocurrency industries.

## RISK FACTORS

In evaluating the matters put forward at the Meeting, Shareholders should carefully consider the following risk factors before deciding to vote or instructing their vote to be cast to approve the Resolutions. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the Company and the Common Shares. In addition to the risk factors set out below, Shareholders should also carefully consider the risk factors applicable to the Company set out in the Company's Annual Information Form for the year ended December 31, 2023 under the heading "*Risk Factors*", a copy of which is available under the Company's profile on SEDAR+ at www.sedarplus.com.

The following risk factors are not an exhaustive list of all of the risk factors associated with the Sale Transaction, the Stock Purchase Agreement, the Distribution or the Voluntary TSX Delisting. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the Common Shares and the business of the Company following Closing. All of the risk factors described in this Circular should be considered by Shareholders in conjunction with the other information included in this Circular, including the appendices hereto.

### Risks Related to the Sale Transaction

***There can be no certainty that all conditions precedent to the Sale Transaction will be satisfied.***

The completion of the Sale Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Company, including approval by the Shareholders and obtaining certain required consents. Certain Gaming Authorities may make a *bona fide* request for consent to be obtained prior to Closing, which consent was not yet requested at the date of this Circular. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals and consents could result in the Sale Transaction not being completed. See "*Business of the Meeting – The Stock Purchase Agreement – Conditions Precedent to Closing*". If the Sale Transaction is not completed and the FANS Board decides to seek another sale, merger or business transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Consideration to be paid for the FansUS Shares pursuant to the Stock Purchase Agreement. If the Sale Transaction is not completed, the market price of the Common Shares may decline to the extent that the market price reflects a market assumption that the Sale Transaction will be completed.

***The Stock Purchase Agreement may be terminated in certain circumstances.***

Each of the Company, FansUS, GeoComply and the Purchaser has the right to terminate the Stock Purchase Agreement in certain circumstances. See "*Business of the Meeting – The Stock Purchase Agreement – Termination*". Accordingly, there is no certainty, nor can the Company provide any assurance, that the Stock Purchase Agreement will not be terminated by the Company, FansUS, GeoComply or the Purchaser before the completion of the Sale Transaction. If the Stock Purchase Agreement is terminated, there is no assurance that FANS will be able to find an alternative transaction, or that the terms of any alternative transaction would be more or less favourable than the terms set forth in the Stock Purchase Agreement. If the Stock Purchase Agreement is terminated and the Sale Transaction is not completed, the market price of the Common Shares may decline to the extent that the market price reflects an assumption that the Sale Transaction will be completed.

***The Company may have to pay the Termination Fee if the Stock Purchase Agreement is terminated in certain circumstances, and this may discourage other parties from attempting to acquire the Company.***

Under the Stock Purchase Agreement, the Company is required to pay a Termination Fee of US$1,750,000 in the event the Stock Purchase Agreement is terminated following the occurrence of a Termination Fee Event. The Termination Fee may discourage other parties from attempting to acquire the Common Shares, the Company, FansUS or its assets, even if those parties would otherwise be willing to offer greater value than that offered under the Sale Transaction. The payment of the Termination Fee may have a material adverse effect on the Company's business, financial condition and results of operations, and may cause the value of the Common Shares to decline materially. See "*Business of the Meeting – The Stock Purchase Agreement – Termination Fee*".

***There can be no certainty that Shareholder approval of the Sale Resolution will be obtained.***

If the Sale Resolution is not approved by (i) at least 66⅔% of Shareholders at the Meeting, and (ii) at least a simple majority of votes cast by the holders of Common Shares, present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by any Interested Parties, the Sale Transaction will not be completed. There can be no certainty, nor can the Company provide any assurance, that the requisite Shareholder approval of the Sale Resolution will be obtained.

***Potential payments to Dissenting Shareholders could have an adverse effect on the Company's financial condition.***

Registered Shareholders have the right to exercise Dissent Rights and to demand payment equal to the fair value of their Common Shares in cash. No assurance can be given as to the number of Common Shares in respect of which Dissent Rights may be exercised, if any, or the ultimate outcome of the process required to deal with the exercise of Dissent Rights, including the amount the Court may determine to be the fair value of the Common Shares in respect of which Dissent Rights are exercised and the amount of cash FANS may be required to pay to Dissenting Shareholders as a result thereof. If Dissent Rights are validly exercised in respect of a significant number of Common Shares, a substantial cash payment may be required to be made to such Shareholders, which would have an adverse effect on the Company's financial condition and cash resources.

***The announcement and pending status of the Sale Transaction, whether or not consummated, may adversely affect the Common Share price and FANS's operations.***

The announcement and pending status of the Sale Transaction, whether or not consummated, may adversely affect the market price of the Common Shares, and FANS's current and future operations or relationships with customers, suppliers and employees. Certain customers, suppliers or employees may seek to terminate their business relationships with the Company.

***The FANS Board may decide not to proceed with the Sale Transaction.***

Notwithstanding the Shareholders approving the Sale Resolution, the FANS Board will retain the discretion not to proceed with any of the transactions contemplated by the Sale Resolution, if it determines that such Sale Transaction is no longer in the best interests of the Company. If the FANS Board does not proceed with such transactions, the Distribution will not be made.

***The Purchaser's right to match may discourage other parties from making a Superior Proposal.***

Under the Stock Purchase Agreement, as a condition to entering into a definitive agreement in respect of a Superior Proposal, the Company is required to offer the Purchaser the right to match such Superior Proposal. This right may discourage other parties from making a Superior Proposal, even if they would otherwise have been willing to acquire FansUS or its assets on more favourable terms than the Purchaser. See "*Business of the Meeting – The Stock Purchase Agreement – Right to Match*."

***No solicitation of other potential purchasers of the Company may reduce the likelihood of other parties attempting to acquire the Company.***

Upon executing the Letter of Interest, the Company negotiated exclusively with GeoComply and the Purchaser, and ceased soliciting expressions of interest from other potential buyers. Further, the Stock Purchase Agreement contains limitations on the Company's ability to solicit alternative transactions from third parties following the execution of the Stock Purchase Agreement. See "*Business of the Meeting – The Stock Purchase Agreement – Non-Solicitation*". The Special Committee and the FANS Board concluded, after receiving advice from their financial and legal advisors, that the risks of soliciting expressions of interest from other potential buyers outweighed the benefits of doing so, particularly having regard to the financial and other terms of the Stock Purchase Agreement. However, there can be no assurance that, if the Company had solicited expressions of interest from other potential buyers, that one or more of such potential buyers would not have been willing to acquire FansUS or its assets on more favourable terms than the Purchaser.

***Voting Agreements may discourage parties from attempting to make an Acquisition Proposal.***

FANS Locked-Up Shareholders who collectively beneficially own or exercise control or direction over approximately 27% of the issued and outstanding Common Shares have entered into the Voting Agreements under which they have agreed to vote in favour of the Sale Resolution, subject to the terms of such agreements. These Voting Agreements may discourage other parties from making an unsolicited Acquisition Proposal, even if those parties would otherwise be willing to offer greater value than that offered under the Sale Transaction.

***The Company will incur costs even if the Sale Transaction is not completed.***

Certain costs related to the Sale Transaction, such as legal, accounting and other fees related to the preparation of the Formal Valuation and Fairness Opinion, must be paid by the Company even if the Sale Transaction is not completed. The Company is liable for all of its costs incurred to date in connection with the Sale Transaction.

***The Sale Transaction may divert the attention of management.***

The pendency of the Sale Transaction could cause the attention of FANS's management to be diverted from day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Sale Transaction and could have an adverse effect on the business, operating results or prospects of the Company regardless of whether the Sale Transaction is ultimately completed.

***Shareholders will no longer have the opportunity to participate in the prospects of Betting Hero.***

If the Sale Transaction is completed, FANS will no longer participate in the future development of, or benefit from, Betting Hero. As a result, the Sale Transaction will eliminate the opportunity of Shareholders to participate, as Shareholders in the Company, in the long term potential benefits of Betting Hero, to the extent, if any, those benefits exceed the potential benefits reflected in the Consideration.

***FANS will no longer have any material business and there is no guarantee it will be successful in identifying new opportunities.***

The assets owned by FansUS constitute the Company's primary assets and source of business and if the Closing takes place, there is no guarantee the Company will be successful in identifying new business opportunities, or if it does, that such opportunities as it may identify and participate in will be profitable.

***Executive officers and directors of the Company have interests in the Sale Transaction that may be different from the Company and Shareholders generally.***

In considering the recommendation of the FANS Board to vote for the Sale Resolution, Shareholders should be aware that certain officers and directors have certain interests in connection with the Sale Transaction that differ from, or are in addition to, those of Shareholders generally and may present them with actual or potential conflicts of interest in

connection with the Sale Transaction. See "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction*", "*Interests of Certain Persons in Matters to be Acted Upon*" and "*Canadian Securities Law Matters – MI 61-101*".

***The Consideration to be received by Shareholders may be affected by foreign currency exchange rates.***

The Consideration is to be paid in U.S. dollars, whereas the Distribution will be paid in Canadian dollars. The risk of any fluctuations in such rate of exchange for U.S. to Canadian dollars, including risks relating to the particular date and time at which funds are converted, will be solely borne by the Shareholders. If the value of the Canadian dollar relative to the U.S. dollar appreciates as compared to such relative value on the Announcement Date, the amount to be received by Shareholders pursuant to the Distribution will be less than it would have been on the Announcement Date.

**Risks Following Completion of the Sale Transaction**

***The FANS Board will have discretion in the use of certain of the net proceeds of the Sale Transaction.***

The FANS Board will have discretion over the use of certain of the net proceeds received from the Sale Transaction. Because of the number and variability of factors that will determine the Company's use of such proceeds, the Company's ultimate use might vary from its planned use of such proceeds. Shareholders may not agree with how the Company determines to allocate or spend the proceeds from the Sale Transaction.

***Trading of the Common Shares in the public market will cease.***

If FANS completes the Sale Transaction, FANS will no longer meet the TSX listing requirements and will apply to voluntarily delist from the TSX. In the event the TSX Delisting Resolution is approved, FANS intends to complete the Voluntary TSX Delisting as soon as possible after Closing. In the event the TSX Delisting Resolution is not approved, it is expected that the TSX will place FANS under delisting review in accordance with TSX policies, and the Common Shares will be delisted from the TSX thereafter. As a result, the Common Shares will no longer be available for purchase or sale through the TSX.

***FANS will continue to incur the expense of complying with reporting requirements following Closing of the Sale Transaction.***

If FANS completes the Sale Transaction, the Company will cease to carry on any active business and expects to retain approximately $500,000 in net cash to explore new business opportunities for the economic benefit of its Shareholders. Notwithstanding that FANS will not have an active business, it will continue to be required to comply with applicable reporting requirements in the Provinces of British Columbia, Alberta, Manitoba, Ontario, and Saskatchewan. Compliance with such reporting requirements is economically burdensome.

***The proposed Distribution is subject to a number of risks and cannot be predicted with certainty.***

The Distribution proposed to be made by the Company to the Shareholders by way of a return of capital is subject to a number of risks, including, without limitation:

- the timing, amount or nature of the Distribution to Shareholders cannot be predicted with certainty;
- the Company's estimate of the amount available for Distribution is based on a number of assumptions, including the Company's expectations regarding liabilities, taxes and transaction fees as well as administrative and professional costs, and these assumptions may prove to be incorrect; and
- fluctuations in the exchange rate between the U.S. and the Canadian dollar may affect the amounts which are received by the Company and available for the Distribution.

Some of the principal uncertainties relating to the proposed Distribution relate to the quantum of the net sale proceeds in connection with the Sale Transaction. In addition, ongoing corporate costs of the Company will reduce the amount available for the Distribution to Shareholders and, in the event the completion of the Sale Transaction is delayed beyond its anticipated date, these costs will continue to be incurred. In addition, the Company will remain a reporting issuer and will incur the attendant costs in connection therewith. Accordingly, the amount of cash available for the Distribution to the Shareholders following Closing cannot currently be quantified with certainty.

While management of the Company expects that the Distribution should not exceed the paid-up capital of the Common Shares, if this expectation is not correct, any resulting excess would be treated as a taxable dividend. See "*Certain Canadian Federal Income Tax Considerations*".

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of DLA Piper (Canada) LLP, counsel to the Company, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to a Shareholder who receives a Distribution as a return of capital, and who, for the purposes of the Tax Act and at all relevant times, deals at arm's length with the Company, is not affiliated with the Company and holds its Common Shares as capital property (a "**Holder**"). Such Common Shares will generally constitute capital property to a Holder unless those Common Shares are held in the course of carrying on a business of trading or dealing in securities or have been acquired in one or more transactions considered to be an adventure or concern in the nature of trade for purposes of the Tax Act. Certain Resident Holders for whom Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have those Common Shares, and any other "Canadian securities" (as defined in the Tax Act) owned by that Resident Holder in the taxation year in which the election is made and all subsequent taxation years, be deemed to be capital property.

This summary does not apply to a Holder (i) that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act or a "specified financial institution" (as defined in the Tax Act), (ii) an interest in which is or would be a "tax shelter investment" for the purposes of the Tax Act, (iii) that has made a "functional currency" election under section 261 of the Tax Act, (iv) that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to Common Shares for the purposes of the Tax Act, (v) that is exempt from tax under the Tax Act, or (vi) that is otherwise of special status or in special circumstances. Such Holders should consult their own tax advisors with respect to the tax consequences of receiving a Distribution.

This summary is based on the current provisions of the Tax Act, the current published administrative policies and assessing practices of the CRA, and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted as proposed. No assurance can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in the law whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.**

### Residents of Canada

The following portion of the summary applies to Holders who, at all relevant times, are, or are deemed to be, resident in Canada for purposes of the Tax Act and any applicable income tax treaty or convention (a "**Resident Holder**").

***Capital Distributions***

Generally, where a "public corporation", as defined in the Tax Act, reduces the paid-up capital in respect of a class of its shares, the amount distributed to its shareholders on such reduction is deemed to be a dividend. However, except to the extent that the amount of the distribution exceeds the paid-up capital of the relevant class of shares of the corporation, the amount distributed may be treated as a tax-free return of capital to the shareholder (subject to the comments below concerning the reduction of the adjusted cost base of the shares) and not as a deemed dividend where the return of capital can reasonably be considered to have been derived from proceeds of disposition realized by the distributing corporation (or a person or partnership in which such corporation had a direct or indirect interest at the time that the proceeds were realized) from a transaction that occurred outside the ordinary course of the business of the corporation (or of the person or partnership that realized the proceeds) within the period that commenced 24 months before the return of capital, and no other amount that may reasonably be considered to be derived from such proceeds was paid by the corporation on a previous reduction of the paid-up capital in respect of any class of shares of its capital stock. Counsel is of the view that this exception should apply to the Distribution, as it can reasonably be considered to be derived from proceeds of disposition realized by the Company from the Sale Transaction, a transaction that occurred outside the ordinary course of the business of the Company.

