# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D. C. 20549**

# FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2026**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _______to _______**

**Commission file number: 001-39389**

# GAMESQUARE HOLDINGS, INC.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **99-1946435**<br>**(IRS Employer Identification No.)** |

**6775 Cowboys Way, Ste. 1335**
**Frisco, Texas, USA 75034**
**(Address of principal executive offices) (Zip Code)**

**(216) 464-6400**
**(Registrant's telephone number, including area code)**

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, $0.0001 par value** | **GAME** | **The NASDAQ Stock Market LLC** |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding on May 14, 2026 |
|---|---|
| Common Stock - $0.0001 par value | 93,696,723 |

**Cautionary Statement Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that involve substantial risks and uncertainties. These forward-looking statements depend upon events, risks and uncertainties that may be outside of our control. All statements other than statements of historical fact are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements include, without limitation, our expectations concerning the outlook for our business, productivity, plans and goals for future operational improvements and capital investments, operational performance, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance, expected return of its ETH based treasury program, as well as any information concerning possible or assumed future results of operations.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to:

- the sufficiency of our cash and investments to meet our liquidity needs;
- our limited operating history and uncertain future prospects and rate of growth due to our limited operating history, including our ability to implement business plans and other expectations;
- our ability to grow market share in our existing markets or any new markets we may enter;
- our ability to maintain and grow the strength of our brand reputation;
- the Company's ability to achieve its objectives;
- our ability to manage our growth effectively;
- our ability to retain existing and attract new Esports professionals, content creators and influencers;
- our success in retaining or recruiting, or changes required in, our officers, directors and other key employees or independent contractors;
- our ability to maintain and strengthen our community of brand partners, engaged consumers, content creators, influencers and Esports professionals, and the success of our strategic relationships with these and other third parties;
- our ability to effectively compete within the industry;
- our presence on the internet and various third-party mass media platforms;
- risks related to data security and privacy, including the risk of cyber-attacks or other security incidents;
- risks resulting from our global operations;
- our ability to maintain the listing of our Common Stock on Nasdaq;
- our securities' potential liquidity and trading, including that the price of our securities may be volatile;
- future issuances, sales or resales of our securities;
- the impact of our recent underwritten offerings, including potential dilution to existing shareholders, changes to our capital structure, and the manner in which we deploy the proceeds;
- the grant and future exercise of registration rights;
- our ability to secure future financing, if needed, and our ability to repay any future indebtedness when due;
- the ability of the Company to complete offerings on acceptable terms;
- the impact of the regulatory environment in our industry and complexities with compliance related to such environment, including our ability to comply with complex regulatory requirements;
- volatility, liquidity, and market acceptance of digital assets;
- changes in accounting, tax, or valuation standards applicable to digital assets;
- our ability to execute on our crypto treasury allocation, diversification, and hedging strategies;
- our ability to maintain an effective system of internal controls over financial reporting;
- our ability to respond to general economic conditions, including market interest rates;
- our ability to execute on future acquisitions, mergers or dispositions; and
- changes to accounting principles and guidelines.

We caution you not to rely on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this Quarterly Report on Form 10-Q. Forward-looking statements are not guarantees of performance. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Other sections of this report describe additional factors that could adversely affect our business, financial condition or results of operations. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. In the event that any forward-looking statement is updated, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statements except to the extent required by law. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements may appear in our public filings with the U.S. Securities and Exchange Commission ("SEC"), which are or will be (as appropriate) accessible at www.sec.gov, and which you are advised to consult.

We routinely post important information for investors in the "Investors" section of our website, gamesquare.com. We may use our website as a distribution channel of material information about the Company. Accordingly, investors should monitor the "Investors" section of our website, in addition to following our press releases, filings with the SEC, public conference calls, presentations, and webcasts. The information contained on, or that may be accessed through, our website, is not incorporated by reference into, and is not a part of, this Quarterly Report on Form 10-Q.

**GAMESQUARE HOLDINGS, INC.**
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## PART I – FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

**GAMESQUARE HOLDINGS, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(unaudited)**

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Cash | $ 2,357,661 | $ 4,604,781 |
| Restricted cash | 1,837,998 | 1,769,552 |
| Accounts receivable, net | 10,692,528 | 8,733,159 |
| Digital assets | 22,836,912 | 5,987,720 |
| Government remittances | 317,364 | 343,488 |
| Prepaid expenses and other current assets | 798,193 | 771,902 |
| Total current assets | 38,840,656 | 22,210,602 |
| Investments | 137,023 | 383,503 |
| Investment in ETH fund | 10,680,541 | 41,374,063 |
| Promissory note receivable, non-current | 549,000 | 549,000 |
| Property and equipment, net | 113,073 | 114,054 |
| Goodwill | 8,619,295 | 5,912,230 |
| Intangible assets, definite lived, net | 7,980,779 | 5,414,452 |
| Intangible assets, indefinite lived | - | 1,945,962 |
| Right-of-use assets | 1,294,152 | 1,398,515 |
| Total assets | $ 68,214,519 | $ 79,302,381 |
| **Liabilities, Mezzanine Equity and Shareholders' Equity** | | |
| Accounts payable | $ 20,625,627 | $ 21,929,984 |
| Accrued expenses and other current liabilities | 7,012,480 | 6,788,876 |
| Players liability account | 47,535 | 47,535 |
| Deferred revenue | 5,770,860 | 3,952,295 |
| Current portion of operating lease liability | 449,749 | 441,485 |
| Promissory notes payable, current | 9,500,000 | 2,000,000 |
| Warrant liability | 967,429 | 1,626,832 |
| Deferred purchase consideration | 66,399 | 3,996,548 |
| Arbitration reserve | 65,249 | 93,041 |
| Total current liabilities | 44,505,328 | 40,876,596 |
| Contingent purchase consideration, non-current | 2,353,517 | 807,000 |
| Deferred tax liability | 810,704 | 810,704 |
| Operating lease liability | 1,041,033 | 1,154,341 |
| Total liabilities | 48,710,582 | 43,648,641 |
| Commitments and contingencies (Note 17) | | |
| Series A-2 redeemable convertible preferred stock ($0.0001 par value, 50,000,000 authorized, 5,000,000 and 0 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively) | 1,769,744 | - |
| Total Mezzanine equity | 1,769,744 | - |
| Series A-1 convertible preferred stock ($0.0001 par value, 50,000,000 authorized, 3,433 shares issued and outstanding as of March 31, 2026 and December 31, 2025) | 3,924,296 | 3,924,296 |
| Common stock ($0.0001 par value, 100,000,000 shares authorized, 95,761,215 and 98,066,751 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively) | 9,577 | 9,807 |
| Additional paid-in capital | 194,335,860 | 195,158,882 |
| Treasury stock | - | (580,715) |
| Accumulated other comprehensive loss | (559,029) | (586,991) |
| Accumulated deficit | (179,976,511) | (162,271,539) |
| Total shareholders' equity | 17,734,193 | 35,653,740 |
| Total liabilities, mezzanine equity and shareholders' equity | $ 68,214,519 | $ 79,302,381 |

See accompanying notes to Condensed Consolidated Financial Statements.

**GAMESQUARE HOLDINGS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**
**(unaudited)**

| | Three months ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Revenue | $ 14,503,721 | $ 7,439,124 |
| Cost of revenue | 8,931,440 | 4,281,199 |
| Gross profit | 5,572,281 | 3,157,925 |
| Operating expenses: | | |
| General and administrative | 4,439,647 | 3,707,625 |
| Selling and marketing | 2,143,014 | 1,335,761 |
| Research and development | 610,802 | 654,053 |
| Depreciation and amortization | 430,250 | 204,131 |
| Contract exit costs | 150,855 | 617,213 |
| Other operating expenses | 1,171,697 | 745,377 |
| Total operating expenses | 8,946,265 | 7,264,160 |
| Loss from continuing operations | (3,373,984) | (4,106,235) |
| Other income (expense), net: | | |
| Interest income (expense) | (329,101) | 26,586 |
| Change in fair value of convertible debt carried at fair value | - | 333,477 |
| Change in fair value of warrant liability | 659,383 | 5,347 |
| Arbitration settlement reserve | 27,792 | 55,583 |
| Realized and change in unrealized gain (loss) on digital assets and investment in ETH fund | (14,592,149) | - |
| Other income (expense), net | (2,593) | (73,464) |
| Total other income (expense), net | (14,236,668) | 347,529 |
| Loss from continuing operations before income taxes | (17,610,652) | (3,758,706) |
| Income tax expense | - | - |
| Net income (loss) from continuing operations | (17,610,652) | (3,758,706) |
| Net income (loss) from discontinued operations | (94,320) | (3,415,030) |
| Net loss | (17,704,972) | (7,173,736) |
| Net loss attributable to non-controlling interest | - | 2,018,132 |
| Net loss attributable to GameSquare Holdings, Inc. | $ (17,704,972) | $ (5,155,604) |
| | | |
| Comprehensive loss, net of tax: | | |
| Net loss | $ (17,704,972) | $ (7,173,736) |
| Change in foreign currency translation adjustment | 27,962 | 162,526 |
| Comprehensive loss | (17,677,010) | (7,011,210) |
| Comprehensive loss attributable to non-controlling interest | - | 2,018,132 |
| Comprehensive loss | $ (17,677,010) | $ (4,993,078) |
| | | |
| Income (loss) per common share attributable to GameSquare Holdings, Inc. - basic and assuming dilution: | | |
| From continuing operations | $ (0.18) | $ (0.10) |
| From discontinued operations | (0.00) | (0.04) |
| Loss per common share attributable to GameSquare Holdings, Inc. - basic and assuming dilution | $ (0.18) | $ (0.14) |
| Weighted average common shares outstanding - basic and diluted | 97,334,103 | 36,719,712 |

See accompanying notes to Condensed Consolidated Financial Statements.

**GAMESQUARE HOLDINGS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**(unaudited)**

| | Common stock | | Preferred stock | | Additional paid-in capital | Treasury stock | Accumulated other comprehensive (loss) income | Accumulated deficit | Non-controlling interest | Shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Par value | Shares | Amount | | | | | | |
| Balance, January 1, 2026 | 98,066,751 | $ 9,807 | 3,433 | $ 3,924,296 | $ 195,158,882 | $ (580,715) | $ (586,991) | $ (162,271,539) | $ - | $ 35,653,740 |
| Restricted share units exercised | 799,324 | 80 | - | - | (80) | - | - | - | - | - |
| Share-based compensation - options and RSUs | - | - | - | - | 527,686 | - | - | - | - | 527,686 |
| Treasury stock | - | - | - | - | - | (770,223) | - | - | - | (770,223) |
| Cancellation of treasury stock | (3,104,860) | (310) | - | - | (1,350,628) | 1,350,938 | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - | 27,962 | - | - | 27,962 |
| Net loss | - | - | - | - | - | - | - | (17,704,972) | - | (17,704,972) |
| Balance, March 31, 2026 | 95,761,215 | $ 9,577 | 3,433 | $ 3,924,296 | $ 194,335,860 | $ - | $ (559,029) | $ (179,976,511) | $ - | $ 17,734,193 |
| | | | | | | | | | | |
| Balance, January 1, 2025 | 32,635,995 | $ 3,264 | - | $ - | $ 119,438,370 | $ - | $ (208,617) | $ (122,171,056) | $ 14,942,287 | $ 12,004,248 |
| Conversion of convertible debt | 5,032,233 | 503 | - | - | 3,991,735 | - | - | - | - | 3,992,238 |
| Shares issued to settle outstanding amounts payable | 1,094,891 | 109 | - | - | 1,499,891 | - | - | - | - | 1,500,000 |
| Restricted share units exercised | 62,500 | 6 | - | - | (6) | - | - | - | - | - |
| Share-based compensation - options and RSUs | - | - | - | - | 28,998 | - | - | - | - | 28,998 |
| Other comprehensive loss | - | - | - | - | - | - | 162,526 | - | - | 162,526 |
| Net loss | - | - | - | - | - | - | - | (5,155,604) | (2,018,132) | (7,173,736) |
| Balance, March 31, 2025 | 38,825,619 | $ 3,882 | - | $ - | $ 124,958,988 | $ - | $ (46,091) | $ (127,326,660) | $ 12,924,155 | $ 10,514,274 |

See accompanying notes to Condensed Consolidated Financial Statements.

**GAMESQUARE HOLDINGS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(unaudited)**

| | Three months ended March 31, 2026 | Three months ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net loss | $ (17,704,972) | $ (7,173,736) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization and depreciation | 434,352 | 581,795 |
| Amortization of operating lease right-of-use assets | 104,363 | 176,084 |
| Unrealized (gain) loss on investment in ETH fund | 579,967 | - |
| Realized (gain) loss on investment in ETH fund | 11,777,580 | - |
| Unrealized (gain) loss on digital assets | 385,836 | - |
| Realized (gain) loss on digital assets | 1,848,766 | - |
| Yield on digital assets | (1,243) | - |
| Yield on investment in ETH fund | 33,145 | - |
| Accretion of promissory note receivable | - | (304,283) |
| Change in fair value of contingent purchase consideration | 80,852 | |
| Change in fair value of warrant liability | (659,383) | (5,347) |
| Change in fair value of arbitration reserve | (27,792) | (55,583) |
| Change in fair value of convertible debt carried at fair value | - | (333,477) |
| Share-based compensation | 527,686 | 28,998 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (1,927,099) | 3,025,061 |
| Government remittances | 26,124 | (30,808) |
| Prepaid expenses and other current assets | 24,733 | 432,637 |
| Accounts payable, accrued expenses and other current liabilities | (1,228,552) | (4,755,822) |
| Deferred revenue | (588,582) | 7,942 |
| Operating lease liability | (105,044) | (175,826) |
| Net cash used in operating activities | (6,419,263) | (8,582,365) |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (3,163) | (75,410) |
| Purchase of intangible assets | - | (300,000) |
| Purchase of digital assets | (1,000,000) | - |
| Proceeds from sale of digital assets | 651,237 | - |
| Proceeds from sale of intangible assets, indefinite lived | 1,515,000 | - |
| Proceeds from sale of investments | 250,000 | |
| Payment of deferred purchase consideration | (3,930,149) | - |
| Net cash used in investing activities | (2,517,075) | (375,410) |
| Cash flows from financings activities: | | |
| Payment for acquisition of treasury stock | (770,223) | - |
| Proceeds from payments on promissory notes receivable, net | - | 112,500 |
| Proceeds from issuance of promissory notes payable | 7,500,000 | 2,000,000 |
| Proceeds (repayments) on line of credit, net | - | (650,282) |
| Net cash provided by financing activities | 6,729,777 | 1,462,218 |
| Effect of exchange rate changes on cash and restricted cash | 27,887 | 159,538 |
| Net increase (decrease) in cash and restricted cash | (2,178,674) | (7,336,019) |
| Cash and restricted cash, beginning of period | 6,374,333 | 13,148,980 |
| Cash and restricted cash, end of period | $ 4,195,659 | $ 5,812,961 |

See accompanying notes to Condensed Consolidated Financial Statements.

**GAMESQUARE HOLDINGS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**
**(unaudited)**

| | Three months ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Supplemental disclosure with respect to cash flows: | | |
| Cash paid for interest expense | $ 61,539 | $ 164,379 |
| Cash paid for income taxes | - | - |
| Operating lease payments in operating cash flows | 136,452 | 229,251 |
| | | |
| Supplemental disclosure of non-cash investing and financing activities: | | |
| Acquisition of TubeBuddy with Series A-2 Preferred Stock and contingent purchase consideration | $ 3,235,409 | $ - |
| Sale of NFTs for digital assets - ETH | 430,962 | - |
| Redemption of digital assets - ETH from ETH fund | 18,302,830 | - |
| Conversion of convertible debt | - | 3,992,238 |
| Shares issued to settle legal and other amounts payable | - | 1,500,000 |

Reconciliation of cash and restricted cash:

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Cash | $ 2,357,661 | $ 4,604,781 |
| Restricted cash | 1,837,998 | 1,769,552 |
| Cash and restricted cash shown in the consolidated statements of cash flows | $ 4,195,659 | $ 6,374,333 |

**1. Corporate information and going concern**

(a) Corporate information

GameSquare Holdings, Inc. (NASDAQ: GAME)(formerly Engine Gaming & Media, Inc.) ("GameSquare" or the "Company") is a corporation existing under the laws of the State of Delaware as of March 7, 2024 (and was a corporation existing under the Business Corporations Act (Province of British Columbia) prior to March 7, 2024). The registered head office of the Company is 6775 Cowboys Way, Ste. 1335, Frisco, Texas, USA, 75034.