The amount of Distribution that the Shareholders are being asked to approve at the Meeting for the Common Shares is expected to be less than the amount of the paid-up capital of the Common Shares on the date of the Distribution. Accordingly, if the above exception applies on the date of a Distribution, the entire amount of the Distribution should be treated as a return of paid-up capital and no portion thereof should be treated as a deemed dividend.

This determination is not free from doubt and no legal opinion or advance tax ruling has been sought or obtained to the effect that any Distribution will be treated as a tax-free return of capital and not as a deemed dividend on the basis of the above exceptions. Resident Holders should consult their own tax advisors in this regard.

***Deemed Dividends***

To the extent that any portion a Distribution is treated as a deemed dividend, the amount of the deemed dividend will be included in computing the income of the Resident Holder for purposes of the Tax Act. If the Resident Holder is an individual (including certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to "taxable dividends" paid by "taxable Canadian corporations", including an enhanced gross-up and dividend tax credit for "eligible dividends" (each, as defined in the Tax Act) designated by the Company in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

A dividend or deemed dividend received by a Resident Holder that is a corporation will normally be deductible in computing its taxable income. A Resident Holder that is a "private corporation" (as defined in the Tax Act), or a "subject corporation" (as defined in the Tax Act), will generally be liable to pay tax under Part IV of the Tax Act (refundable in certain circumstances) on deemed dividends received to the extent that such dividends are deductible in computing taxable income. In the case of a Resident Holder that is a corporation, it is possible that in certain circumstances all or part of the amount of the deemed dividend will be treated as a capital gain and not as a dividend. Resident Holders that are corporations should consult their own tax advisors having regard to this circumstance.

A Resident Holder that, throughout the relevant taxation year, is a "Canadian controlled private corporation" (as defined in the Tax Act) or, at any time in a relevant taxation year, a "substantive CCPC" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include an amount in respect of dividends or deemed dividends that are not deductible in computing the Resident Holder's taxable income for the taxation year.

***Capital Gains***

The adjusted cost base of each Common Share to a Resident Holder will be reduced by an amount equal to the amount per Common Share received in connection with any Distribution received as a return of paid-up capital. If the amount per Common Share received on any such Distribution exceeds the adjusted cost base of such share, a Resident Holder

will realize a capital gain equal to such excess. For a description of the treatment of capital gains, see "*Residents of Canada– Taxation of Capital Gains and Capital Losses*" below.

***Taxation of Capital Gains and Capital Losses***

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may generally be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent taxation year, against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

For capital gains realized on or after June 25, 2024, Proposed Amendments would generally increase the capital gains inclusion rate from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds for individuals on the portion of capital gains realized, including capital gains realized indirectly through a trust or partnership, in a taxation year that exceed $250,000, calculated net of any capital losses incurred in the year (or the portion of the year ending after June 24, 2024 in the case of the 2024 taxation year). Under the Proposed Amendments, two-thirds of capital losses realized prior to 2024 will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate. Holders who may be subject to the increased inclusion rate for capital gains as a result of the Proposed Amendments should consult their own tax advisors.

In the case of a Resident Holder that is a corporation, the amount of any capital loss realized on a deemed disposition by the Resident Holder of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such share (and, in certain circumstances, a share exchanged for such share), to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns such shares, or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that, throughout the relevant taxation year, is a "Canadian controlled private corporation" (as defined in the Tax Act) or, at any time in a relevant taxation year, a "substantive CCPC" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include an amount in respect of taxable capital gains.

***Alternative Minimum Tax***

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

***Dissenting Shareholders***

A Resident Holder who, as a result of the exercise of Dissent Rights, is entitled to be paid the fair value of its Common Shares by the Company will be deemed to have received a dividend equal to the amount, if any, by which the payment received (other than that portion that is in respect of interest, if any, awarded by the Court) exceeds the paid-up capital (determined for purposes of the Tax Act) attributable to such Common Shares immediately before their surrender to the Company. The tax consequences described above under the heading "*Residents of Canada - Deemed Dividends*" will generally apply with respect to such deemed dividend.

In addition, the Resident Holder will be considered to have disposed of such Common Shares for proceeds of disposition equal to the payment received (other than that portion that is in respect of interest, if any, awarded by the Court), less the amount of any deemed dividend arising on the surrender of such shares described above. The Resident Holder will, in general, realize a capital gain (or a capital loss) equal to the amount by which such proceeds of

disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to such holder of the Common Shares immediately before their surrender to the Company. Any such capital gain will be subject to the same tax treatment as described above under the heading "*Resident Shareholders - Taxation of Capital Gains and Capital Losses*".

Interest, if any, awarded by the Court to a Resident Holder who is a Dissenting Shareholder will be included in the Resident Holder's income for the purposes of the Tax Act.

A Resident Holder that, throughout the relevant taxation year, is a "Canadian controlled private corporation" (as defined in the Tax Act) or, at any time in a relevant taxation year, a "substantive CCPC" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include an amount in respect of interest.

Dissenting Shareholders should consult their own tax advisors with respect to the tax implications to them of the exercise of their Dissent Rights.

**Non-Residents of Canada**

The following portion of the summary is applicable to Shareholders who, for the purposes of the Tax Act and any applicable income tax convention or treaty, and at all relevant times, are not, and are not deemed to be, resident in Canada and are not deemed to use or hold their Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules not discussed in this summary may apply to (i) a non-resident insurer carrying on an insurance business in Canada and elsewhere, or (ii) an "authorized foreign bank" (as defined in the Tax Act). Such Shareholders should consult their own tax advisors.

***Capital Distributions***

The tax consequences of a Distribution to a Non-Resident Holder will be generally the same as described above with respect to Resident Holders. No Canadian non-resident withholding tax will apply to such Distribution if the Distribution is treated as a return of paid-up capital, as described above. However, if any portion of the Distribution is treated as a deemed dividend, as described above under the heading "*Residents of Canada - Deemed Dividends*", Canadian withholding tax at a rate of 25% will apply, subject to reduction under the provisions of an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence. The tax treatment of dividends is discussed in greater detail below under the heading "*Non-Residents of Canada - Deemed Dividends*".

***Deemed Dividends***

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless such rate is reduced by the terms of an applicable income tax treaty or convention. For example, under the Canada-United States Tax Convention (1980), as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder who is resident in the United States for purposes of the Treaty, is the beneficial holder of the dividend, and is fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares).

***Capital Gains***

A Non-Resident Holder who realizes a capital gain as a result of a Distribution to the Non-Resident Holder exceeding the adjusted cost base of such Non-Resident Holder's Common Shares, as described above with respect to Resident Holders, will not be subject to Canadian income tax under the Tax Act in respect of such gain provided the Common Shares are not "taxable Canadian property" to such Non-Resident Holder. Generally, as long as the Common Shares of a Non-Resident Holder are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), such share will not constitute taxable Canadian property of the Non-Resident Holder at that time unless, at any time during the 60 month period immediately preceding the Distribution, the following two conditions

are met concurrently: (a) one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length, and partnerships in which the Non-Resident Holder or such non-arm's length persons holds a membership interest (either directly or indirectly through one or more partnerships), owned 25% or more of the issued shares of any class or series of shares of the capital stock of the Company; and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or civil law rights in, any such property, whether or not such property exists.

Notwithstanding the above, a Common Share may be deemed under the Tax Act to be "taxable Canadian property" of a particular Non-Resident Holder in certain circumstances under the Tax Act. Non-Resident Holders for whom a Common Share may be taxable Canadian property should consult their own tax advisors.

In the event that the Common Shares constitute "taxable Canadian property" of a particular Non-Resident Holder, the consequences under the Tax Act of realizing a capital gain will generally be the same as those for Resident Holders described above. Non-Resident Holders should consult their own tax advisors as to the availability of relief from Canadian tax under an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence.

***Dissenting Shareholders***

A Non-Resident Holder who, as a result of the exercise of Dissent Rights, is entitled to be paid the fair value of its Common Shares by the Company will be deemed to have received a dividend equal to the amount, if any, by which the payment received (other than that portion that is in respect of interest, if any, awarded by the Court) exceeds the paid-up capital (determined for purposes of the Tax Act) attributable to such Common Shares immediately before their surrender to the Company. The tax consequences described above under the heading "*Non-Residents of Canada - Deemed Dividends*" will generally apply with respect to such deemed dividend.

A Non-Resident Holder that is a Dissenting Shareholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of its Common Shares unless such Common Shares are "taxable Canadian property" of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention. See the discussion above under the heading "*Non-Resident Shareholders - Capital Gains*".

Interest, if any, awarded by the Court to a Non-Resident Holder who is a Dissenting Shareholder will not be subject to Canadian withholding tax.

Dissenting Shareholders should consult their own tax advisors with respect to the tax implications to them of the exercise of their Dissent Rights.

## DIVIDEND POLICY

No dividends on the Common Shares have been paid to date. FANS does not anticipate paying any dividends on the Common Shares in the foreseeable future. For clarity, the proposed Distribution is a return of capital and not a dividend on the Common Shares. Payment of all future dividends will be at the discretion of the FANS Board after taking into account many factors, including FANS's financial condition and anticipated cash needs.

## INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except insofar as they may be Shareholders of the Company or as otherwise disclosed below or elsewhere in this Circular (in particular, but without limitation, under "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction*", "*Canadian Securities Law Matters – MI 61-101*" and "*Interest of Informed Persons in Material Transactions*") management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year or of any associate or affiliate of any such Persons, in any matter to be acted upon at the Meeting.

As of the date of this Circular, the directors and executive officers of FANS beneficially owned, or exercised control or direction, directly or indirectly, over approximately 21,331,902 Common Shares representing in the aggregate approximately 6% of all issued and outstanding Common Shares. All of the Common Shares held by such directors and executive officers of FANS will be treated in the same fashion with respect to any Distribution as Common Shares held by all other Shareholders.

Mr. Burton, the Chief Executive Officer and a director of FANS, and Mr. Grove, a director of FANS, will receive Mr. Burton's portion of the Management Bonus and the Grove Consideration, respectively, in connection with the Sale Transaction. Given the interest of each of Mr. Burton and Mr. Grove in the Stock Purchase Agreement, each of them have abstained from voting on the approval of the Sale Transaction and the entry into the Stock Purchase Agreement in their respective capacities of members of the FANS Board.

See "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction*", "*Canadian Securities Law Matters – MI 61-101*" and *"Interest of Informed Persons in Material Transactions*".

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, no informed person of FANS, or any associate or affiliate of any informed person of FANS has any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or in any proposed transaction which has materially affected or would materially affect FANS. An "informed person" means (i) a director or executive officer of a reporting issuer; (ii) a director or executive officer of a Person or company that is itself an informed person or subsidiary of a reporting issuer; any Person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of the reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and (iii) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

See "*Business of the Meeting – Interests of Certain Persons in the Sale Transaction*", "*Canadian Securities Law Matters – MI 61-101*" and *"Interests of Certain Persons in Matters to be Acted Upon*".

## INTEREST OF EXPERTS

BDO is named as having prepared or certified a report, statement or opinion in this Circular, specifically the Formal and Fairness Opinion. See "*Business of the Meeting – Formal Valuation and Fairness Opinion*". Except for the fees to be paid to BDO, to the knowledge of FANS, neither BDO nor its directors, officers, employees and partners, as applicable, or their respective associates or affiliates, beneficially owns, directly or indirectly, 1% or more of the securities of FANS or any of its associates or affiliates, has received or will receive any direct or indirect interests in the property of FANS or any of its associates or affiliates, or is expected to be elected, appointed or employed as a director, officer or employee of FANS or any associate or affiliate thereof.

## LEGAL MATTERS

Certain legal matters in connection with the Sale Transaction have been reviewed and passed upon, on behalf of the Company, by DLA Piper (Canada) LLP. None of DLA Piper (Canada) LLP, its partners and associates beneficially own, directly or indirectly, more than 1% of the securities of the Company or any of its associates or affiliates.

## AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of the Company is KPMG LLP, Chartered Professional Accountants, located at 777 Dunsmuir St 11th Floor, Vancouver, BC V7Y 1K3.

The Company's Registrar and Transfer Agent is Odyssey Trust Company at its principal office in Vancouver, British Columbia.

## ADDITIONAL INFORMATION

The Company files annual financial statements, interim reports, information circulars and other information and continuous disclosure documents with the Canadian Securities Regulators under applicable Canadian Securities Laws under its profile at www.sedarplus.com. You can also review certain of the Company's filings on its website at www.fansunite.com. Information included on the Company's website is not, and will not be deemed to be, a part of this Circular or incorporated into this or any other filing on SEDAR+.

Additional information relating to the Company is posted for public access under its profile at www.sedarplus.com. Shareholders may contact Graeme Moore, the Chief Financial Officer of the Company, at #303 – 780 Beatty Street, Vancouver, British Columbia, V6B 2M1, or by email at ir@fansunite.com to request copies of the Company's financial statements and management's discussion and analysis without charge. Financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its financial year ended December 31, 2023 and the three month period ended March 31, 2024, which are posted for public access under the Company's profile at www.sedarplus.com.

**You should rely only on the information contained in this Circular, including the appendices attached hereto, to vote your Common Shares at the Meeting. The Company has not authorized anyone to provide you with information that differs from that contained in this Circular. This Circular is dated July 5, 2024. You should not assume that the information contained in this Circular is accurate as of any date other than such date, and the mailing of this Circular to Shareholders shall not create any implication to the contrary.**

## OTHER BUSINESS

As of the date of this Circular, management of the Company is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the Persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

## QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in this Circular, please contact Scott Burton, Chief Executive Officer and director, at #303 – 780 Beatty Street, Vancouver, British Columbia, V6B 2M1, or by email at ir@fansunite.com.

**If you have any questions or need assistance voting, please call Laurel Hill, the Company's proxy solicitor. Shareholders in the U.S. and Canada may call toll free at 1-877-452-7184; banks and brokers, as well as shareholders outside of North America, may call collect at 1-416-304-0211.**

## APPROVAL OF THE FANS BOARD

The contents and sending of this Circular, including the Notice of Meeting, have been approved and authorized by the FANS Board.

DATED at Vancouver, British Columbia this 5th day of July, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

"*Scott Burton*"
Scott Burton
CEO and director
FansUnite Entertainment Inc.

## CONSENT OF BDO (CANADA) LLP

To the Special Committee of the Board of Directors of FansUnite Entertainment Inc.:

We refer to the written formal valuation and fairness opinion dated as of June 26, 2024 (the "**Formal Valuation and Fairness Opinion**"), which we prepared solely for the benefit and use of the special committee of the board of directors (the "**Special Committee**") of FansUnite Entertainment Inc. ("**FANS**"), in connection with the Sale Transaction (as defined in FANS' management information circular dated July 5, 2024 (the "**Circular**")).

We consent to the inclusion of the Formal Valuation and Fairness Opinion, a summary of the Formal Valuation and Fairness Opinion and the use of our firm name in the Circular. In providing such consent, we do not intend that any person other than the Special Committee of FANS shall rely upon the Formal Valuation and Fairness Opinion.

The Formal Valuation and Fairness Opinion was given as at June 26, 2024, and remains subject to the assumptions, limitations and qualifications contained therein.