GameSquare is a vertically integrated, digital media, entertainment and technology company that connects global brands with gaming and youth culture audiences. GameSquare's end-to-end platform includes Swingman LLC dba as Zoned, a gaming and lifestyle marketing agency, Code Red Esports Ltd. ("Code Red"), a UK based esports talent agency, Click Management Pty Ltd ("Click"), an Australia based gaming and esports talent agency, FaZe Holdings Inc. ("FaZe"), a lifestyle and media platform rooted in gaming and youth culture whose premium brand, talent network, and large audience can be monetized across a variety of products and services, GameSquare Esports, (USA), Inc. dba as Fourth Frame Studios, a creative production studio, Mission Supply, a merchandise and consumer products business, Stream Hatchet S.L. ("Stream Hatchet"), live streaming data and analytics platform, SideQik, Inc. ("Sideqik") a social influencer marketing platform, Gaming Community Network ("GCN"), a digital media company focused on gaming and esports audiences, and TubeBuddy, Inc. ("TubeBuddy"), a powerful search engine optimization, workflow, analytics, and productivity tool company.

GameSquare completed the plan of arrangement (the "Arrangement") with GameSquare Esports Inc. ("GSQ") on April 11, 2023, resulting in the Company acquiring all the issued and outstanding securities of GSQ. At completion of the Arrangement Engine Gaming and Media, Inc. changed its name to GameSquare Holdings Inc.

GameSquare, completed its Plan of Merger (the "Merger") with FaZe Holdings, Inc. ("FaZe") on March 7, 2024, resulting in the Company acquiring all the issued and outstanding securities of FaZe.

GameSquare is primarily engaged in the business described above. However, as a secondary strategy, GameSquare is also leveraging sophisticated crypto infrastructure with the intent to generate digital asset yield. GameSquare has partnered with Dialectic Ellipse Feeder Fund LP ("Dialectic"), a crypto-native asset manager, to implement an Ethereum ("ETH") based treasury strategy. GameSquare's ETH-focused yield generation strategy is built on top of Dialectic's proprietary platform Medici, which applies machine learning models, automated optimization, and multi-layered risk controls to generate returns. GameSquare's Board has approved an ETH based treasury and cash management strategy of up to $250 million, based on staged investments over time, while keeping adequate working capital for the operating business. To date, GameSquare has purchased or acquired, directly and indirectly, approximately $63 million ETH and other digital assets, excluding non-fungible tokens ("NFTs"), to support broader growth initiatives across the Company's platform. During the three months ending March 31, 2026, the Company sold $0.7 million in digital assets and exchanged $0.4 million of NFTs for digital assets. As of March 31, 2026, the total fair market value of the Company's digital assets, including fair value of ETH in its investment with Dialectic, amounted to $33.5 million.

GameSquare completed its acquisition of Click, an Australian proprietary limited company ("Click"), on September 11, 2025, resulting in the Company acquiring all the issued and outstanding securities of Click.

GameSquare acquired TubeBuddy, Inc. ("TubeBuddy") on February 20, 2026, a company with powerful search engine optimization, workflow, analytics, and productivity tools powered by proprietary AI, which are used by creators and digital publishers to grow, manage, and monetize their content.

(b) Going concern

These unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or ultimately attain profit levels of operations.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in an accumulated deficit of $180.0 million as of March 31, 2026 and of $162.3 million as of December 31, 2025. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute its business strategy or be successful in future financing activities. As of March 31, 2026, the Company had a working capital deficiency of $5.7 million and of $18.7 million as of December 31, 2025, which is comprised of current assets less current liabilities. The Company has an additional $10.7 million of ETH value held within its investment in ETH fund, which can be redeemed and subsequently sold at its election (subject to the ETH fund's redemption provisions).

These conditions indicate the existence of a material uncertainty that raise substantial doubt about the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

**2. Significant accounting policies**

(a) Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared following generally accepted accounting principles in the United States of America ("GAAP") for interim financial reporting and the rules and regulations of the SEC for interim reporting. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for audited financial statements. The balance sheet as of December 31, 2025 was derived from the Company's audited consolidated financial statements but does not include all disclosures required by GAAP for annual financial statements. In management's opinion, the interim information contains all adjustments, which include normal recurring adjustments necessary for a fair statement of the results for the interim periods. The footnote disclosures related to the interim financial information contained herein are also unaudited. Such financial information should be read in conjunction with the consolidated financial statements and related notes thereto for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on April 8, 2026 (the "2025 Form 10-K").

(b) Principles of consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company, all wholly owned and majority-owned subsidiaries in which the Company has a controlling voting interest and, when applicable, variable interest entities in which the Company has a controlling financial interest or is the primary beneficiary. Investments in affiliates where the Company does not exert a controlling financial interest are not consolidated.

All significant intercompany transactions and balances have been eliminated upon consolidation.

The Company's material subsidiaries as of March 31, 2026, are as follows:

| Name of Subsidiary | Country of Incorporation | Ownership Percentage | Functional Currency |
|---|---|---|---|
| Click Management Pty Ltd | Australia | 100.00% | Australian Dollar |
| Click Media & Management LLC | USA | 100.00% | US Dollar |
| Code Red Esports Ltd. | United Kingdom | 100.00% | UK Pound |
| GameSquare Esports (USA) Inc. | USA | 100.00% | US Dollar |
| Swingman LLC (dba as Zoned) | USA | 100.00% | US Dollar |
| Faze Clan Inc. | USA | 100.00% | US Dollar |
| TubeBuddy, Inc. | USA | 100.00% | US Dollar |
| Stream Hatchet S.L. | Spain | 100.00% | Euro |
| SideQik, Inc. | USA | 100.00% | US Dollar |

(c) Use of estimates

The preparation of unaudited condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on historical experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) credit losses on promissory notes receivable; (ii) assumptions used in business combinations, primarily related to management forecasting of operating cash flows; and (iii) testing for impairment of long-lived assets and goodwill. Actual results may differ from the estimates and assumptions used in the consolidated financial statements.

(d) Concentration of credit risk

The Company places its cash, which may at times be in excess of United States' Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

The Company had no customers whose revenue accounted for more than 10% of total revenue for the three months ended March 31, 2026 and 2025.

No customers individually accounted for more than 10% of the Company's accounts receivable as of March 31, 2026 and December 31, 2025.

(e) Segment reporting

In accordance with the ASC 280, *Segment Reporting*, the Company's Chief Operating Decision Maker ("CODM") has been identified as the Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company.

The CODM uses gross profit, as reviewed at periodic business review meetings, as the key measure of the operating segment results as it reflects the Company's underlying performance for the period under evaluation to determine resource allocation. As of March 31, 2026, the Company is organized into the six operating segments, which represent four reportable segments: Owned and Operated IP, Agency, SaaS and managed services and Yield. Talent Agency and Marketing Agency operating segments are combined into Agency reportable segment. B2B SaaS and B2C SaaS operating segments are combined into SaaS and managed services reportable segment.

ASC 280 establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue.

(f) Revenue recognition

The following table provides a breakdown of the Company's revenue streams from continuing operations for the three months ended March 31, 2026 and 2025:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| SaaS | $ 1,612,045 | $ 744,712 |
| SaaS - Managed services | 436,650 | 350,119 |
| Marketing agency | 3,481,731 | 2,070,329 |
| Talent agency | 3,944,194 | 1,185,457 |
| Content | 1,472,648 | 312 |
| Consumer Products - Merchandise | 62,279 | (86,632) |
| Consumer Products - Royalties | 1,218,304 | 533,004 |
| Brand Sponsorships | 1,217,552 | 440,225 |
| Esports | 1,090,219 | 2,201,598 |
| DAT Yield | (31,901) | - |
| Total Revenue | $ 14,503,721 | $ 7,439,124 |

(g) Redeemable convertible preferred stock – Mezzanine equity

The Company accounts for its Series A-2 redeemable convertible preferred stock in accordance with ASC 480, Distinguishing Liabilities from Equity, ASC 815, Derivatives and Hedging, and applicable SEC guidance, including ASC 480-10-S99.

The Company classifies redeemable convertible preferred stock as temporary equity (mezzanine equity) outside of permanent stockholders' equity in the consolidated balance sheets because the shares contain redemption features that are not solely within the control of the Company. The redeemable convertible preferred stock is initially recorded at its issuance date fair value, net of issuance costs.

The Company evaluates the terms of the redeemable convertible preferred stock to determine whether any embedded features, including conversion options, redemption features, or other contingent settlement provisions, require bifurcation and separate accounting as derivative instruments pursuant to ASC 815.

Subsequent to initial recognition, the carrying value of the redeemable convertible preferred stock is adjusted for accretion to the redemption value when redemption becomes probable or, if applicable, using the effective interest method or by recognizing changes immediately as they occur pursuant to ASC 480-10-S99. Accretion is recorded as an adjustment to retained earnings, or in the absence of retained earnings, as an adjustment to additional paid-in capital and accumulated deficit. As of March 31, 2026, the Company determined the redemption is not probable.

Dividends on redeemable convertible preferred stock, whether declared or cumulative, are recorded in accordance with the terms of the applicable agreements and are reflected as adjustments in arriving at net income (loss) attributable to common stockholders in the calculation of earnings per share.

Upon conversion, redemption, extinguishment, or modification of the redeemable convertible preferred stock, the Company evaluates the transaction to determine the appropriate accounting treatment, including whether the transaction should be accounted for as an extinguishment, modification, or induced conversion in accordance with applicable U.S. GAAP.

The Company reassesses the classification of redeemable convertible preferred stock at each reporting date to determine whether changes in facts or circumstances impact the presentation or accounting treatment of the instrument.

**3. Recent accounting pronouncements**

The Company reviewed all recently issued accounting standards updates and determined that there were no accounting pronouncements adopted during the period, or not yet adopted, that are expected to have a material impact on the Company's financial statements or disclosures.

**4. Acquisitions and divestitures**

(a) Acquisition of TubeBuddy

On February 20, 2026, GameSquare Holdings, Inc., TubeBuddy, Inc., a Delaware corporation and indirect wholly-owned subsidiary of the Company ("Buyer"), Ben Group, Inc., a Nevada corporation ("Ben Group"), and TubeBuddy, LLC, a California limited liability company ("TB LLC", and together with Ben Group, "Seller"), entered into an asset purchase agreement, pursuant to the Company acquired substantially all the assets, and certain specified liabilities, of the TubeBuddy relating to software which utilizes search engine optimization, bulk processing, workflow, and other tools for social media and content creation. As consideration for the transaction, the Company issued 5,000,000 shares of its newly designated Series A-2 Redeemable Convertible Preferred Stock of the Company, par value $0.0001 per share (the "Series A-2 Preferred Stock").

Pursuant to the asset purchase agreement, the Company agreed to file a preliminary proxy statement with the Securities and Exchange Commission (the "SEC") on or prior to April 30, 2026 and to hold a related meeting of stockholders for the purposes of obtaining the approval (the "Shareholder Approval") of the holders of the Company's capital stock to authorize a sufficient number of additional shares of common stock of the Company, par value $0.0001 per share, to allow for the conversion of the Series A-2 Preferred Stock into common stock in accordance with, and pursuant to the terms and conditions set forth in, the Certificate of Designation (as defined below). The Company agreed to hold a meeting of stockholders to seek the Shareholder Approval no later than 120 days after the closing of the transaction. The Company has a meeting scheduled for June 18, 2026. If the Company fails to obtain the Shareholder Approval by September 30, 2026 (the "Shareholder Approval Deadline"), the Company shall pay to Seller an aggregate amount equal to $3,500,000 plus accrued interest, $2,350,000 (plus accrued interest) of which shall be payable within five business days of the Shareholder Approval Deadline and $1,150,000 of which shall be payable within five business days after the 18-month anniversary of the closing of the transaction, as set forth in the asset purchase agreement. The Series A-2 redeemable convertible preferred stock, including the embedded redemption feature and conversion feature, was accounted for as mezzanine (temporary) equity. Refer to Note 11 for further discussion on the accounting treatment of the Series A-2 redeemable convertible preferred stock.

The asset purchase agreement also provides for deferred consideration upon the occurrence of certain events. Under the asset purchase agreement, in the event the volume weighted average per share price of the Series A-2 Preferred Stock on a one-to-one as-converted basis to Common Stock for the 30 trading days preceding the date that is 18 months after closing of the transaction is less than $0.70 per share, after accounting for changes in the Series A-2 Preferred Stock (on such as-converted basis) by way of stock split, stock dividend, combination, reclassification, or similar event, or through merger, consolidation, reorganization, recapitalization or business combination, Seller shall be entitled to additional cash consideration (the "Deferred Cash Consideration"). Such Deferred Cash Consideration shall be equal to (a) the product of (i) 5,000,000 multiplied by (ii) the absolute value of the dollar amount by which such calculation in the previous sentence is less than $0.70, minus (b) any proceeds received by Seller from the sale of the Series A-2 Preferred Stock prior to the date that is 18 months after closing (the "Deferred Cash Consideration Date"). However, no Deferred Cash Consideration shall be owed if, prior to the Deferred Cash Consideration Date and after the Series A-2 Preferred Stock are converted into shares of Common Stock (the "Converted Shares"), the (x) closing price of the Converted Shares is greater than $0.70 per share for ten consecutive trading days or 20 total trading days subsequent to the date such Converted Shares are no longer subject to any trading restrictions to the holder of such shares under Rule 144 of the Securities Act of 1933, as amended (the "Securities Act"), or (y) the Seller or its affiliates sells any of such shares prior the Deferred Cash Consideration Date for aggregate gross proceeds in excess of $3,500,000. The Deferred Cash Consideration was accounted for as contingent purchase consideration. Refer to Note 11 for further discussion on the accounting treatment of the Deferred Cash Consideration.

Each share of Series A-2 Preferred Stock was issued with an initial liquidation value of $1.00 per share, subject to adjustments for stock splits, combinations and similar transactions. Upon the receipt of the Shareholder Approval, each share of Series A-2 Preferred Stock shall automatically convert into one share of common stock.

Each share of Series A-2 Preferred Stock is entitled to vote with the holders of the Common Stock, voting together as a single class, with respect to any matters presented to the stockholders of the Company. Each share of Series A-2 Preferred Stock is entitled to a number of votes equal to 3.86 shares of common stock, provided such number of votes shall not exceed 19.99% of the outstanding number of common stock. In connection with the transaction, Seller agreed to vote its shares of Series A-2 Preferred Stock in favor of authorizing an increase to the number of authorized common stock of the Company.

The Series A-2 Preferred Stock ranks senior to all junior securities, including common stock, and ranks on parity with the Company's Series A-1 Preferred Stock. The Series A-2 Preferred Stock will participate equally in any dividends declared to holders of common stock.

*Pro-forma results of operations*

The following unaudited pro-forma condensed consolidated results of operations for the three months ended March 31, 2026 and 2025, have been prepared as if the acquisition had occurred on January 1 of each period presented. The below does not include any pro-forma adjustments other than adding in the actual results of TubeBuddy from January 1, 2026 to February 20, 2026 for 2026 period and the three months ended March 31, 2025 for the 2025 period.

| | Three months ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Revenue | $ 15,800,297 | $ 10,188,560 |
| Net loss | (17,404,669) | (6,184,595) |

The acquisition of TubeBuddy was accounted for using the acquisition method of accounting under ASC 805, *Business Combinations*, which requires that the Company recognize the identifiable assets acquired and the liabilities assumed at their fair values on the date of acquisition.