*"BDO Canada LLP"*

BDO (Canada) LLP

Vancouver, British Columbia

July 5, 2024

**APPENDIX "A"**
**SALE RESOLUTION**

**"BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF COMMON SHARES THAT:**

1. The sale by FansUnite Entertainment Inc. ("**FANS**") of all of the issued and outstanding shares in the capital of its wholly-owned subsidiary, FansUnite US Inc. ("**FansUS**"), pursuant to the stock purchase agreement among FANS, FansUS, GeoComply Solutions Inc., and Hero Group Corp. dated June 27, 2024 (the "**Stock Purchase Agreement**"), all as more particularly described and set forth in the management proxy circular of FANS dated July 5, 2024 (as the Stock Purchase Agreement may be, or may have been, modified or amended in accordance with its terms) (the "**Sale Transaction**"), is hereby authorized, approved and adopted.

2. The Stock Purchase Agreement, the actions of the directors of FANS in approving the Sale Transaction and the actions of the directors and officers of FANS in executing and delivering the Stock Purchase Agreement and any amendments thereto are hereby ratified and approved.

3. Notwithstanding that this resolution has been passed by the holders of common shares of FANS, the directors of FANS are hereby authorized and empowered, without further notice to, or approval of, the holders of common shares of FANS:

   (a) to amend the Stock Purchase Agreement to the extent permitted by the Stock Purchase Agreement; or

   (b) subject to the terms of the Stock Purchase Agreement, not to proceed with the Sale Transaction and related transactions contemplated thereby.

4. Any director or officer of FANS is hereby authorized and directed for and on behalf of FANS to execute, whether under the corporate seal of FANS or otherwise, and deliver any and all documents, records and information that are required or desirable to be filed under applicable laws in connection with the Stock Purchase Agreement or the transactions contemplated thereby.

5. Any one or more directors or officers of FANS is hereby authorized, for and on behalf and in the name of FANS, to execute, whether under the corporate seal of FANS or otherwise, and deliver all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Stock Purchase Agreement and the completion of the transactions contemplated thereby in accordance with the terms of the Stock Purchase Agreement, including:

   (a) all actions required to be taken by or on behalf of FANS, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

   (b) the signing of the certificates, consents and other documents or declarations required under the Stock Purchase Agreement or otherwise to be entered into by FANS,

   such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

**APPENDIX "B"**
**CAPITAL REDUCTION RESOLUTION**

**"BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF COMMON SHARES THAT:**

1. Subject to the consummation of transactions contemplated by the stock purchase agreement among FansUnite Entertainment Inc. (the "**Company**"), FansUnite US Inc., GeoComply Solutions Inc., and Hero Group Corp. dated June 27, 2024 (as may be subsequently amended, supplemented or otherwise modified, the "**Stock Purchase Agreement**"), as more particularly described and set forth in the management information circular of the Company dated July 5, 2024, and to section 74 of the *Business Corporations Act* (British Columbia), the Company be and is hereby authorized to make a distribution to the holders of common shares (the "**Common Shares**") of the Company (the "**Distribution**") as a return of capital of all or a portion of the net proceeds received by the Company pursuant to the Stock Purchase Agreement, in such amount and at such time as may be determined at the discretion of the board of directors of the Company.

2. In respect of the Distribution, the Company is hereby authorized to reduce the capital of the Common Shares upon making the Distribution, by an amount equal to the lesser of (a) the aggregate amount of the Distribution, and (b) the capital of the Common Shares immediately prior to the Distribution.

3. Any director or officer of the Company be and is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of these resolutions upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer."

**APPENDIX "C"**
**TSX DELISTING RESOLUTION**

**"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE HOLDERS OF COMMON SHARES THAT:**

1. Subject to the consummation of transactions contemplated by the stock purchase agreement among FansUnite Entertainment Inc. (the "**Company**"), FansUnite US Inc., GeoComply Solutions Inc., and Hero Group Corp. dated June 27, 2024 (as may be subsequently amended, supplemented or otherwise modified, the "**Stock Purchase Agreement**"), as more particularly described and set forth in the management information circular of the Company dated July 5, 2024, the Company be and is hereby authorized to request a voluntarily delisting of the common shares (the "**Common Shares**") of the Company from the Toronto Stock Exchange.

2. Notwithstanding the approval of this ordinary resolution by the holders of Common Shares, the directors of the Company are hereby authorized and empowered, at their discretion, without any further notice to or approval of the holders of Common Shares, to not proceed with any or all of the transactions contemplated hereby.

3. Any director or officer of the Company be and is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of these resolutions upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer."

**APPENDIX "D"**
**FORMAL VALUATION AND FAIRNESS OPINION**

[SEE ATTACHED]

Tel: 416 865 0200
Fax: 416 865 0887
www.bdo.ca

BDO Canada LLP
222 Bay Street, Suite 2200
Toronto, ON M5K 1H1

June 26, 2024

The Special Committee of the Board of Directors and the Board of Directors
FansUnite Entertainment Inc.
303 – 780 Beatty Street
Vancouver, BC V6B 2M1

**Attention**: Special Committee of the Board of Directors and the Board of Directors

## INTRODUCTION AND PURPOSE

BDO Canada LLP ("BDO") understands that FansUnite Entertainment Inc. ("FansUnite" or the "Company") is contemplating a sale (the "Proposed Transaction") of all of the issued and outstanding shares (the "FansUS Shares") of FansUnite US Inc. ("FansUS") to GeoComply Solutions Inc. ("GeoComply") and Hero Group Corp. ("Hero Group" or the "Acquirer") for a purchase price of $37,500,000 (the "Aggregate Purchase Price"). The Aggregate Purchase Price is comprised of cash and cash equivalents of $30,600,000 (the "Cash Purchase Price") and a note receivable of $6,900,000 (the "Demand Note"), such Cash Purchase Price to be adjusted on a cash-free, debt-free basis as described below.

The Proposed Transaction is set out in a Stock Purchase Agreement to be dated June 27, 2024 between FansUnite, FansUS, and the Acquirer (the "Transaction Agreement"). The aggregate cash amount (the "Cash Consideration") to be paid by the Purchaser to the Company at the time of closing shall be an amount equal to (i) the Cash Purchase Price, plus (ii) the amount of the cash as at the closing date less the cash target of $775,000 (the "Closing Cash Adjustment"), plus (iii) the excess or deficit of the closing date net working capital ("Closing NWC") over the target working capital amount of $nil (the "Working Capital Adjustment"), plus (iv) 50% of the premiums in connection with the Tail Policies[1], minus (v) the amount of the closing date indebtedness ("Closing Indebtedness"), minus (vi) the amount of transaction expenses in connection with the Proposed Transaction incurred by or on behalf of FansUS, the Company, or any of their respective affiliates, to the extent unpaid as of the closing date ("Transaction Expenses"). The Cash Consideration and the Demand Note are collectively referred to as the "Purchase Consideration".

BDO understands that each of the following parties, acting in their respective capacities as shareholders of the Company ("Shareholders"), have entered into voting support agreements under which such Shareholders will agree to support the Proposed Transaction, subject to the terms and conditions of the voting support agreements: (i) directors and senior officers of the Company[2], (ii) Jai Maw and Jeremy Jakary (the "Betting Hero Co-Founders"), and (iii) Tekkorp Capital LLC (collectively referred to as the "Voting Support Parties"). The Voting Support Parties collectively hold approximately 27% of the issued and outstanding Common Shares of FansUnite ("FansUnite Shares").

FansUnite will call a special shareholder meeting to approve the Proposed Transaction, and subject to shareholder approval, board approval, and other customary closing conditions, the Proposed Transaction is expected to close on August 15, 2024 (the "Expected Closing Date").

Pursuant to the Proposed Transaction, as soon as practicable after the date of closing (the "Closing Date"), but in no event later than 14 days thereafter, the Company shall distribute at least 90.0% of the Cash Consideration received at Closing less the Seller Expenses[3] and the estimated Taxes[3] payable by the Company in connection with the Proposed

[1] Pursuant to the Transaction Agreement, FansUS shall purchase a "tail" policy in effect beginning on Closing and for a period of six years thereafter without any lapses in coverage providing directors' and officers' with fiduciary, employment practices and professional liability insurance coverage for matters occurring prior to closing ("Tail Policies"). The Company and the Acquirer shall each pay 50.0% of the premiums in connection with the Tail Policies.

[2] Directors and officers of the Company include Graeme Moore, Ian Winter, Quinton Singleton, and James Keane (with the abstention of Scott Burton and Chris Grove as interested directors).

[3] As defined in the Transaction Agreement to be dated as of June 27, 2024.

Transaction to the Shareholders, as determined by the Board of Directors of the Company (the "Board") exercising its fiduciary duty and subject to applicable solvency or other legal or contractual requirements.

Immediately prior to the Expected Closing Date, after giving effect to certain pre-acquisition reorganization steps ("Pre-Acquisition Reorganization") involving, among other things, the contribution from the Betting Hero Co-Founders through their holding company ("J and J Holdco") to Hero Group, the ownership structure of Hero Group will consist of a 60% stake held by J and J Holdco and a 40% stake held by GeoComply. The Betting Hero Co-Founders are current senior officers of American Affiliate Co. LLC, a wholly owned subsidiary of FansUS. As such, each of the Betting Hero Co-Founders is a "related party" of the Company as such term is defined under MI 61-101. As a result of the Pre-Acquisition Reorganization, Hero Group will also constitute an "interested party" of the Company as such term is defined under MI 61-101 as the Betting-Hero Co-Founders will indirectly own a 60% equity interest in Hero Group.

The above description is summary in nature. BDO understands that additional details regarding the Proposed Transaction will be provided in the information circular (the "Circular") to be filed in accordance with the applicable Canadian securities legislation and mailed to the Shareholders.

BDO understands that a special committee of independent directors (the "Special Committee") of the Board, who are independent within the meaning of Ontario Securities Commission (the "OSC") Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"), has been formed to review and consider the Proposed Transaction and make recommendations to the Board.

BDO has been retained to prepare and deliver to the Special Committee a formal valuation (the "Valuation") of the Company in accordance with MI 61-101 and an opinion (the "Fairness Opinion", and together with the Valuation, the "Valuation & Fairness Opinion") as to whether the Purchase Consideration to be paid pursuant to the Proposed Transaction is fair from a financial point of view to the Company and the Shareholders (other than the Betting Hero Co-Founders).

BDO has been advised by counsel to the Special Committee that the Proposed Transaction constitutes a "related party transaction" as defined in MI 61-101. In connection with the Proposed Transaction, BDO has been requested by the Special Committee to prepare the Valuation & Fairness Opinion in accordance with the standards set out in MI 61-101 and the practice standards of the Canadian Institute of Chartered Business Valuators (the "CBV Institute") as at June 26, 2024 (the "Valuation Date").

The Valuation & Fairness Opinion, with a summary thereof, are to be included as part of the details regarding the Proposed Transaction in the Circular.

All values contained herein, unless otherwise indicated, are expressed in U.S. dollars ("USD").

## ENGAGEMENT OF BDO CANADA LLP

The Special Committee initially contacted BDO regarding a potential assignment in connection with the Proposed Transaction on March 4, 2024. BDO was formally engaged by the Special Committee pursuant to an agreement dated as of April 9, 2024 (the "Engagement Agreement").

Under the terms of the Engagement Agreement, BDO will receive a fixed fee of $87,500, including a $21,875 retainer upon signing of the Engagement Agreement, plus 7% thereof for internal charges for rendering the Valuation & Fairness Opinion. In addition, BDO will be reimbursed for its reasonable out-of-pocket expenses incurred in respect of carrying out its obligations under the Engagement Agreement up to $10,000, and BDO will be indemnified against certain liabilities incurred in connection with the provision of its services. The fee payable to BDO under the Engagement Agreement is not contingent, either in whole or in part, upon the conclusions reached by BDO in the Valuation & Fairness Opinion, or upon the successful completion of the Proposed Transaction. The Company will pay for the Valuation & Fairness Opinion.

## CREDENTIALS OF BDO CANADA LLP

The firms of the BDO global network provide industry-focused assurance, tax, and specialist advisory services to enhance value for clients and their stakeholders. More than 80,000 people in 167 countries across our network share their expertise and thought leadership to develop practical solutions for clients. In Canada, BDO and its related entities have more than 4,000 partners and staff in over 125 offices across the country. The firm's specialist advisory capabilities include significant experience advising on mergers & acquisitions and valuation matters for both public and privately held businesses.

BDO's specialist advisory capabilities include significant experience advising on mergers & acquisitions and valuation matters for both public and privately held businesses. BDO's financial advisory services group includes finance professionals, many of whom have earned professional designations, such as Chartered Business Valuator (CBV), Chartered Financial Analyst (CFA), Chartered Professional Accountant (CPA), Chartered Accountant (CA), Certified Public Accountant (CPA) and Accredited Senior Appraiser (ASA).

BDO's Valuation & Fairness Opinion expressed herein represent the opinion of BDO, and the form and content thereof have been approved by a group of BDO partners, each of whom is a member of the Chartered Professional Accountants of Canada and the CBV Institute, and have experience in mergers, acquisitions, divestitures, valuations, fairness opinions, and related matters.

## INDEPENDENCE OF BDO

BDO does not have any present or contemplated interest in the business, assets, liabilities, or ownership interests being valued. The fees quoted for the Valuation & Fairness Opinion are not contingent upon BDO's conclusion, findings, or any other event.

BDO is independent of the Interested Parties (as defined below), as determined in accordance with applicable Canadian securities laws.

The principal preparer and other staff involved in the preparation of the Valuation & Fairness Opinion are all independent of FansUnite and the Acquirer.

Neither BDO nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101) (i) is an "insider", "associate" or "affiliate" (as those terms are defined for the purposes of MI 61-101) of FansUnite, Betting Hero Co-Founders, GeoComply, and the Acquirer, or any of their respective associates or affiliates ("Interested Parties"); (ii) is an advisor to any of the Interested Parties in connection with the Proposed Transaction other than to the Special Committee pursuant to the Engagement Agreement; (iii) is a manager or co-manager of a soliciting dealer group for the Proposed Transaction (or a member of the soliciting dealer group for the Proposed Transaction providing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group); or (iv) has a material financial interest in the completion of the Proposed Transaction.

BDO and its affiliated entities are not the auditor of any Interested Party. BDO has no present or contemplated interest in any Interested Party that could impair its independence with regard to the Valuation or Fairness Opinion.

During the two years preceding the date BDO was first contacted for the purpose of the Valuation and Fairness Opinion, BDO and its affiliated entities was not engaged by, did not provide any professional services for, and did not receive any compensation from the Interested Parties or any of their respective associates or affiliates, except as noted below:

- BDO provides certain ordinary course tax advisory services to GeoComply with respect to claiming Canadian Scientific Research and Experimental Development tax credits (the "SR&ED Advisory Services"). GeoComply paid BDO a total of approximately $60,000 for these services provided in the year ended December 31, 2022, and it is expected that GeoComply will pay BDO a total of approximately $110,000 for these services provided in the year ended December 31, 2023 (when invoiced).