The following preliminary table summarizes the consideration for the acquisition:

| **Purchase consideration** | | **Amount** |
|---|---|---|
| Series A-2 redeemable convertible preferred stock | $ | 1,769,744 |
| Contingent purchase consideration, non-current | | 1,465,665 |
| Total purchase price | $ | 3,235,409 |

The preliminary purchase price allocation is as follows:

| **Preliminary purchase price allocation** | | **Amount** |
|---|---|---|
| Accounts receivable, net | | 32,270 |
| Prepaid expenses and other current assets | | 51,024 |
| Intangible assets | | 3,000,000 |
| Goodwill | | 2,707,065 |
| Total assets acquired | | 5,790,359 |
| | | |
| Accounts payable | | 85,777 |
| Accrued liabilities | | 62,026 |
| Deferred revenue | | 2,407,147 |
| Total liabilities assumed | | 2,554,950 |
| Net assets acquired | $ | 3,235,409 |

*Measurement period adjustments*

Where provisional values are used in accounting for a business combination, they may be adjusted in subsequent periods, not to exceed twelve months. The primary areas that are subject to change relate to the fair value of the purchase consideration transferred and purchase price allocations related to the fair values of certain tangible assets, the valuation of intangible assets acquired, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired during the measurement periods.

*Goodwill*

The difference between the estimated acquisition date fair value of the consideration transferred and the estimated values assigned to the assets acquired and liabilities assumed represents goodwill of $2.7 million.

The goodwill recorded represents the following:

- Cost savings and operating synergies expected to result from combining the operations of TubeBuddy with those of the Company.
- Intangible assets that do not qualify for separate recognition such as the assembled workforce.

Goodwill arising from the acquisition is expected to be deductible for tax purposes.

(b) Acquisition of Click

On September 10, 2025, GameSquare entered into an equity purchase agreement pursuant to acquire all of the outstanding equity interests in Click, an Australian proprietary limited company, subject to the terms and conditions in the Purchase Agreement. The acquisition of Click closed on September 11, 2025.

Under the terms of the Click Purchase Agreement, the Company paid a base purchase price of $4,500,000 subject to customary adjustments for cash, net working capital, indebtedness and transaction expenses. The sellers will also receive, subject to the terms and conditions described in the Click Purchase Agreement: (i) a deferred cash payment of $4,000,000 within sixty (60) days following December 31, 2025; and (ii) up to an aggregate of $3,000,000 in cash earn-out payments based on the post-closing performance of the Click Group. Specifically, (a) up to $1,500,000 may be payable based on the Click Group's EBITDA for the 12-month period beginning January 1, 2026, if Actual EBITDA for such period falls within specified target ranges set forth in the Purchase Agreement, and (b) up to an additional $1,500,000 may be payable based on the Click Group's EBITDA for the 12-month period beginning January 1, 2027, if Actual EBITDA for such period falls within specified target ranges set forth in the Purchase Agreement.

*Pro-forma results of operations*

The following unaudited pro-forma condensed consolidated results of operations for the three months ended March 31, 2026 and 2025, have been prepared as if the acquisition had occurred on January 1 of the 2025 period. The below does not include any pro-forma adjustments other than adding in the actual results of Click for the three months ended March 31, 2025 for the 2025 period.

| | **Three months ended March 31,** | | | |
|---|---|---|---|---|
| | | **2026** | | **2025** |
| Revenue | $ | 14,503,721 | $ | 10,906,689 |
| Net loss | | (17,704,972) | | (7,062,944) |

The acquisition of Click was accounted for using the acquisition method of accounting under ASC 805, *Business Combinations*, which requires that the Company recognize the identifiable assets acquired and the liabilities assumed at their fair values on the date of acquisition.

The following preliminary table summarizes the consideration for the acquisition:

The following table summarizes the consideration for the acquisition:

| **Purchase consideration** | | **Amount** |
|---|---|---|
| Cash at closing | $ | 5,274,237 |
| Deferred purchase consideration | | 3,996,548 |
| Contingent purchase consideration, non-current | | 807,000 |
| Total purchase price | $ | 10,077,785 |

The purchase price allocation is as follows:

| **Purchase price allocation** | | **Amount** |
|---|---|---|
| Cash | $ | 701,306 |
| Accounts receivable, net | | 1,718,120 |
| Government remittances | | 100,763 |
| Prepaid expenses and other current assets | | 125,536 |
| Investment | | 133,133 |
| Property and equipment | | 40,032 |
| Goodwill | | 5,496,529 |
| Intangible assets | | 4,500,000 |
| Total assets acquired | | 12,815,419 |
| | | |
| Accounts payable | | 1,132,919 |
| Accrued liabilities | | 749,715 |
| Deferred tax liability | | 855,000 |
| Total liabilities assumed | | 2,737,634 |
| Net assets acquired | $ | 10,077,785 |

*Goodwill*

The difference between the estimated acquisition date fair value of the consideration transferred and the estimated values assigned to the assets acquired and liabilities assumed represents goodwill of $5.5 million.

The goodwill recorded represents the following:

- Cost savings and operating synergies expected to result from combining the operations of Click with those of the Company.
- Intangible assets that do not qualify for separate recognition such as the assembled workforce.

Goodwill arising from the acquisition is expected to be deductible for tax purposes.

(c) Disposal of Faze Media

On April 1, 2025, the Company, through its wholly owned subsidiary Faze Media Holdings, LLC, entered into an exchange agreement with Gigamoon, effective April 1, 2025 (the "Exchange Agreement"), pursuant to which the Company agreed to accelerate the conversion date under Gigamoon's convertible debenture dated as of December 16, 2024, in the principal amount of $10 million. Pursuant to the terms of the Exchange Agreement, FaZe Media Holdings, LLC transferred to Gigamoon 5,725,000 shares of Series A-1 Preferred Stock of FaZe Media, Inc. In addition, GameSquare issued 87,946 shares of its common stock to Gigamoon as payment of accrued interest on the convertible debenture through the conversion date.

As a result of the Exchange Agreement, Faze Media met the requirements to be reported as discontinued operations (*see* Note 20). The Company recognized a gain of $3.0 million in net income (loss) from discontinued operations in the condensed consolidated statements of operations and comprehensive loss after offsetting the consideration received, conversion of $10 million Gigamoon convertible debenture discussed above (*see* Note 10), with the carrying value of the disposed assets and liabilities. The fair value of consideration received was concluded to be $10 million, the principal value of convertible debt being converted by Gigamoon. Faze Media assets and liabilities disposed had a net carrying value of $7.0 million and consist of $0.6 million of cash, $2.9 million of accounts receivable, $0.2 million of prepaid expenses and other current assets, $1.6 million of amounts due from GameSquare, $0.1 million of property and equipment, $0.7 million of right-of-use assets, $9.6 million of intangible assets and $7.1 million of goodwill, partially offset by $0.2 million of accounts payable, $1.7 million of accrued liabilities, $0.5 million of deferred revenue, $0.7 million of lease liabilities and $12.9 million in non-controlling interests in Faze Media.

**5. Digital assets**

The Company holds Ethereum ("ETH"), Animecoin ("ANIME"), and REKT, all of which are within the scope of ASC 350-60.

The following table presents a roll forward of digital assets held directly by the Company:

| | ETH | ANIME | REKT | SAND | Total |
|---|---|---|---|---|---|
| Balance, January 1, 2026 | $ 3,985,640 | $ 1,480,042 | $ 522,038 | $ - | $ 5,987,720 |
| Purchases | - | 1,000,000 | - | - | 1,000,000 |
| Redemptions in Dialectic investment | 18,302,830 | - | - | - | 18,302,830 |
| Sales | - | (651,237) | - | - | (651,237) |
| Exchange of NFTs for ETH | 430,962 | - | - | - | 430,962 |
| Yield | 1,243 | - | - | - | 1,243 |
| Unrealized gain (loss) on digital assets | (1,531,624) | 1,347,394 | (201,606) | - | (385,836) |
| Realized gain (loss) on digital assets | - | (1,848,763) | (3) | - | (1,848,766) |
| Fees and other | (4) | - | - | - | (4) |
| Balance, March 31, 2026 | $ 21,189,047 | $ 1,327,436 | $ 320,429 | $ - | $ 22,836,912 |

Unrealized and realized gains (losses) on digital assets are included in realized and change in unrealized gain (loss) on digital assets and investment in ETH fund in the condensed consolidated statements of operations and comprehensive loss.