- BDO prepared an independent estimate valuation report ("Estimate Valuation Report") of the fair value of the acquired identifiable intangibles of American Affiliate Co. LLC as at November 22, 2021. The Estimate Valuation Report was prepared for financial reporting purposes. FansUnite paid BDO a total of approximately $35,000 for the Estimate Valuation Report in the year ended December 31, 2022.

In the future, BDO and its affiliated entities may provide, in the ordinary course of their business, financial advisory, tax or other professional services to the Interested Parties or any of their respective associates or affiliates. While not currently being contemplated other than the SR&ED Advisory Services, we believe that such services will not impair our objectivity in the performance of the Valuation or Fairness Opinion and we do not believe that our compensation structure affects our ability to act independently and impartially in this matter. We are not aware of any conflict that would affect our ability to act impartially.

BDO did not act as a financial advisor to any Interested Party or any of their respective associates or affiliates in connection with any aspect of the Proposed Transaction other than the preparation of this Valuation & Fairness Opinion and BDO did not participate in the negotiation of the Transaction Agreement. There are no understandings, agreements or commitments between BDO and any Interested Party or any of their respective associates or affiliates with respect to any future business dealings.

BDO confirmed to the Special Committee that it is of the view that we are independent within the meaning of MI 61-101 of FansUnite and the Acquirer and any "interested party" (as defined in MI 61-101) in the Proposed Transaction and that it has the appropriate qualifications to prepare the Valuation & Fairness Opinion.

## DEFINITION OF FAIR MARKET VALUE

For the purposes of the Valuation & Fairness Opinion, we referenced the definition of fair market value ("FMV") set out in MI 61-101, which is the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. In accordance with MI 61-101, BDO has made no downward adjustment to the FMV of the FansUS Shares to reflect the liquidity of the FansUS Shares or the effect of the Proposed Transaction on FansUS.

FMV as defined above is a concept of value, which may or may not equal the purchase or sale price in an actual market transaction. Within the marketplace, there may exist "special purchasers" who may be willing to pay higher prices, as a result of reduced or eliminated competition, ensured source of sales, cost savings arising on business combinations following acquisitions, or other strategic advantages that could be realized by the purchaser.

Given the nature and stated purpose of this engagement, we did not expose the FansUS Shares to the marketplace to determine whether there are any special purchasers, which for their own reasons, might perceive a value different from that considered by us in arriving at our Valuation & Fairness Opinion.

We have not considered the potential value to the Shareholders of any other transaction that might be undertaken as an alternative to the Proposed Transaction. In arriving at our Valuation & Fairness Opinion conclusions, BDO considered whether the FMV of the Purchase Consideration to be received as part of the Proposed Transaction is greater than or equal to the FMV of FansUS.

With respect to the Fairness Opinion, BDO has defined fair, from a financial point of view to the Company and the Shareholders (other than Betting Hero Co-Founders), as whether the Purchase Consideration to be received as part of the Proposed Transaction is equal to or greater than the FMV of the FansUS Shares.

## MAJOR ASSUMPTIONS

In arriving at our conclusions, we have relied on the following major assumptions:

1. All assets and liabilities of FansUS as at December 31, 2021 to 2023 and June 26, 2024 (forecast) were recorded in accordance with generally accepted accounting principles ("GAAP") and the International Financial Reporting Standards ("IFRS");

2. All revenues and expenses of the Betting Hero Company were recorded in accordance with GAAP and IFRS for the period from January 1, 2021 to November 21, 2021.
3. All revenues and expenses of FansUS were recorded in accordance with GAAP and IFRS for the period from November 22, 2021 to December 31, 2021, the fiscal years ended December 31, 2022 to 2023, and for the 3 months ended March 31, 2024;
4. The reported earnings of FansUS contain no material non-recurring or unusual items of sales and expenses, except as noted herein;
5. There were no significant non-arm's length transactions (at other than FMV) during the period under review, except as noted herein;
6. There are no material unrecorded, undisclosed or contingent assets, liabilities or commitments as at December 31, 2021 to 2023 and June 26, 2024 (forecast) other than those recorded in the balance sheet of FansUS in accordance with applicable generally accepted accounting principles;
7. Indebtedness includes FansUnite's earn-out obligations ("Contingent Consideration") under Section 2.3 of the Agreement and Plan of Merger dated November 22, 2021 (as such obligations have been modified, amended, or supplemented), which are payable to the vendors of American Affiliate Co. LLC (including the Betting Hero Co-Founders) on the achievement of certain objectives;
8. The balance sheet of FansUS as at June 26, 2024 (forecast) contained no redundant assets (liabilities), except as noted herein;
9. There is nominal tax loss carry-forward ("LCFs") balances as of the Valuation Date that can be used to offset future tax liabilities;
10. The market values of the tangible assets owned by FansUS were not materially different at the Valuation Date than the amounts as indicated in this Valuation & Fairness Opinion, except as noted herein;
11. The financial projections, including estimates for working capital requirements and capital expenditures, represent FansUS's best estimate of future results as at the Valuation Date;
12. There are no strategic initiatives or contemplated transactions that have not been disclosed to us, which would reasonably be expected to impact our conclusions;
13. No prior valuations (as defined in MI 61-101) regarding FansUS have been prepared within the two years preceding the Valuation Date and to the knowledge of the Company or to any director or senior officer of the Company, after reasonable inquiry; and
14. Except as otherwise publicly disclosed by the Company, there have been no verbal or written bona fide prior offers or serious negotiations for or transactions involving FansUS or any of its subsidiaries communicated to or in which the Company has been involved during the preceding 24 months which have not been disclosed to BDO.

Should any of the above major assumptions not be accurate or should any of the information provided to us not be factual or correct, our conclusions could be significantly different.

BDO's work consisted primarily of inquiry, consideration, analysis and discussion of this information. Our reliance on this information is based, in part, on representations by the management ("Management") of the Company as to the completeness and accuracy of the information provided by the Company.

## RESTRICTIONS AND LIMITATIONS

BDO relied on certain assumptions, including in respect of the assets, liabilities, revenues, expenses, balance sheet, market value and tangible assets and reported earnings of FansUS; the lack of significant non-arm's length transactions (at other than FMV) during the period under review, except as noted in the Valuation & Fairness Opinion; financial projections; and that other material transactions, strategic initiatives and offers have been disclosed to BDO.

BDO has relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material relating to FansUS, or any of its subsidiaries

or associates provided to BDO by or on behalf of FansUS, or otherwise obtained by BDO in connection with the engagement of BDO (collectively the "Information"). The Valuation & Fairness Opinion are conditional upon such completeness, accuracy and fair presentation. BDO has not been requested to, and has not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information.

BDO has assumed that all financial budgets, forecasts, projections, and estimates provided to or otherwise obtained by BDO in connection with its engagement and used in its analyses were reasonably prepared reflecting the best currently available information to Management.

The Chief Financial Officer of the Company has, on behalf of FansUnite and not in his personal capacity, represented to BDO, among other things, that, in respect of Information relating to FansUS: (i) such Information was at the date such Information was provided to BDO, and is as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the Securities Act (Ontario) ("Securities Act"), except in each case where BDO has been advised that such Information has been superseded by Information subsequently provided by or on behalf of the Company, to BDO; and (ii) since the dates on which such Information was provided to BDO, except as disclosed publicly or to BDO, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of FansUS, and no change has occurred in such Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Valuation & Fairness Opinion.

In preparing the Valuation & Fairness Opinion, BDO has assumed that the executed Transaction Agreement will not differ in any material respect from the most recent draft that we reviewed, and that: (i) the Proposed Transaction will be consummated in accordance with the terms and conditions of the Transaction Agreement without waiver of, or amendment to, any term or condition that is in any way material to BDO's analyses; and (ii) the representations and warranties in the Transaction Agreement are true and correct as of the date hereof.

The Valuation & Fairness Opinion are rendered on the basis of securities markets, economic, financial, and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of FansUS as they are reflected in the Information and as they have been represented to BDO in discussions with Management and its representatives. In BDO's analyses and in preparing the Valuation & Fairness Opinion, BDO made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond BDO's control or that of any party involved in the Proposed Transaction.

The Valuation & Fairness Opinion are provided to the Special Committee, the Board, and the Company for their exclusive use only in considering the Proposed Transaction and may not be used or relied upon by any other person or for any other purpose without BDO's prior written consent. The Valuation & Fairness Opinion do not constitute a recommendation to the Special Committee as to whether they should approve, or recommend approval of, the Proposed Transaction. Except for the inclusion in the Circular, the Valuation & Fairness Opinion in entirety or a summary thereof (in a form acceptable to BDO), are not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without the prior written consent of BDO.

The Valuation & Fairness Opinion are not, and should not be construed as, advice as to the price at which FansUS may be sold at any time and no recommendation is made by BDO to the Acquirer, GeoComply, Betting Hero Co-Founders, or J and J Holdco with respect to the Proposed Transaction, including how they should vote in respect of the Proposed Transaction. BDO has not been engaged to review, and does not express any view or opinion on, any legal, tax, accounting or regulatory aspects of the Proposed Transaction and the Valuation & Fairness Opinion do not address any such matters. BDO has relied upon, without independent verification, the assessment of FansUS and its legal counsel with respect to such matters. In addition, the Valuation & Fairness Opinion do not address the relative merits of the Proposed Transaction as compared to any other strategic alternatives that may be available to FansUS or the Acquirer. The Fairness Opinion is limited solely to the Purchase Consideration to be paid pursuant to the Proposed Transaction and does not address any other aspect of the Proposed Transaction.

The Valuation & Fairness Opinion are rendered as of the date hereof and BDO disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuation & Fairness Opinion which may come or be brought to the attention of BDO after the date hereof. Without limiting the foregoing, if BDO learns that any of

the information it relied upon in preparing the Valuation & Fairness Opinion was inaccurate, incomplete or misleading in any material respect, BDO reserves the right to, but shall not be under and obligation to, change or withdraw the Valuation & Fairness Opinion.

BDO has based the Valuation & Fairness Opinion upon a variety of factors considered in aggregate. Accordingly, BDO believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by BDO, without considering all factors and analyses together, could create a misleading view of the process underlying the Valuation & Fairness Opinion. The preparation of a formal valuation and a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

BDO has relied upon and assumed the completeness, accuracy and fair presentation of all the financial and other information, data, advice opinions, presentation and other material obtained by it from public sources or provided to it by, on behalf of, or at the request of the Company and FansUS and the Valuation & Fairness Opinion are conditional upon the completeness, accuracy or fair presentation of any of the information.

In connection with the preparation of the Valuation & Fairness Opinion, BDO's mandate did not include the solicitation of interest from any other party with respect to any other extraordinary transaction involving FansUS or the Acquirer to evaluate alternatives to the Proposed Transaction.

In preparing the Valuation & Fairness Opinion, BDO has made important assumptions, including that all final versions of all agreements and documents to be executed and delivered in respect of or in connection with the Proposed Transaction will conform in all material respects to the drafts and summaries provided to BDO, that all conditions precedent to the Proposed Transaction can be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities required in respect of or in connection with the Proposed Transaction will be obtained, without adverse condition or qualification, that all steps or procedures being followed to implement the Proposed Transaction are valid and effective, that the Circular will be distributed to the Shareholders in accordance with applicable laws, and that the disclosure in the Circular will be accurate in all material respects and will comply, in all material respects, with the requirements of all applicable laws or regulations.

## SCOPE OF REVIEW

In connection with preparing and rendering the Valuation & Fairness Opinion, BDO has reviewed, and where it considered appropriate, relied upon information obtained from the Company and certain external sources, as follows:

(a) Draft Transaction Agreement dated as of June 26, 2024;
(b) Corporate and management organizational charts, provided by Management;
(c) Certain internal financial, operating, corporate and other information, prepared by Management;
(d) Internal management financial budgets, forecasts, projections and estimates for FansUS for the fiscal years ending December 31, 2024 to 2026, prepared by Management;
(e) Unaudited internal consolidated financial statements of FansUnite Entertainment Inc. for the 3 months ended March 31, 2024, prepared by Management;
(f) Consolidated Financial Statements of FansUnite for the fiscal years ended December 31, 2021 to 2023, audited by KPMG LLP;
(g) Unaudited internal financial statements of the Betting Hero Company for the period from January 1, 2021 to November 21, 2021, as provided by Management.
(h) Unaudited internal financial statements of FansUS for the period from November 22, 2021 to December 31, 2021, the fiscal years ended December 31, 2022 to 2023, and for the 3 months ended March 31, 2024, prepared by Management;
(i) Forecast balance sheet for FansUS as at June 26, 2024, prepared by Management;
(j) Corporate tax return of FansUS for the fiscal and taxation years ended December 31, 2021 to December 31, 2022;
(k) Draft corporate tax return of FansUS for the fiscal and taxation year ended December 31, 2023, as provided by Management;

(l) Betting Hero Usability Research & Engagement Service Description dated June 2023;

(m) Presentation titled: "Monthly Digital Assessment – New Jersey" dated June 2023;

(n) Presentation titled: "Introduction to Betting Hero" dated May 2023, prepared by Stifel;

(o) Marketing Partner Agreements with affiliate partners including other relevant agreements for services provided to partners;

(p) Internal controls documentation related to financial reporting policies, processes and procedures used by the Company, prepared by Management;

(q) Discussions with the Special Committee regarding, among other matters, the process undertaken by the Board with respect to the Proposed Transaction;

(r) Revised Non-Binding Letter of Interest for the Acquisition of Betting Hero from GeoComply, dated March 1, 2024;

(s) Discussions with Graeme Moore, Chief Financial Officer, Marc Brebber, Controller, and Bradley Muzzin, Director of Finance, concerning the strategic, financial, and operational plans for FansUS;

(t) Certain publicly available information on the Company;

(u) Certain publicly available financial information and stock market data relating to selected public companies that we considered might have relevance to our Valuation & Fairness Opinion;

(v) Financial terms, to the extent publicly available, of certain corporate merger or acquisition transactions that we considered might have relevance to our Valuation & Fairness Opinion;

(w) IBISWorld Industry Report: Market Research in the U.S. dated November 2023;

(x) IBISWorld Industry Report: Online Gambling Services in the U.S. dated January 2024;

(y) Research and Markets: Global Affiliate Marketing Platform Market Report dated December 2022;

(z) Review of public market data and research reports pertaining to the affiliate marketing industry;

(aa) IBISWorld Industry Report: Non-Hotel Casinos in the U.S. dated January 2024;

(bb) Oxford Economics Economic Overview of the United States dated May 2024;

(cc) Public information with respect to selected comparable public companies and precedent transactions BDO considered relevant;

(dd) Various reports published by equity research analysts and industry sources BDO considered relevant;

(ee) A letter of representation from the Company as to certain factual matters and the completeness and accuracy of certain information upon which the Valuation & Fairness Opinion are based on;

(ff) Other industry, financial, and market information and analyses considered necessary or appropriate in the circumstances;

(gg) Conducted other studies, analyses, and inquiries as we deemed necessary or appropriate; and

(hh) A draft of the Circular.

BDO has not, to the best of its knowledge, been denied access by FansUS, the Company, or the Shareholders to any information that we have requested.

BDO has not audited or otherwise verified the information listed above.

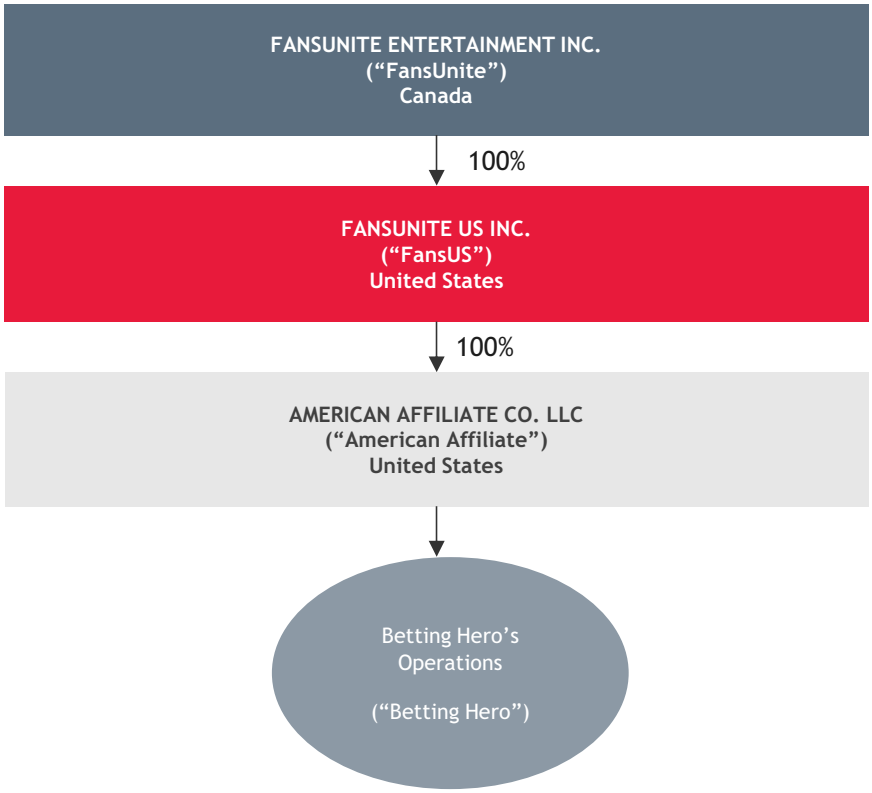
## PRIOR VALUATIONS

The Company has represented to BDO that, to the best of its knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Company or any of its respective material assets or liabilities that have been prepared during the 24 months preceding the Valuation Date and that have not been provided to us.

## CORPORATE OVERVIEW

### Corporate Structure

FansUS's corporate structure is summarized below:




FansUS is a wholly owned subsidiary of FansUnite (TSX:FANS and OTCQB:FUNFF) and the holding company for American Affiliate Co. LLC ("American Affiliate"). In November 2021, FansUnite acquired 100% of the issued and outstanding shares of American Affiliate and Betting Hero Company through FansUS (the "2021 Acquisition"). Immediately prior to the 2021 Acquisition, Betting Hero Company and American Affiliate underwent a merger; the surviving legal entity was American Affiliate.

Betting Hero provides live activation, research, and related services for the regulated and lawful online sports betting and iGaming industry. Additionally, American Affiliate operates other brands and domains, which are not part of the Proposed Transaction and will be carved out from FansUS prior to the Expected Closing Date (the "Non-Core Assets"). As such, for the purposes of the Valuation & Fairness Opinion, the operations of FansUS under consideration are solely those of Betting Hero.

### Business Description[4]

Betting Hero was founded in 2018 by Jai Maw and Jeremy Jakary after the Professional and Amateur Sports Protection Act of 1992 ("PASPA") was repealed. The PASPA repeal allowed states to pass laws to legalize sports betting outside of Nevada, which resulted in an influx of online sports betting platforms. Betting Hero is one of the largest live activation partners in the United States ("U.S.") online gambling and iGaming market, leading in both number of first-time depositors and depositor conversion rates. With an extensive network of over 400 contractors ("Betting Heroes") across more than 185 locations and a growing digital presence, Betting Hero has registered over 300,000 first-time

[4] Introduction to Betting Hero Presentation dated May 2023, prepared by Stifel.

depositors through more than 10,000 live activation events to-date. Betting Hero also achieved over 80% conversion rate from registration to net depositing customer, significantly outperforming the industry average of 50%.

Betting Hero's business operation comprises of two main segments: Live activation ("Live Activation") and Research ("Research").

### Live Activation

Betting Hero's core in-person activation segment accounts for 96% of its fiscal year ("FY") 2023 revenue and is driven by a robust network of over 400 Betting Heroes who are strategically deployed nationwide. The service operates on two distinct strategies:

- **Branded Activation** — Events are hosted on an operator's property, such as BetMGM LLC ("BetMGM") or Betfair Interactive US LLC ("FanDuel"), or at a sports bar pre-arranged with the operator. The Betting Heroes represent the operator by wearing their branded attire; and
- **Brand-Agnostic Activation** — Events take place at sports bars or sporting events, with Betting Heroes activating customers as representatives of Betting Hero and earning affiliate commissions based on the operator chosen by the players.

Revenue from Live Activation is primarily derived from cost per acquisition ("CPA") for events at bars, casinos, and other venues. In this regard, Betting Hero has established Marketing Partner Agreements ("MPAs") with major online sports betting and iGaming industry operators, including BetMGM and Caesars Entertainment Inc. ("Caesars"). The CPA rates vary, and are influenced by factors such as venue, event type, operators, state, and the state's legalization status of betting. For certain MPAs or events, a minimum event fee may be stipulated as the minimum revenue guarantee which can lead to a higher Effective Cost Per Acquisition ("eCPA").

As sports betting becomes legalized in more U.S. states, Betting Hero is set to broaden its Live Activation services to significant markets such as Florida, Texas, and California. Prior to launching in new states, the Betting Hero team conducts strategic planning sessions with operators, coordinates with teams to ensure the availability of necessary resources for activations, and works in tandem with the recruiting team to source and vet independent contractors for event staffing. This strategy allows Betting Hero to initiate revenue generation as soon as a state legalizes betting. New state activations typically see a surge in revenue, which then stabilizes and reaches saturation after approximately two to three years following the launch.

### Research

The Research segment of Betting Hero, which represented 4% of FY 2023 revenue, is anticipated to deliver significant growth going forward. This segment offers a range of research solutions and services, including demographic surveys, betting behavior analysis, and app preference insights, as well as comprehensive product testing, consumer and competitive analysis, and bespoke consulting services. These offerings are designed to help operators enhance their customer acquisition strategies and product portfolios, leading to improved customer retention and player value. The segment effectively cross-sells to existing Live Activation customers and drives business development from active participation in industry events to promote services and broaden professional network.

### Digital Expansion

In addition to its established Live Activation and Research services, Betting Hero is expanding its digital footprint. Given no material revenue or earnings have been generated to date, we assumed this segment has nominal value for the purposes of the Valuation & Fairness Opinion.

## ECONOMIC AND INDUSTRY CONDITIONS

### Economic Overview[5]

#### GDP Growth

Real GDP growth in the U.S. increased from 1.9% in 2022 to 2.5% in 2023. According to Oxford Economics, GDP growth in the U.S. is forecast to be 2.6% in 2024. The US economy remains strong and the probability of a recession is decreasing. Consumer spending is expected to remain solid, supported by a tight labour market, gains in real disposable income, past increases in household wealth, and low savings.

#### Inflation

According to the CPI forecast from Oxford Economics, CPI in the United States is expected to decrease from 4.1% in 2023 to 3.3% in 2024, and 2.5% in 2025. Beyond 2025, CPI is expected to stabilize between 2.2% to 2.3%.

#### Interest Rates

The Federal Reserve's plan to reduce interest rates in 2024 is being delayed as inflation in early 2024 was higher than anticipated. Oxford Economics expects the Federal Reserve will begin cutting interest rates in September 2024 and the assumption remains that the Federal Reserve will cut rates at every other meeting until the federal funds rate returns to its neutral rate of 2.25%.

#### Employment

According to Oxford Economics, the U.S. labour market remains strong, and the unemployment rate is expected to increase only slightly, peaking at 4.1% in H1 2025. Oxford Economic further increased its projection for the labor force participation rate as it has been better than expected recently and high re-employment rates across most industries suggest a reversal is unlikely in the short-term. The increase in the labor force recently has been attributed to a rise in foreign-born workers who have a higher participation rate than native-born workers.

### Industry Overview

#### Online Gambling Services in the U.S. Industry[6]

Online Gambling Services in the United States are hosted on internet platforms, which enable consumers to wager on events such as table games or other sporting events including horse racing. Online sports betting and online gaming make up 49.7% and 34.6% of the industry's revenue, respectively, with the remainder being derived from online poker and other products.

The online gambling industry sought to capture more consumer demand for gambling services by branching out into hosting online platforms. In 2020, the COVID-19 outbreak served as a catalyst to industry growth as demand increased in line with leisure time and disposable income. For the five years prior to 2024, revenue grew at a compound annual growth rate ("CAGR") of 41.1% to reach $10.2 billion; revenues are estimated to increase by 20.0% in 2024 alone.

After the Supreme Court repealed the PASPA in 2018, online gambling services have become more prevalent. As of December 31, 2023, 27 states have legalized some form of sports betting with online casino gambling legalized in seven states.

As online gambling becomes normalized among consumers in the U.S., more states will contemplate its legalization, offering growth opportunities for companies in the industry. However, growth for new entrants in the industry will be limited given the presence of established companies such as Draftkings Inc., MGM Resorts International, and Flutter Entertainment Plc.

With the rise of mobile broadband connections and increased smartphone usage, online gambling is set to increase over the next five years. This growth will necessitate proficient technology infrastructure for mobile gambling. As a result, industry operators stand to capture a larger share of consumer demand thereby bolstering revenue. Despite

[5] Oxford Economics Economic Overview - United States dated May 2024.

[6] IBISWorld Industry Report: Online Gambling Services in the U.S. dated January 2024.

public concerns regarding addiction and predatory advertising, gambling companies argue that legalization fosters greater investment in support services for gambling problems, distinguishing it from illegal gambling.

Over the next five years to 2028, the Online Gambling Services Industry in the United States is set to experience robust growth with revenue anticipated to rise at a CAGR of 20.2% to reach $25.5 billion. Rising consumer spending is likely to contribute favourably to revenue growth as the increase in disposable income levels results in more discretionary purchases.

### Non-Hotel Casinos in the U.S.[7]

Over the past five years, non-hotel casinos have experienced increased competition mainly due to an influx of new casino hotels in states after COVID-19 restrictions eased. Conversely, as restrictions eased in 2021, tourism increased which had a positive impact on industry revenue. Revenue has grown at a CAGR of 1.5% to $22.7 billion over the past five years. However, in 2024, growth declined to 1.0%, due to inflation and volatility.

Non-hotel casinos will benefit from an improving economy and a growing social acceptance of gambling. However, the industry will continue to face pressure from new casino hotels as states look to casino operations to boost tax revenues. Additionally, the increasing demand for interactive entertainment experiences such as live shows and concerts pose a threat to the industry. Industry revenue is expected to increase at a CAGR of 1.3% to $24.2 billion over the next five years.

### Affiliate Marketing Industry[8]

Affiliate marketing is a collaborative marketing strategy where affiliates earn a commission for driving traffic, signups, or sales to a merchant's products or services. This model enables businesses to leverage external parties for sales generation, functioning as a performance-driven approach where commissions incentivize affiliates. Typically, the commission is a percentage of the sale price, but it can also be a fixed amount per referral.

The practice of affiliate marketing is gaining traction and becoming more prevalent among business professionals, recognized for its dual advantages of potential growth and cost efficiency. The global affiliate marketing industry, valued at $19,217.4 million in 2021, is projected to reach $36,902.1 million by 2030, growing at a CAGR of 7.7% during the forecast period from 2022 to 2030. North America currently dominates the market, holding over 40.0% market share in 2021 and generating revenue of $8,061.4 million in the same year. This growth trajectory underscores the increasing significance of affiliate marketing in the modern business landscape.

### Market Research in the U.S.[9]

Operators in the industry systematically gather, record, tabulate and present marketing and public opinion data. Market research companies have benefited from research and development expenditure growth as companies develop new products to satisfy consumer demand.

The Internet's growing influence on consumers and advertisers has spawned new metrics for market researchers, enabling better understanding of consumer behavior. This has attracted new companies and pushed existing ones to adapt and innovate. Social media's rise has also fueled demand for market research. These trends drive revenue growth and profit expansion. Advancements like artificial intelligence and emotion AI promise new insights into human behavior, creating further research opportunities. However, concerns over consumer data privacy may lead to stricter regulations, potentially impacting market research firms. Overall, industry revenue is forecast to grow at a 2.5% CAGR, reaching $35.0 billion in five years.

[7] IBISWorld Industry Report: Non-Hotel Casinos in the U.S. dated January 2024.

[8] Research and Markets: Global Affiliate Marketing Platform Market Report dated December 2022.

[9] IBISWorld Industry Report: Market Research in the U.S. dated November 2023.

## FINANCIAL OVERVIEW

### Historical Results

The following table summarizes certain financial results of FansUS for the fiscal years ended December 31, 2021 to 2023 and the 3 months ended March 31, 2024.

| (USD 000s) | Fiscal Year Ended December 31, 2021A | 2022A | 2023A | 3 Months Ended March 31, 2024A |
|---|---|---|---|---|
| | [1][2] | [2] | [2] | [2] |
| **Revenue** | **15,516** | **17,490** | **17,255** | **6,112** |
| *% growth* | *NMF[2]* | *12.7%* | *(1.3%)* | *n/a* |
| **Gross profit** | ***10,670*** | ***10,768*** | ***10,951*** | ***3,827*** |
| *% revenue* | *68.8%* | *61.6%* | *63.5%* | *62.6%* |
| **EBITDA*** | **7,231** | **5,653** | **5,449** | **2,065** |
| *% revenue* | *46.6%* | *32.3%* | *31.6%* | *33.8%* |
| **Normalization adjustment** | | | | |
| Professional service costs[4] | 415 | - | - | - |
| BetMGM cyber attack and Michigan labour strike[4] | - | - | 349 | - |
| Other non-recurring adjustments[4] | - | - | 86 | - |
| **Normalized EBITDA** | **7,646** | **5,653** | **5,883** | **2,065** |
| *% revenue* | *49.3%* | *32.3%* | *34.1%* | *33.8%* |

** Represents earnings before interest, taxes, depreciation, and amortization ("EBITDA"), before normalization adjustments.*

*[1] Source: Unaudited internal financial statements of Betting Hero Company for the period from January 1, 2021 to November 21, 2021, as provided by Management.*

*[2] Source: Unaudited internal financial statements of FansUS for the for the period from November 22, 2021 to December 31, 2021, fiscal years ended December 31, 2022 to 2023, and for the 3 months ended March 31, 2024, as provided by Management. For further clarity, the historical financial results were retrospectively adjusted to exclude the Non-Core Assets.*

*[3] NMF = Not meaningful*

*[4] Refer to Normalized EBITDA section for further details.*

*[5] Other non-recurring adjustments include one-time items such as performance bonuses, manager commissions, etc.*

**Revenue**

Revenue increased by 12.9% from $15.5 million in FY 2021 to $17.5 million in FY 2022 driven by the legalization of sports betting in a number of new states, namely Louisiana, New York, Connecticut, and Maryland, which enabled Betting Hero to offer Live Activation services. Typically, revenues in new states peak during the initial years before tapering off as activity levels normalize. However, revenue remained relatively flat at $17.3 million in FY 2023, albeit slightly below the $17.5 million from FY 2022. Despite the launch of Live Activation services in four new states in FY 2023, namely Massachusetts and Kentucky, this growth was offset by a one-time revenue shortfall due to the closure of BetMGM's casinos in Las Vegas following a cyber-attack in FY 2023, as well as a decline in Live Activation revenue from existing states as activities stabilized.