Digital asset holdings as of March 31, 2026, were as follows:

| Asset | Units Held | Fair Value | Cost Basis | Unrealized Gain (Loss) |
|---|---|---|---|---|
| ETH | 10,067.45 | $ 21,189,047 | 23,588,567 | $ (2,399,520) |
| ANIME | 268,866,929.29 | 1,327,436 | 2,250,000 | (922,564) |
| REKT | 2,280,635,115,917.32 | 320,429 | 1,978,083 | (1,657,654) |
| Total | | $ 22,836,912 | $ 27,816,650 | $ (4,979,738) |

In August and September 2025, the Company received 171.9 million ANIME tokens as non-cash consideration under an agency services agreement. An additional 222.0 million ($1.5 million cost basis) ANIME tokens were purchased in the open market as partial fulfillment required under the contract. Both tranches were subject to a six-month holding restriction beginning August 12, 2025. In accordance with ASC 820, no adjustment to fair value is made for this holder-specific restriction.

In August 2025, the Company received 2,305,905 million REKT tokens as non-cash consideration under an agency services agreement. The tokens are subject to a lockup as follows: Two-twelfths (2/12) will not have any restriction, the remaining ten-twelfths (10/12) will be subject to lock up, provided that on each monthly anniversary of the effective date the lock up will expire on one-tenth (1/10) of the initial total number of locked tokens such that on the tenth monthly anniversary of the effective date, the lock up shall have expired with respect to all of the tokens. Effective date for lockup start is August 28, 2025. In accordance with ASC 820, no adjustment to fair value is made for this holder-specific restriction.

**6. Investment in ETH fund**

The Company holds an investment in Dialectic, which is within the scope of ASC 321.

The following table presents a roll forward of Investment in ETH fund held directly by the Company:

| | | Investment in ETH Fund |
|---|---|---|
| Balance, January 1, 2026 | $ | 41,374,063 |
| Redemptions of ETH in Dialectic investment | | (18,302,830) |
| Yield | | (33,145) |
| Unrealized gain (loss) on investment in ETH fund | | (579,967) |
| Realized gain (loss) on investment in ETH fund | | (11,777,580) |
| Balance, March 31, 2026 | $ | 10,680,541 |

Upon redemption of amounts from investment in ETH fund, a realized gain (loss) is recognized as limited partner units within the fund are being sold. The realized loss does not represent a cash loss as the Company is redeeming its ETH equity position within the fund for ETH.

Investment in ETH fund as of March 31, 2026, was as follows:

| Asset | Units Held | | Fair Value | | Cost Basis | | Unrealized Gain (Loss) |
|---|---|---|---|---|---|---|---|
| ETH | 5,435.25 | $ | 10,680,541 | $ | 19,227,432 | $ | (8,546,891) |

The Company contributed an aggregate of 15,630 ETH, with a fair value of $55.3 million at the contribution dates in the third quarter of 2025, to the Dialectic Moonphase Feeder Fund LP, and subsequently on October 1, 2025 transferred its holdings into Dialectic Ellipse Feeder Fund LP in exchange for limited partnership units of Dialectic. The Company may redeem its interest with 30 days' notice, subject to standard fund provisions. Dialectic is a Cayman Islands limited partnership focused on decentralized finance ("DeFi") yield strategies.

The investment in Dialectic is subject to the provisions of ASC 321 and, because the investment in Dialectic does not have a readily determinable fair value, the Company elected to use the NAV practical expedient and, therefore, the investment is not included in the fair value hierarchy.

The investment generated yield during the three months ended March 31, 2026 of $(33) thousand which is included in revenue in the condensed consolidated statements of operations and comprehensive loss. Further, realized and change in unrealized losses on changes in market value of ETH of $12.4 million were recognized during the three months ended March 31, 2026, and are included in realized and change in unrealized gain (loss) on digital assets and investment in ETH fund in the condensed consolidated statements of operations and comprehensive loss.

**7. Goodwill and intangible assets**

(a) Goodwill

The following table presents the changes in the carrying amount of goodwill:

| | | |
|---|---|---|
| Balance, January 1, 2025 | $ | 12,704,979 |
| Disposal of FaZe Media | | (7,147,428) |
| Acquisition of Click | | 5,496,529 |
| Impairment of Frankly | | (5,141,850) |
| Balance, December 31, 2025 | $ | 5,912,230 |
| Acquisition of TubeBuddy | | 2,707,065 |
| Balance, March 31, 2026 | $ | 8,619,295 |

Goodwill resulting from the acquisition of Click was allocated to the Agency reportable segment. Goodwill resulting from the acquisition of TubeBuddy was allocated to the SaaS and managed services reportable segment.

In connection with the disposal of FaZe Media, Inc. on April 1, 2025 (*see* Note 4), the Company disposed of goodwill of $7.1 million.

In connection with the decision in the third quarter of 2025 to discontinue the operations of Frankly (*see* Note 20), the remaining value of goodwill of Frankly was impaired. Goodwill impairment charges were $5.1 million and were recorded within net income (loss) from discontinued operations on the condensed consolidated statements of operations and comprehensive loss.

Goodwill as of March 31, 2026 consisted of $5.5 million within the Click reporting unit, $2.7 million within the TubeBuddy reporting unit and $0.4 million within the Stream Hatchet reporting unit. The Company has set an annual goodwill impairment test date for the Click reporting unit of June 30, which aligns with its local financial reporting year end.

(b) Intangible assets, definite lived

Intangible assets, definite-lived consist of the following:

| | As of March 31, 2026 | | | |
|---|---|---|---|---|
| | Original cost | Accumulated amortization | Accumulated impairment losses | Carrying value |
| Customer relationships | $ 11,641,605 | $ (2,577,641) | $ (6,049,195) | $ 3,014,769 |
| Talent network | 3,940,000 | (793,778) | (300,000) | 2,846,222 |
| Brand name | 3,513,975 | (1,594,661) | (784,220) | 1,135,094 |
| Software | 2,830,000 | (623,895) | (1,221,411) | 984,694 |
| Total intangible assets | $ 21,925,580 | $ (5,589,975) | $ (8,354,826) | $ 7,980,779 |

| | As of December 31, 2025 | | | |
|---|---|---|---|---|
| | Original cost | Accumulated amortization | Accumulated impairment losses | Carrying value |
| Customer relationships | $ 10,058,887 | $ (2,453,587) | $ (6,049,195) | $ 1,556,105 |
| Talent network | 3,940,000 | (596,861) | (300,000) | 3,043,139 |
| Brand name | 3,133,463 | (1,534,035) | (784,220) | 815,208 |
| Software | 1,830,000 | (608,589) | (1,221,411) | - |
| Total intangible assets | $ 18,962,350 | $ (5,193,072) | $ (8,354,826) | $ 5,414,452 |

The Company recognized amortization expense for definite-lived intangible assets of $0.4 million and $0.5 million for the three months ended March 31, 2026 and 2025, respectively.

Amortization expense for definite-lived intangible assets is expected to be as follows over the next five years, and thereafter:

| | |
|---|---|
| Remainder of 2026 | $ 1,297,856 |
| 2027 | 1,537,657 |
| 2028 | 1,537,657 |
| 2029 | 1,080,514 |
| 2030 | 810,546 |
| Thereafter | 1,716,549 |
| Total estimated amortization expense | $ 7,980,779 |

On February 20, 2026, the Company acquired TubeBuddy (*see* Note 4) and recognized the following intangible assets: a) Customer relationships of $1.6 million; b) Brand name of $0.7 million; and c) Software of $1.0 million.