BetMGM accounted for over 65% of Betting Hero's revenue from FY 2020 to FY 2023, followed by Caesars and FanDuel. FansUS mitigates its concentration risk through MPA renewals with major operators, active participation in industry conferences to strengthen customer relationships, cross-selling opportunities within the Research segment, a commitment to operational excellence, and a dominant market presence as one of the largest live activation companies in the U.S.

**Normalized EBITDA**

FY 2021 EBITDA was impacted by one-time professional services costs of $415,000 related to FansUnite's acquisition of American Affiliate and Betting Hero (the "2021 Acquisition"). As a result, we added this expense back to EBITDA for FY 2021. EBITDA margins remained steady between 32.3% to 34.1% in FY 2022 and FY 2023 after the following normalization adjustments:

- **BetMGM Cyber Attack**: The cyber attack on BetMGM resulted in BetMGM temporarily closing its Las Vegas casinos and requested Betting Hero to pause activations for a week and a half until internal issues were resolved. Post-attack, BetMGM enhanced its processes to prevent future occurrences;
- **Michigan Casino Labour Workers Strike**: The strike by casino labour workers in Michigan led to the shutdown of several casinos, including the MGM Grand Detroit. Betting Heroes were instructed not to attend events for the strike's duration; and
- Other non-recurring adjustments include one-time items such as performance bonuses, manager commissions, etc.

### Financial Position

The following table summarizes FansUS's balance sheet as at December 31, 2021 to 2023 and as at June 26, 2024 (forecast). Unless otherwise noted in this Valuation & Fairness Opinion, we assumed there are no material changes in FansUS's financial position as at the Valuation Date from Management's forecast.

| | As at December 31, | | | As at June 26, |
|---|---|---|---|---|
| (USD 000s) | 2021A | 2022A | 2023A | 2024F |
| | [1] | [1] | [1] | [1] |
| **Assets** | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 424 | 452 | 1,476 | 1,573 |
| Accounts receivable | 5,072 | 2,810 | 3,074 | 2,347 |
| Prepaid expenses | - | 12 | - | 10 |
| Intercompany AR | 2,200 | 5,687 | 2,826 | 4,042 |
| Deferred tax asset | - | - | 2,806 | 4,246 |
| Total current assets | 7,696 | 8,961 | 10,181 | 12,218 |
| | | | | |
| Property and equipment | 9 | - | - | - |
| Intangible assets | 48,614 | 31,789 | 17,050 | 9,949 |
| Goodwill | 59,976 | 14,885 | 14,885 | 14,885 |
| Right of use asset | - | 230 | 132 | 84 |
| **Total assets** | **116,295** | **55,865** | **42,248** | **37,136** |
| | | | | |
| **Liabilities** | | | | |
| Current liabilities | | | | |
| Accounts payable and accruals | 1,236 | 566 | 529 | 598 |
| Accrued bonus payable | - | - | 2,500 | 500 |
| Amounts due to related parties | 130 | 25 | 25 | - |
| Income taxes payable | 50 | (71) | (83) | 178 |
| Deferred tax liabilities (assets) | (110) | 336 | - | - |
| Current portion of contingent consideration | 17,478 | 6,010 | 8,451 | 10,784 |
| Current portion of lease liability | - | 100 | 107 | 78 |
| Total current liabilities | 18,784 | 6,967 | 11,530 | 12,138 |
| | | | | |
| Contingent consideration | 48,428 | 6,414 | 1,665 | - |
| Long term debt | - | 6,079 | 2,057 | 398 |
| Lease liability | - | 113 | 22 | - |
| **Total liabilities** | **67,212** | **19,572** | **15,274** | **12,536** |
| **Shareholders' equity** | **49,083** | **36,293** | **26,975** | **24,600** |
| **Total liabilities and shareholders' equity** | **116,295** | **55,865** | **42,248** | **37,136** |

*[1] Source: Internal unaudited financial statements for FansUS as provided by Management. For further clarity, the historical financial results were retrospectively adjusted to exclude the Non-Core Assets.*

### Intercompany Accounts Receivable

For the purposes of the Valuation & Fairness Opinion, we understand this balance is expected to be settled prior to the Expected Closing Date and will not be assumed by the Acquirer.

### Right of Use Asset and Lease Liability

We adjusted the right of use asset and the lease liability to $nil and included the corresponding lease payments in the cash flow projections.

### Income Tax Position

Based on discussions with Management, we understand there is nominal LCF balance as at the Valuation Date. Management has further accrued for income taxes payable for the period from January 1, 2024 to June 26, 2024.

We understand the deferred income tax asset represents the temporary difference between the accounting carrying amount and the existing tax bases of the assets and liabilities. Refer to the Discounted Cash Flow section for BDO's assessment of the tax shield associated with FansUS's undepreciated tax basis as at the Valuation Date.

### Working Capital Adjustment

Based on the balance sheet as at June 26, 2024 (forecast) and pursuant to the Transaction Agreement, the Working Capital Adjustment is $1.8 million, calculated as follows:

| (USD 000s) | June 26, 2024 (Forecast) |
|---|---|
| Operating cash | 775 |
| Accounts receivable | 2,347 |
| Prepaid expenses | 10 |
| Less: Accounts payable and accruals | (597) |
| **Estimated closing NWC** | **2,535** |
| Optimal working capital[10] | 775 |
| **Working capital adjustment** | **1,760** |

## FINANCIAL PROJECTIONS

For the purposes of the Valuation & Fairness Opinion, Management provided financial projections for each of the "Live Activation" and "Research" segments. Each of these segments is discussed in further detail below.

### Live Activation

In the table below, BDO summarized Management's historical and projected results for Live Activation for the fiscal years ending December 31, 2023 to December 31, 2026.

| | Fiscal Year Ending December 31, | | | |
|---|---|---|---|---|
| (USD 000s) | 2023A | 2024P | 2025P | 2026P |
| **Revenue** | **16,619** | **16,960** | **17,800** | **19,954** |
| *% growth* | *(1.4%)* | *2.1%* | *5.0%* | *12.1%* |
| **EBITDA*** | **5,370** | **5,825** | **6,114** | **6,854** |
| *% revenue* | *32.3%* | *34.3%* | *34.3%* | *34.3%* |

** Represents earnings before interest, taxes, depreciation, and amortization ("EBITDA"), before normalization adjustments.*

[10] Working capital investment required for operations, which includes the operating cash balance, was based on the target cash and working capital amount of $775,000 per the Transaction Agreement.

As noted earlier, Live Activation revenue primarily consists of CPA revenue from the online sports betting and gaming operators for events held at bars, casinos and venues per state. Per discussions with Management, Betting Hero no longer regularly activates within West Virginia, Virginia, Louisiana, Kentucky, Kansas, Iowa and Indiana. As such, no revenue is forecast for these states.

The eCPA in the financial projections varies according to the type of Live Activation and is in-line with Betting Hero's historical eCPA range. As discussed earlier, CPAs negotiated in the MPAs depend on venue, state, operator, and event type. More specifically, events at venues typically yield the highest eCPAs, followed by those at bars and casinos. The eCPA for iCasino activities pertains to mobile gambling. Unlike sports betting, mobile casino gambling is often limited to legalized markets and requires players to be physically present in a casino. Casino gamblers generally spend more than sports bettors, making them more valuable to operators who are willing to pay a premium for acquiring iCasino players, hence the higher eCPAs.

Management has projected an EBITDA margin of 34.3% over the forecast period, which is generally comparable with the normalized EBITDA margin of 34.1% for FY 2023. In this regard, we note that Live Activation's largest expenses relate to contractor expenses to the Betting Heroes, which are variable in nature.

### Research

In the table below, BDO summarized Management's historical and projected amounts for Research for the fiscal years ending December 31, 2023 to December 31, 2026.

| | Fiscal Year Ending December 31, | | | |
|---|---|---|---|---|
| (USD 000s) | 2023A | 2024P | 2025P | 2026P |
| Subscriptions | 81 | 165 | 234 | 306 |
| One-time engagements | - | 400 | 400 | 400 |
| Recurring engagements | 547 | 740 | 960 | 1,320 |
| **Revenue** | **628** | **1,305** | **1,594** | **2,026** |
| *% growth* | *(2,0%)* | *107.6%* | *22.1%* | *27.1%* |
| **EBITDA*** | **218** | **512** | **628** | **793** |
| *% revenue* | *34.7%* | *39.3%* | *39.4%* | *39.2%* |

** Represents earnings before interest, taxes, depreciation, and amortization ("EBITDA"), before normalization adjustments.*

As discussed earlier, Research services include demographic surveys, betting behavior analysis, app preference insights, comprehensive product testing, consumer and competitive analysis, and tailored consulting services. The Research revenue model includes subscription revenue, as well as one-time and recurring engagement revenue. For the projection period, Management has forecast 4 monthly subscribers in FY 2024, 6 monthly subscribers in FY 2025 and 8 monthly subscribers in FY 2026. Per discussions with Management, we understand there is a pipeline of research customers that include, but are not limited to Caesars, Bet365 Group Limited. ("Bet365"), and BetMGM. In this regard, Management indicated Betting Hero reported approximately $450,000 of research revenue in Q1 2024, which is in-line with the projected Research revenue for FY 2024 when annualized.

Management has projected EBITDA margin to increase from 34.7% in FY 2023 to 39.3% on average over the forecast period. In this regard, we understand from Management that the anticipated growth in margin is attributed to Betting Hero's strategic plans for improved cost management and scaling of top-line revenue.

## VALUATION OF THE FANSUS SHARES

### Approaches to Value

The Valuation is based upon techniques and assumptions that BDO considered appropriate in the circumstances for the purpose of arriving at an opinion as to the range of FMV of the FansUS Shares. The FMV of the FansUS Shares was determined on a going concern basis, as FansUS is expected to continue as a going concern, and was expressed on en-bloc basis.

### Valuation Considerations

For the purposes of the Valuation & Fairness Opinion, BDO principally considered the following business valuation methodologies and analyses for FansUS:

1. Intrinsic Value;
2. Market Capitalization; and
3. Internal Rate of Return ("IRR").

### Intrinsic Value

Intrinsic value of the Business enterprise value ("BEV") of FansUS is determined using the methodologies below:

1. Income approach - a discounted cash flow ("DCF") analysis of each segment (Live Activation and Research);
2. Market approach - an analysis of the financial multiples of the selected comparable companies whose securities are publicly traded; and
3. Market approach - an analysis of the financial multiples, to the extent publicly available, of selected precedent M&A transactions.

### Discounted Cash Flow Method

Under the income approach, BDO used the DCF analysis to determine the BEV of FansUS. In our view, this approach would most likely be employed by a prospective purchaser of FansUS given the cash flow profile of FansUS as projected by Management.

The DCF methodology reflects the growth prospects and risks inherent in FansUS's business by taking into account the amount, timing, and relative certainty of projected unlevered after-tax free cash flows expected to be generated by FansUS. The DCF analysis requires certain assumptions to be made, among other things, regarding the future unlevered after-tax free cash flows, discount rates and terminal values.

Under the DCF method, unlevered free cash flows are discounted at a specific rate to determine the present value. The present value of a terminal value, representing the value of unlevered free cash flows beyond the end of the projection period, is added to arrive at the BEV. As discussed below, in order to determine the present value of FansUS's unlevered cash flows in the terminal period, we used the H-model.

In applying the DCF method, BDO reviewed and relied upon the financial projections of Betting Hero, as prepared and provided by Management, for the fiscal years ending December 31, 2024 to 2026. We applied the DCF method separately for Live Activation and Research and used the sum-of-the-parts approach to arrive at the total BEV of FansUS.

#### Cash Taxes

BDO calculated taxes based on a 23.5% tax rate, consistent with the weighted average of the combined federal and state corporate income tax rates based on Betting Hero's operations in the U.S.

### Capital Expenditures

Based on discussions with Management and a review of the historical operating results, annual capital expenditures for both Live Activation and Research are expected to be nominal over the projection period.

### Working Capital

Working capital investment required for operations, which includes the operating cash balance, was based on the target cash and working capital amount of $775,000 per the Transaction Agreement, or 4.2% of projected FY 2024 revenue. Based on discussions with Management, we understand that the working capital requirement for FansUS is typically equivalent to Betting Hero's monthly operating expenses, which ranged between $767,000 and $1,387,000 in FY 2023. We further understand that the net working capital requirement as a percentage of revenue would not be materially different between Live Activation and Research.

### Terminal Value

To estimate the present value of FansUS's unlevered cash flows in the terminal period, for both Live Activation and Research, we used the H-model. Similar to a two-stage dividend discount model, the H-model assumes an initial high growth rate which linearly decreases to the terminal growth rate. As discussed below, revenue growth for both Live Activation and Research is expected to level off beyond the forecast period.

#### *Live Activation*

Based on discussions with Management, the initial growth rate has been determined to be 10.0%, which declines to the outlook for long-term inflation of 2.0%. Live Activation revenue historically peaks in the first year of a new state launch before stabilizing around year three. The cash flow projections assume two large states will legalize sports betting during the projection period, with one remaining large state to legalize sports betting during the terminal period. As a result, we have assumed a high growth period of three years for this segment.

For purposes of calculating the terminal year cash flow, we separately considered and added the present value of the tax benefits associated with FansUS's undepreciated tax basis of $2,500,000 to the BEV of Live Activation. In this regard, we assumed the Acquirer will adopt the Section 338 election to step up the tax basis to the Aggregate Purchase Price of $37,500,000.

#### *Research*

Based on discussions with Management, the initial growth rate has been determined to be 25.0%, which declines to the outlook for long-term inflation of 2.0%. Research is a newer business segment for Betting Hero in comparison to Live Activation, with higher growth potential. The Research segment services customers in the online gambling and iGaming industry. As detailed in the Industry Overview section, the online gambling industry is expected to experience high growth over the next five years. Accordingly, we have selected a high growth period of five years for this segment.

Capital expenditures and working capital requirements assumptions applied in the terminal period are consistent with the discrete projection period.