In connection with the disposal of FaZe Media, Inc. on April 1, 2025 (*see* Note 4), the Company disposed of intangible assets with carrying value of $9.6 million as follows: a) Customer relationships with an original cost of $2.7 million and accumulated amortization of $0.2 million; b) Brand name with an original cost of $7.2 million and accumulated amortization of $0.4 million; and c) Talent network with an original cost of $0.7 million and accumulated amortization of $0.4 million.

On September 11, 2025, the Company acquired Click (*see* Note 4) and recognized the following intangible assets: a) Customer relationships of $0.6 million; b) Brand name of $0.7 million; and c) Talent network of $3.2 million.

In connection with the decision in the third quarter of 2025 to discontinue the operations of Frankly (*see* Note 20), the remaining carrying value of intangible assets of Frankly were impaired. Intangible assets impairment charges were $3.4 million and were recorded within net income (loss) from discontinued operations on the condensed consolidated statements of operations and comprehensive loss.

During the fourth quarter of 2025, Faze Esports recognized an impairment expense of $0.3 million on its talent network intangible assets, due to the departure of a player in 2025 that was acquired earlier in 2025 for $0.3 million.

(c) Intangible assets, indefinite lived

On July 24, 2025, the Company entered into a subscription agreement, pursuant to which the subscriber purchased from the Company 3,433.33 shares of Series A-1 Convertible Preferred Stock of the Company, par value $0.0001 per share (*see* Note 12), in consideration for Crypto Punk 5577 NFT, which was deemed to have a fair market value of $3.9 million.

Regarding the NFT, CryptoPunks launched as a fixed set of 10,000 items in mid-2017. Rare and highly sought-after “Cowboy Ape” CryptoPunk NFT from Robert Leshner, founder of the DeFi protocol Compound and CEO of Superstate. Valued for its rarity and historical significance as one of only 24 Ape CryptoPunks in existence, the Cowboy Ape is widely regarded as the most desirable CryptoPunks of the 10,000-piece collection and NFTs in general.

In addition to the acquisition of the Cowboy Ape NFT, the Company acquired an additional seven CryptoPunks using ETH valued at $1.8 million at the time of purchase.

Digital assets outside the scope of ASC 350-60, such as NFTs, are accounted for as indefinite-lived intangible assets under ASC 350-30.

In the first quarter of 2026, the Company sold all eight of its CryptoPunk assets for total consideration of $1.9 million. As a result, during the fourth quarter of 2025, the Company recognized impairment expense of $3.7 million on the consolidated statements of operations and comprehensive loss.

**8. Leases**

On June 30, 2021, the Company acquired Complexity. Complexity leased a building in Frisco, Texas. Upon the sale of Complexity on March 1, 2024, the lease was assigned to GameSquare Esports (USA), Inc. and the Company entered into an agreement to sublease the building to Complexity for a 12-month period. The lease has an original lease period expiring in April 2029. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

On April 1, 2024, GameSquare Holdings, Inc. leased a building in Culver City, CA, which it later assigned to Faze Media Inc. on May 15, 2024. The lease has an original lease period expiring in March 2027. The lease agreement does not contain any material residual value guarantees or material restrictive covenants. The Company disposed of Faze Media Inc. on April 1, 2025, including the lease right-of-use assets and lease liabilities (*see* Note 4).

The components of operating lease expense, recognized in general and administrative expenses on the condensed consolidated statements of operations and comprehensive loss, are as follows:

| | Three months ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Operating lease expense | 135,772 | 229,509 |
| Variable lease expense | 66,058 | 85,924 |
| Total operating lease costs | 201,830 | 315,433 |

As of March 31, 2026, the remaining lease-term and discount rate on the Frisco, TX lease was 3.1 years and 8.3%, respectively.

Maturities of the lease liability are as follows:

| | |
|---|---|
| Remainder of 2026 | 409,356 |
| 2027 | 545,808 |
| 2028 | 545,808 |
| 2029 | 181,936 |
| 2030 | - |
| Thereafter | - |
| Total lease payments | 1,682,908 |
| Less: Interest | (192,126) |
| Total lease liability | $ 1,490,782 |

**9. Line of credit and promissory notes payable**

Line of credit

On September 14, 2023, the Company entered into an accounts receivable financing and security agreement with a maximum availability of $10.0 million for a three-year term with SLR Digital Finance, LLC (the “LOC”). The LOC matures on September 14, 2026. Interest accrues on the outstanding principal amount of the LOC at a rate equal to the greater of Prime plus 4.00% or 9.50%, per annum. The terms of the LOC provide for the lender to fund 85% of the purchased accounts receivable and it includes various service fees.

During the third quarter of 2025, in connection with the discontinued operations of Frankly, which was the primary borrower under the line of credit, the Company paid down the balance under the LOC. As of December 31, 2025, the outstanding principal, and unpaid accrued interest, on the LOC was $0. During the three months ended March 31, 2026 and 2025, the Company recognized interest expense of $0 and $0.1 million on the LOC.

Promissory notes payable

On March 25, 2025, the Company entered into a secured promissory note with Blue & Silver Ventures, Ltd. The principal amount of $2 million under the promissory note is payable on demand and no later than July 1, 2025. The promissory note bears interest at a rate of ten percent (10%) per annum, with a default interest rate of fifteen percent (15%) per annum, and is payable on demand and no later than July 1, 2025 with the principal amount. The Company, at its option, may prepay the promissory note, in whole or in part, without a prepayment penalty of any kind.

In connection with the promissory note, the Company entered into a security agreement, by and between the Company and Blue & Silver Ventures, Ltd. to provide a security interest in the assets of the Company to Blue & Silver Ventures, Ltd. in order to secure the obligations underlying the promissory note.

In July 2025, the Company paid $2.1 million, principal and accrued interest, to pay the promissory note in full.

ETH backed short-term promissory notes

The Company entered into short-term promissory note arrangements with third-party lenders that are collateralized by the Company’s holdings of ETH. The borrowings are evidenced by promissory notes with a contractual term of 60 days and bear interest at a stated rate of 8.5% to 9.5% per annum. As of March 31, 2026, the two notes had maturity dates of April 18, 2026 and May 3, 2026. Both notes automatically extend to a successive 60-day term, unless written notice is provided by either party prior to the maturity date. Both of the notes were extended as of the above noted maturity dates.

Under the terms of the agreements, the Company pledges ETH as collateral to secure repayment of the notes. The arrangements require the Company to maintain specified loan-to-value ("LTV") ratios based on the market value of ETH relative to the outstanding principal balance of the borrowings. The applicable collateralization thresholds are as follows: a) Initial borrowing ratio of 150% - At inception, the Company must pledge ETH with a market value equal to at least 150% of the principal amount borrowed; b) Margin call ratio of 130% - if the collateral value declines such that the collateral coverage falls below 130% of the outstanding loan balance, the lender will issue a margin call requiring the Company to pledge additional ETH or repay a portion of the borrowing; c) Liquidation ratio of 120% - if the collateral coverage falls below 120% and the Company does not cure the deficiency within 24 hours, the lender may liquidate pledged ETH to satisfy the outstanding obligation; and d) capital return ratio of 170% - if the collateral coverage exceeds 170%, the Company may request the return of excess pledged ETH, subject to lender approval and continued compliance with minimum collateralization requirements.

The Company continues to recognize the pledged ETH on its balance sheet, as the collateral arrangement does not constitute a transfer of control. The ETH collateral is subject to restrictions while pledged and cannot be freely transferred until the related borrowings are repaid or the lender releases the collateral.

Interest expense under ETH backed short-term promissory notes for the three months ended March 31, 2026 was $0.1 million. Interest expense related to the promissory notes is recognized in interest expense, net in the condensed consolidated statements of operations and comprehensive loss using the contractual interest rate over the term of the borrowings.

The fair value of ETH collateral is subject to significant market volatility. Declines in the market price of ETH could result in margin calls requiring the Company to post additional collateral or repay a portion of the outstanding borrowings. If the Company were unable to meet such requirements, the lender may liquidate pledged ETH to satisfy the Company's obligations under the promissory notes.