## Unlevered After-Tax Free Cash Flows

### Live Activation

The following table is a summary of the unlevered after-tax free cash flow projections referenced in the DCF analysis of Live Activation as at the Valuation Date:

| | Fiscal Year Ending December 31, | | | |
|---|---|---|---|---|
| (USD 000s) | 2024P | 2025P | 2026P | Terminal Year |
| **Revenue** | **16,960** | **17,800** | **19,954** | |
| *Growth* | *n/a* | *5.0%* | *12.1%* | |
| **EBITDA** | **5,825** | **6,114** | **6,854** | |
| *EBITDA (%)* | *34.3%* | *34.3%* | *34.3%* | |
| Income taxes at 23.5% | (1,367) | (1,435) | (1,609) | |
| **Net operating income** | **4,458** | **4,679** | **5,245** | |
| *Free cash flow adjustments:* | | | | |
| Incremental net working capital requirements | 55 | (36) | (91) | |
| Capital expenditures | - | - | - | |
| **Debt free cash flow** | **4,513** | **4,643** | **5,153** | |
| **Terminal value** | | | | **29,375** |
| *Partial period adjustment* | *51.4%* | *100.0%* | *100.0%* | *100.0%* |
| **Adjusted cash flow** | **2,320** | **4,643** | **5,153** | **29,375** |

### Research

The following table is a summary of the unlevered after-tax free cash flow projections referenced in the DCF analysis of Research as at the Valuation Date:

| | Fiscal Year Ending December 31, | | | |
|---|---|---|---|---|
| (USD 000s) | 2024P | 2025P | 2026P | Terminal Year |
| **Revenue** | **1,305** | **1,594** | **2,026** | |
| *Growth* | *n/a* | *22.1%* | *27.1%* | |
| **EBITDA** | **512** | **628** | **793** | |
| *EBITDA (%)* | *39.3%* | *39.4%* | *39.2%* | |
| Income taxes at 23.5% | (120) | (148) | (186) | |
| **Net operating income** | **392** | **481** | **607** | |
| *Free cash flow adjustments:* | | | | |
| Incremental net working capital requirements | (55) | (12) | (18) | |
| Capital expenditures | - | - | - | |
| **Debt free cash flow** | **337** | **469** | **589** | |
| **Terminal value** | | | | **4,083** |
| *Partial period adjustment* | *51.4%* | *100%* | *100.0%* | *100.0%* |
| **Adjusted cash flow** | **173** | **469** | **589** | **4,083** |

## Weighted-Average Cost of Capital (WACC)

A description of the weighted-average cost of capital ("WACC") and its components is discussed below. We included separate WACC calculations by segment to reflect the relative risks of the segments.

### Description of WACC

The cash flow stream for the discrete projection period and the terminal value are discounted to their present value by applying an appropriate discount rate. The WACC is the implied rate of return an investor would require for an investment in a company with similar risk and business characteristics to Betting Hero. The WACC is determined by

examining market information for comparable companies and using this information to estimate an equity cost of capital using the Capital Asset Pricing Model ("CAPM"). The applicable cost of debt is determined, and a weighted-average of the rate is calculated.

**Components of WACC — Live Activation**

Live Activation's assumed optimal capital structure of 15.0% debt-to-capital was determined based on BDO's assessment of the optimal capital structure for this segment as at the Valuation Date. This included a review of the median debt-to-capital ratios of the selected comparable public companies as at the Valuation Date.

The following is a summary of the assumptions and calculations BDO used to estimate the cost of equity and WACC, for Live Activation as at the Valuation Date:

| | Low | High |
|---|---|---|
| **Cost of equity** | | |
| *Systematic risk factors:* | | |
| Risk free rate | 4.55% | 4.55% |
| Levered equity beta | 0.88 | 0.88 |
| Equity risk premium | 5.50% | 5.50% |
| Country risk premium | 0.00% | 0.00% |
| Cost of equity (before unsystematic risk) | 9.38% | 9.38% |
| *Unsystematic risk factors:* | | |
| Size premium | 7.64% | 7.64% |
| Company specific risk premium | 6.00% | 7.50% |
| **Cost of equity** | **23.02%** | **24.52%** |
| **Cost of debt** | | |
| Pre-tax cost of debt | 14.60% | 14.60% |
| Tax rate | 23.47% | 23.47% |
| **After-tax cost of debt** | **11.17%** | **11.17%** |
| **Weight** | | |
| Debt-to-capital | 15.00% | 15.00% |
| Equity-to-capital | 85.00% | 85.00% |
| **Weighted average cost of capital (rounded)** | **21.00%** | **23.00%** |
| **Selected WACC** | | **22.00%** |

Assumptions applied in the foregoing analysis are described below:

- **Risk Free Rate of Return —** At the Valuation Date, the risk-free return as measured by the yield on long-term (20-year) United States treasury bonds was 4.6%;
- **Beta** — We examined the rates of return demanded by investors in public companies that are in the affiliate marketing industry. An unlevered beta of 0.83 was calculated based on the beta of comparable public companies. This beta was then levered to 0.88 based on the Live Activation' target debt-to-capital ratio;
- **Equity Risk Premium —** An equity risk premium of 5.5% was applied based on BDO's review of recently published articles, academic studies, and surveys that attempt to quantify the expected equity risk premium for U.S. common stocks, as well as the range of equity risk premiums used by other major accounting or valuations firms in the marketplace;
- **Country Risk Premium —** A country risk premium of 0.0% was selected based on the 2024 Kroll Cost of Capital Navigator for a company operating in the United States;
- **Size Premium —** The size premium is based on the 2024 Kroll Cost of Capital Navigator (decile 10b) of 7.6%;
- **Cost of Debt —** A pre-tax cost of debt of 14.6% was determined based 20-year corporate CCC rated securities in the consumer discretionary industry as reported by Capital IQ; and

- **Company Specific Risk Premium** — In addition to the risk reflected through the beta and equity risk premium, we added a specific risk premium of 6.0% to 7.5% to account for the following positive and negative factors specific to this segment:

**Positive Factors:**

- Betting Hero has a strong reputation as one of the largest live activation partners in the U.S. gaming market having delivered more than 300,000 new depositing customers;
- Operating expenses for Live Activation are highly scalable given Betting Heroes are hired on a contract basis for all activation events and minimal capital expenditures are required;
- Live Activation's existing customer base includes large industry players like BetMGM, Caesars, FanDuel, DraftKings, Inc., and Bet365;
- Live Activation has a track record of low customer turnover;
- Betting Hero has an experienced management team to lead expansion and strategic initiatives; and
- Potential upside associated with Betting Hero's future digital expansion, which was not reflected in the projected cash flows.

**Negative Factors:**

- Betting Hero has high customer concentration risk with BetMGM representing 65.0% of revenue from 2020 to 2023;
- Risk of lower-than-expected EBITDA margins due to rising salary and contractor expenses;
- Risk associated with lower-than-expected revenue growth stemming from new state launches, as success is contingent upon the passage of bills legalizing online gambling in subject states in the U.S.; and
- Organic Live Activation revenue growth is limited following the initial new state launches.

**Summary of WACC Computation**

Based on the foregoing, Live Activation's WACC is in the range of 21.0% to 23.0%.

**Components of WACC — Research**

Research's assumed optimal capital structure of 15.0% debt-to-capital was determined based on BDO's assessment of the optimal capital structure for this segment as at the Valuation Date. This included a review of the median debt-to-capital ratios of the selected comparable public companies as at the Valuation Date.

The following is a summary of the assumptions and calculations BDO used to estimate the cost of equity and WACC for Research as at the Valuation Date:

| | Low | High |
|---|---|---|
| **Cost of equity** | | |
| *Systematic risk factors:* | | |
| Risk free rate | 4.55% | 4.55% |
| Levered equity beta | 0.92 | 0.92 |
| Equity risk premium | 5.50% | 5.50% |
| Country risk premium | 0.00% | 0.00% |
| Cost of equity (before unsystematic risk) | 9.61% | 9.61% |
| *Unsystematic risk factors:* | | |
| Size premium | 7.64% | 7.64% |
| Company specific risk premium | 9.00% | 11.00% |
| **Cost of equity** | **26.25%** | **28.25%** |

| | Low | High |
|---|---|---|
| **Cost of debt** | | |
| Pre-tax cost of debt | 14.60% | 14.60% |
| Tax rate | 23.47% | 23.47% |
| **After-tax cost of debt** | **11.17%** | **11.17%** |
| **Weight** | | |
| Debt-to-capital | 15.00% | 15.00% |
| Equity-to-capital | 85.00% | 85.00% |
| **Weighted average cost of capital (rounded)** | **24.00%** | **26.00%** |
| **Selected WACC** | | **25.00%** |

Assumptions applied in the foregoing analysis are described below:

- **Risk Free Rate of Return —** At the Valuation Date, the risk-free return as measured by the yield on long-term (20-year) United States treasury bonds was 4.6%;
- **Beta** — We examined the rates of return demanded by investors in public companies that are in the research and consulting industry. An unlevered beta of 0.81 was calculated based on the beta of comparable public companies. This beta was then levered to 0.92 based on Research's target debt-to-capital ratio;
- **Equity Risk Premium —** An equity risk premium of 5.5% was applied based on BDO's review of recently published articles, academic studies, and surveys that attempt to quantify the expected equity risk premium for U.S. common stocks, as well as the range of equity risk premiums used by other major accounting or valuations firms in the marketplace**;**
- **Country Risk Premium —** A country risk premium of 0.0% was selected based on the 2024 Kroll Cost of Capital Navigator for a company operating in the United States;
- **Size Premium —** The size premium is based on the 2024 Kroll Cost of Capital Navigator (decile 10b) of 7.6%;
- **Cost of Debt —** A pre-tax cost of debt of 14.6% was determined based 20-year corporate CCC rated securities in the consumer discretionary industry as reported by Capital IQ; and
- **Company Specific Risk Premium —** In addition to the risk reflected through the beta and equity risk premium, we added a specific risk premium of 9.0% to 11.0% for Research to account for the following positive and negative factors specific to this segment:

**Positive Factors:**

- 75% of the Research's revenue is comprised of subscriptions and recurring engagements;
- There is opportunity to cross sell services to existing Live Activation customers;
- Betting Hero has an experienced management team to lead expansion and strategic initiatives; and
- Betting Hero has a strong pipeline of customers and contracts with high probability of signing.

**Negative Factors:**

- Execution risk associated with the projected revenue growth as Research is in its early stage and lacks historical track record; and
- Risk of higher-than-expected business development and marketing expenses required to support the projected revenue growth, resulting in reduced profitability.

**Summary of WACC Computation**

Based on the foregoing, the WACC for Research is in the range of 24.0% to 26.0%.

### Summary of Business Enterprise Value of FansUS (DCF)

The following table provides a summary of the range of FansUS's BEV resulting from the DCF analysis.

| (USD 000s) | Low | High |
|---|---|---|
| Business enterprise value (BEV) – Live Activation | 28,400 | 34,800 |
| Business enterprise value (BEV) – Research | 3,200 | 3,900 |
| **Business enterprise value (BEV) - FansUS** | **31,600** | **38,700** |
| | | |
| Implied BEV/FY 2023 EBITDA multiple | 5.4X | 6.6X |
| Implied BEV/FY 2024 EBITDA multiple | 5.0X | 6.1X |
| Implied terminal EBITDA multiple (Live Activation) | 4.3X | 5.2X |
| Implied terminal EBITDA multiple (Research) | 5.2X | 6.3X |
| WACC (Live Activation) | *21.0%* | *23.0%* |
| WACC (Research) | *24.0%* | *26.0%* |

### Sensitivity Analyses (DCF)

As part of the DCF analyses, BDO performed sensitivity analyses of the calculated Live Activation and Research BEV for changes in several key factors, as shown below:

| | | Change in Valuation | |
|---|---|---|---|
| **Live Activation — Sensitivity Analysis (USD 000s)** | Sensitivity | Low | High |
| WACC | +0.5% | (600) | (800) |
| | -0.5% | 900 | 1,000 |
| Revenue growth (FY 2024 to FY 2026) | +2.5% | 800 | 800 |
| | -2.5% | (600) | (800) |
| EBITDA margin (FY 2024 to FY 2026) | +2.5% | 2,000 | 2,400 |
| | -2.5% | (1,800) | (2,300) |
| Delay in the projected legalization of online gambling in new states | 1 year | (500) | (700) |
| | 2 years | (1,000) | (1,400) |

| | | Change in Valuation | |
|---|---|---|---|
| **Research — Sensitivity Analysis (USD 000s)** | Sensitivity | Low | High |
| WACC | +0.5% | (100) | (200) |
| | -0.5% | - | 100 |
| Revenue growth (FY 2024 to FY 2026) | +2.5% | - | 100 |
| | -2.5% | (100) | (200) |
| EBITDA margin (FY 2024 to FY 2026) | +2.5% | 200 | 300 |
| | -2.5% | (200) | (300) |

## Comparable Public Companies Method

BDO also considered comparable trading analysis in assessing the reasonableness of our conclusion under the DCF method. The market multiples were based on the selected public comparable companies' closing share prices on June 26, 2024 and on other publicly available information. The following table summarizes the results of this analysis.

| Company Name | NTM Revenue Growth | NTM EBITDA Growth | BEV[1] | BEV/LTM EBITDA | BEV/NTM EBITDA |
|---|---|---|---|---|---|
| **Live Activation** | | | | | |
| Better Collective A/S | 25.9% | 34.0% | 1,654 | 14.7X | 11.0X |
| Gaming Innovation Group Inc. | 62.3% | 54.2% | 453 | 9.9X | 6.4X |
| Gambling.com Group Limited | 12.2% | 50.3% | 270 | 9.0X | 6.0X |
| Acroud AB (publ) | 9.9% | 30.4% | 43 | 7.4X | 5.6X |
| XLMedia PLC | nmf | 81.1% | 28 | 10.6X | 5.9X |
| **Average** | | | | **10.3X** | **7.0X** |
| **Median** | | | | **9.9X** | **6.0X** |
| **Median @ 40.0% Discount** | | | | **5.9X** | **3.6X** |
| **Median @ 50.0% Discount** | | | | **4.9X** | **3.0X** |

[1] In USD millions

BDO identified, reviewed, and compared public companies in the affiliate marketing industry across a variety of factors including, among others, industry, size, enterprise value, revenue, EBITDA, business description, and geographic location of operations. While no comparable public market research companies were identified in the online gambling industry, approximately ~96.0% of FansUS's revenue as of the Valuation Date is derived from Live Activation. Therefore, the comparable public companies within the affiliate marketing industry are deemed most pertinent for the purposes of the Valuation & Fairness Opinion.

Live Activation comparables were selected based on an analysis of their revenue model. We selected comparables where affiliate marketing represented greater than 50.0% of the enterprise's overall revenue. To determine the BEV of Live Activation, BDO considered the market multiples of EV-to-EBITDA over the last twelve months ("LTM") as appropriate for Live Activation comparables.

For illustrative purposes, BDO applied a discount of 40.0% to 50.0% ("Discount") to the median of the unadjusted market multiples of the public comparable companies to select the multiple range discussed below. The Discount applied was based on our review of the selected public company comparables and consideration of the factors noted above. Key drivers of the Discount are size and higher revenue and EBITDA growth in comparison to FansUS as shown in the table above. Based on our review of the range of market multiples of the comparable public companies and in consideration of the factors discussed earlier, we selected LTM/EBITDA market multiples in the range of 5.5X to 6.0X.

## Summary of Business Enterprise Value of FansUS (Comparable Public Companies Method)

The following table provides a summary of the range of FansUS's BEV based on the comparable public companies method.

| (USD 000s) | Low | High |
|---|---|---|
| Selected BEV/LTM EBITDA multiple | 5.5X | 6.0X |
| March 2024 LTM normalized EBITDA | 6,000 | 6,000 |
| **Business enterprise value (BEV) - FansUS (rounded)** | **33,000** | **36,000** |

### Precedent M&A Transactions Method

BDO reviewed precedent M&A transactions ("Precedent Transactions") in the affiliate marketing industry that provided sufficient public information to derive precedent transaction multiples. While no comparable precedent transactions involving market research companies in the online gambling industry were identified, approximately ~96.0% of FansUS's revenue as of the Valuation Date is derived from Live Activation. Therefore, the Precedent Transactions within the affiliate marketing industry are deemed most pertinent for the purposes of the Valuation & Fairness Opinion.

In assessing the comparability of the Precedent Transactions, BDO considered the following key factors (among others): (a) industry; (b) size; (c) revenue; (d) EBITDA; (e) business descriptions of the target company; (f) geographic location of operations; (g) profitability of the target business; (h) condition of the financial markets at the time of the transaction; and (i) other factors affecting the target company.

For each of the Precedent Transactions, BDO calculated the multiple of BEV-to-EBITDA over LTM and NTM, as appropriate. The multiples were based on the implied BEV and other publicly available information as at the closing date of each transaction.

Please see below for a summary of other comparable Precedent Transactions.

| Target | Purchaser | Close Date | BEV/LTM EBITDA | BEV/NTM EBITDA |
|---|---|---|---|---|
| XL Media plc | Gambling.com Group Limited | 21-Mar-24 | 6.0X* | NA |
| Playmaker Capital Inc. | Better Collective A/S | 6-Feb-24 | NMF** | 8.0X |
| KaFe Rocks | Gaming Innovation Group | 22-Dec-23 | NA | 3.6X |
| UK and Australian online sports betting brands of Catena Media plc | Moneta Communications Limited | 8-Aug-23 | 6.7X | NA |
| Wedge Traffic Limited | Playmaker Capital Inc. | 17-Oct-22 | 10.1X | NA |
| TradeDoubler AB (publ) | Reworld Media Societe Anonyme | 31-Dec-20 | 10.3X | NA |
| Average | | | 8.2X | 5.8X |
| **Median** | | | **8.4X** | **5.8X** |

** Average of the implied BEV – to - FY 2023 proforma adjusted EBITDA multiple of 5.7X to 6.4X.*
*** NMF = Not meaningful*

We note the most comparable precedent transaction for our purposes is XL Media plc's ("XLMedia") divestment of its European and Canadian assets to Gambling.com Group Limited ("XLMedia Transaction"). XLMedia, a leading global digital media company, manages a portfolio of premium brands with an emphasis on sports and gaming in regulated markets. On April 2, 2024, Gambling.com Group completed the acquisition of XLMedia's Europe and Canada sports betting and gaming assets including affiliate gaming sites for a total consideration between $37,500,000 to $42,500,000. The consideration consisted of $20.0 million that was paid on April 2, 2024, with an additional $10.0 million to be paid on the six-month anniversary of closing and between $7.5 million and $12.5 million to be paid on the one-year anniversary of the closing subject to the revenue performance of the assets during the remainder of 2024. Based on market information that is publicly available, the assets acquired by Gambling.com Group Limited were estimated to have generated an EBITDA margin of 30.8% in FY 2023, which is comparable to FansUS's average historical EBITDA margin of 33.2% from FY 2022 to FY 2023. The acquisition implied a BEV – to - FY 2023 proforma adjusted EBITDA multiple of 5.7X to 6.4X.

Based on our review of the results of the DCF method, the range of market multiples of the Precedent Transactions and in consideration of differences in size, scale, scope, breadth and diversification of operations of the Precedent Transactions as compared to FansUS, we selected LTM/EBITDA market multiples in the range of 5.0X to 6.0X in arriving at the BEV of FansUS under the precedent M&A transactions method. Our selected EBITDA market multiples implied a discount ranging from approximately 10.0% to 20.0% compared to the multiples observed in the XLMedia Transaction. We considered this to be reasonable given the additional risk associated with the earn-out portion of the XLMedia Transaction, which is dependent on future revenue performance.

### Summary of Business Enterprise Value of FansUS (Precedent M&A Transactions Method)

The following table provides a summary of the range of FansUS's BEV based on the precedent M&A transactions method.

| (USD 000s) | Low | High |
|---|---|---|
| Selected BEV/LTM EBITDA multiple | 5.0X | 6.0X |
| March 2024 LTM normalized EBITDA | 6,000 | 6,000 |
| **Business enterprise value - FansUS (rounded)** | **30,000** | **36,000** |

### Valuation Summary

In arriving at our opinion of the FMV of the FansUS Shares, BDO made qualitative judgments based upon its professional judgement and experience in rendering such opinions. The following table summarizes the range of the BEV of FansUS and the FMV of the FansUS Shares based on the different valuation methodologies considered, along with our selected BEV of FansUS and FMV of the FansUS Shares.

#### BEV of FansUS

| (USD 000s) | Low | High |
|---|---|---|
| Discounted cash flow method | 31,600 | 38,700 |
| Comparable public companies method | 33,000 | 36,000 |
| Precedent M&A transactions method | 30,000 | 36,000 |
| **Selected BEV of FansUS (rounded)** | **31,000** | **37,000** |
| | | |
| **Aggregate Purchase Price** | **37,500** | **37,500** |
| **Selected BEV of FansUS (rounded)** | **31,000** | **37,000** |
| **Premium / (Discount) to BEV of FansUS ($)** | **6,500** | **500** |
| ***Premium / (Discount) to BEV of FansUS (%)*** | **21.0%** | **1.4%** |

#### FMV of the FansUS Shares

| (USD 000s) | Low | High |
|---|---|---|
| Discounted cash flow method | 31,600 | 38,700 |
| Comparable public companies method | 33,000 | 36,000 |
| Precedent M&A transactions method | 30,000 | 36,000 |
| **Selected BEV of FansUS (rounded)** | **31,000** | **37,000** |
| Plus: non-operating cash balance | 798 | 798 |
| Less: Transaction Expenses | (4,617) | (4,617) |
| Plus: Working Capital Adjustment | 1,760 | 1,760 |
| Plus: Tail Policies premium to be funded by the Company and the Acquirer[11] | 300 | 300 |
| Less: Closing Indebtedness | (11,860) | (11,860) |
| **Selected FMV of FansUS Shares (rounded)** | **17,000** | **23,000** |
| | | |
| **Purchase Consideration[12]** | **23,731** | **23,731** |
| **Selected FMV of FansUS Shares (rounded)** | **17,000** | **23,000** |
| **Premium / (Discount) to FMV ($)** | **6,731** | **731** |
| ***Premium / (Discount) to FMV (%)*** | **39.6%** | **3.2%** |

[11] Per the Transaction Agreement, the Company and the Acquirer shall each fund 50.0% of the premiums in connection with the Tail Policies. As such, in arriving at the FMV of the FansUS Shares, we have added the total premiums of $300,000 estimated by Management.

[12] Purchase Consideration is calculated as the Aggregate Purchase Price of $37,500,000, plus expected Closing Cash Adjustment of $797,856, less Transaction Expenses of $4,616,680, Working Capital Adjustment of $1,759,830, plus 50% of the premiums in connection with the Tail Policies of $150,000 from the Acquirer, less Closing Indebtedness of $11,860,312 as the Valuation Date.

### Market Capitalization

On a market basis, the Purchase Consideration represents a premium of approximately 101.9% to FansUnite's market capitalization as at June 26, 2024 ("Pre-announcement Date"). A summary of the market capitalization is provided in the table below.

| (USD 000s) | |
|---|---|
| Purchase Consideration[8] | 23,731 |
| Equity value | 11,753 |
| **Premium ($)** | **11,977** |
| ***Premium (%)*** | ***101.9%*** |

The determination of the equity value is based on the market capitalization of FansUnite as at June 26, 2024 (pre-announcement date). As discussed earlier, the Purchase Consideration pertains solely to the acquisition of Betting Hero and excludes the Non-Core Assets. As of the Valuation Date, these Non-Core Assets within FansUnite have been incurring losses, which would have reduced FansUnite's overall market capitalization. This factor also contributes to the Purchaser Consideration's premium over the equity level at the FansUnite level.

### Internal Rate of Return

Based on the cash flow projections of Live Activation and Research provided by Management, the BEV of $37,500,000 implied by the Aggregate Purchase Price resulted in an IRR of 21.0%. In assessing the reasonableness of the IRR, we considered the following factors, some of which were discussed earlier:

(a) The historical and projected profitability of the Betting Hero operations;
(b) Low capital requirements for the Betting Hero operations;
(c) Betting Hero is well-known and has a good reputation in the U.S. online gambling and iGaming industry;
(d) Cross-sell opportunities present with diversified services;
(e) Historical track record of low customer turnover attributable to superior performance and quality of services provided;
(f) Strong pipeline of customers and contracts;
(g) Partnerships with large players in the industry such as BetMGM, Caesars, FanDuel, DraftKings, etc.;
(h) High customer concentration risk with BetMGM representing a significant portion of revenues; and
(i) Limited organic live activation revenue growth and risk of revenue growth stemming from new state launches being delayed.

### Other Considerations

In addition to the aforementioned business valuation methodologies, BDO also considered the following:

(a) The process undertaken by the Board related to the Proposed Transaction;
(b) The proposed terms of the Proposed Transaction; and
(c) The price performance of the Shares.

#### The Process Undertaken by The Board Related to the Proposed Transaction

The sale process was the responsibility of Management and was overseen by the Special Committee. A summary of the sale process is described below:

1. In March 2023, the Board and Management engaged Stifel to identify interested buyers of Betting Hero. A list of 20 potential buyers was identified, which was later narrowed down to seven buyers. The potential buyers were

contacted by Stifel on behalf of FansUnite. Four out of the seven potential buyers signed a non-disclosure agreement to discuss the investment opportunity in greater detail;

2. In June 2023, GeoComply advanced with a written offer to the Company. The Board and Management reviewed the offer and completed operational, financial, tax and legal due diligence over the next eight months;
3. On March 1, 2024, Management received a Non-Binding Letter of Interest from GeoComply and entered into the 8-week exclusivity period with GeoComply;
4. The Special Committee contacted BDO regarding a potential assignment in connection with the Proposed Transaction on March 4, 2024;
5. BDO was formally engaged by the Special Committee pursuant to an agreement dated as of April 9, 2024;
6. On April 24, 2024, Management received the draft Transaction Purchase Agreement; and
7. On June 27, 2024 (also referred to as the "Announcement Date"), both parties are expected to enter into the Transaction Agreement pursuant to which the Acquirer will acquire FansUS Shares for an Aggregate Purchase Price of $37,500,000 comprised of cash payment of $30,600,000 and a $6,900,000 Demand Note. The Aggregate Purchase Price is adjusted for the Closing Cash Adjustment, plus Working Capital Adjustment, plus 50% of the premiums in connection with the Tail Policies, minus the amount of the Closing Indebtedness, minus the Transaction Expenses. Pursuant to the Proposed Transaction, the Demand Note will be settled at Closing.

To our knowledge, no logical potential purchaser was specifically excluded from the process. The Purchase Consideration reflects the broad canvassing of the market and contemporaneous negotiations with several potential purchasers.

### The Proposed Terms of the Proposed Transaction

The Proposed Transaction is an all cash offer with the Aggregate Purchase Price to be satisfied through the offset and settlement of the Demand Note at Closing and Cash Consideration to be paid by the Acquirer, subject to the terms and conditions as discussed earlier and as stated in the Transaction Agreement. Consequently, by accepting the Proposed Transaction, the Shareholders do not incur any additional risk associated with future stock market fluctuations.

### The Price Performance

During the past twelve-months leading up to the Pre-Announcement Date, approximately 100.0% of the FansUnite Shares that traded did so at a price significantly below the Purchase Consideration, which implies a per share value of $0.07[13], with a 52-week high of $0.05 and a 52-week low of $0.02.

During the past six months leading up to the Pre-Announcement Date, approximately 100% of the FansUnite shares that traded did so at a price below the Purchase Consideration, with a 26-week high of $0.05 and a 26-week low of $0.03.

The 30-day volume weighted average price for the FansUnite Shares was $0.03.

#### The Relative Liquidity of the Shares

In our view, the FansUnite Shares are relatively thinly-traded as compared to select public company comparables. The total volume of FansUnite Shares that traded in the past twelve months up to the Pre-Announcement Date was approximately 37.3 million shares, which represents approximately 10.4% of the public float. Further, the FansUnite Shares are not covered by any nationally recognized investment banking equity analysts, which likely has a negative impact on liquidity, strength of momentum, and general market perception.

[13] Price per share of $0.07 is based on the Purchase Consideration of $23,730,693 and 359,557,910 FansUnite Shares outstanding as of the Valuation Date.

## VALUATION CONCLUSION

Subject to the assumptions, limitations and qualifications set out herein, BDO is of the opinion that the business enterprise value of FansUS is between $31.0 million and $37.0 million, and FMV of the FansUS Shares is between $17.0 million and $23.0 million as at the Valuation Date.

## FAIRNESS OPINION

### Approach to Fairness

In arriving at its opinion as to whether the Purchase Consideration to be received by the Company pursuant to the Proposed Transaction is fair from a financial point of view to the Company and the Shareholders (other than Betting Hero Co-Founders), BDO considered a number of factors including, but not limited to, the fact that the Purchase Consideration to be received by the Company pursuant to the Proposed Transaction is equal to or greater than the FMV of the FansUS Shares.

### Fairness Opinion Conclusion

Subject to the assumptions, limitations and qualifications set out herein, BDO is of the opinion that, as of the date hereof, the Purchase Consideration to be received by the Company pursuant to the Proposed Transaction is fair from a financial point of view to the Company and the Shareholders (other than the Betting Hero Co-Founders).

Yours very truly,

BDO Canada LLP

**APPENDIX "E"**
**DIVISION 2 OF PART 8 OF THE BCBCA**

**Definitions and application**

**237** (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

**238** (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

**Waiver of right to dissent**

**239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

**Notice of resolution**

**240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

**Notice of court orders**

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

**Notice of dissent**

**242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

**Notice of intention to proceed**

**243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

**Completion of dissent**

**244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

**Payment for notice shares**

**245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

**Loss of right to dissent**

**246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

**247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.