As of March 31, 2026 the Company had $9.5 million of outstanding borrowings under ETH-backed promissory notes, which were collateralized by 6,958.15 ETH with a fair value of $14.6 million, resulting in a collateral coverage ratio of approximately 154%.

**10. Convertible debt**

Yorkville CD and SEPA

On July 8, 2024, the Company entered into a Standby Equity Purchase Agreement ("SEPA") with YA II PN, LTD, a Cayman Islands exempt limited partnership ("Yorkville"), pursuant to which the Company has the right to sell to Yorkville up to $20.0 million of its shares of common stock, par value $0.0001 per share, subject to certain limitations and conditions set forth in the SEPA.

On January 22, 2025, Yorkville converted $3.7 million of its then outstanding $4.1 million convertible debt balance for 5,032,233 common shares of the Company. The Company terminated the remaining outstanding balance on the Yorkville CD of $0.4 million and the SEPA with Yorkville Advisors Global L.P. ("Yorkville"). Under the strategic transaction, GameSquare issued a zero-coupon, 60-day promissory note to Yorkville associated with remaining unconverted principal of $0.4 million and a prepayment penalty of $0.4 million. The prepayment penalty was recorded within other operating expenses on the condensed consolidated statements of operations and comprehensive loss. In July 2025, the Company paid the balance due under the promissory note.

Gigamoon CD

On November 13, 2024, the Company and Gigamoon entered into a senior secured convertible promissory note in the principal amount of $10 million (the "Gigamoon CD"). On December 15, 2024, the Company received cash of $10 million from Gigamoon for issuance of the Gigamoon CD.

On April 2, 2025, GameSquare and Gigamoon entered into an exchange agreement, effective April 1, 2025, pursuant to which, the parties agreed to accelerate the exercise date under the Gigamoon CD to April 1, 2025. As a result, on April 1, 2025, GameSquare transferred the 5,725,000 shares of Series A-1 Preferred Stock of Faze Media Inc. to Gigamoon (*See* Note 4).

Interest expense on the Gigamoon CD for the three months ended March 31, 2026 and 2025, amounted to $0 and $0.2 million, respectively, and is recorded within interest expense, net on the condensed consolidated statements of operations and comprehensive loss.

Three Curve CD

On September 1, 2022, Engine extended convertible debentures that were due to mature in October and November 2022 with an aggregate principal amount of $1.3 million. Key terms include (a) a maturity date of August 31, 2025, (b) an interest rate of 7% per annum (interest to be paid in full at maturity) and (c) a conversion price of $4.40 per share.

The Three Curve CD matured on August 31, 2025, and the balance was paid in full.

Interest expense on the Three Curve CD for the three months ended March 31, 2026 and 2025, amounted to $0 and $22 thousand, respectively, and is recorded within interest expense, net on the condensed consolidated statements of operations and comprehensive loss.

**11. Series A-2 Redeemable Convertible Preferred Stock and Contingent Purchase Consideration**

Acquisition of TubeBuddy

On February 20, 2026, in connection with the Company's acquisition of substantially all of the assets of TubeBuddy, the Company issued 5,000,000 shares of newly designated Series A-2 Convertible Preferred Stock, par value $0.0001 per share (the "Series A-2 Preferred Stock"), pursuant to a Certificate of Designation filed with the Secretary of State of Delaware on February 20, 2026. The shares were issued to the Seller in a private transaction exempt from the registration requirements of the Securities Act of 1933, as amended, in reliance on the exemptions afforded by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated thereunder. The shares are not registered and are subject to transfer restrictions under applicable securities laws and Rule 144.

The Series A-2 Preferred Stock has the following material rights, preferences, and contingent settlement provisions:

- *Rank and Liquidation Preference.* The Series A-2 Preferred Stock ranks senior to the Company's common stock and other junior securities, and on parity with the Company's Series A-1 Convertible Preferred Stock, with respect to dividends and distributions upon liquidation. Each share of Series A-2 Preferred Stock has an initial Liquidation Value of $1.00 per share (on an as-converted basis), payable upon liquidation, dissolution, or winding up of the Company before any distribution to junior securities. After payment of the Liquidation Value, holders participate pro rata, on an as-converted basis, with holders of common stock and other junior securities in the distribution of remaining assets.

- *Dividends.* The Series A-2 Preferred Stock has no stated dividend rate and is not cumulative; if the Company declares a dividend on the common stock, holders are entitled to participate on an as-converted basis.

- *Voting Rights.* Holders of the Series A-2 Preferred Stock vote with holders of the common stock as a single class on all matters presented to stockholders, with each share entitled to a number of votes equal to 3.86 shares of common stock (subject to a cap of 19.99% of the outstanding common stock in the aggregate). The voting rights terminate upon stockholder approval of the Share Authorization Proposal described below.

- *Automatic Conversion.* Upon the affirmative vote of the requisite voting power of the outstanding shares of capital stock of the Company to approve a proposal to amend the Company's Certificate of Incorporation to increase the number of authorized shares of common stock to permit conversion (the "Share Authorization Proposal"), each outstanding share of Series A-2 Preferred Stock will automatically convert into one share of common stock at a fixed 1:1 ratio, subject to standard anti-dilution adjustments for stock splits, dividends, combinations, recapitalizations, and reorganizations.

- *Cash Redemption.* If the Share Authorization Proposal is not approved by the Company's stockholders by September 30, 2026 (the "Failure Payment Deadline"), the outstanding Series A-2 Preferred Stock will be automatically redeemed for cash in an aggregate amount of $3,500,000 plus interest accruing from June 20, 2026 at a rate of 5% per annum (the "Failure Payment"), payable in two installments: $2,350,000 plus accrued interest within five business days of the Failure Payment Deadline, and $1,150,000 within five business days of August 20, 2027.

In connection with the issuance of the Series A-2 Preferred Stock, the Company also entered into a contingent cash payment arrangement (the "Deferred Cash Consideration") under Section 2.06(a) of the asset purchase agreement. If the volume-weighted average price of the Series A-2 Preferred Stock (on an as-converted basis to common stock) for the thirty trading days preceding August 20, 2027 (the "Deferred Cash Consideration Date") is less than $0.70 per share, the Seller is entitled to additional cash consideration equal to (i) 5,000,000 multiplied by (ii) the absolute value of the dollar amount by which such price is less than $0.70, less any proceeds received by the Seller from the sale of the Series A-2 Preferred Stock or the underlying common stock prior to the Deferred Cash Consideration Date. The Deferred Cash Consideration is not payable if the Failure Payment becomes payable. The Deferred Cash Consideration is capped at $0.70 per share aggregate, reduced by any sale proceeds received by the Seller before the Deferred Cash Consideration Date.

The Series A-2 Preferred Stock is classified as temporary (mezzanine) equity in accordance with ASC 480-10-S99-3A because the Cash Redemption is triggered by failure of a stockholder vote — an event not solely within the Company's control. The Company evaluated the embedded Automatic Conversion and Cash Redemption features under ASC 815-15 and concluded that bifurcation is not required. The Deferred Cash Consideration is contingent purchase consideration in the business combination and is recognized at fair value, with changes in fair value recognized in earnings.

The total fair value of the instruments issued in connection with the TubeBuddy Acquisition was $3.2 million at the closing date, determined using a Monte Carlo simulation. Of this amount, $1.5 million was allocated to the contingent purchase consideration and the residual $1.8 million was allocated to the Series A-2 Preferred Stock in mezzanine equity.

The Series A-2 Preferred Stock is not remeasured to fair value. The carrying amount is accreted toward the redemption value (the $3,500,000 Failure Payment plus accrued interest) using the effective interest method if and when redemption becomes probable. As of March 31, 2026, the Company has determined that redemption is not probable, and accordingly no accretion has been recorded. The Company reassesses the probability of redemption at each reporting date through the Failure Payment Deadline.

The contingent purchase consideration is remeasured to fair value at each reporting date, with changes in fair value recognized in earnings. For the three months ended March 31, 2026, the change in fair value of the contingent purchase consideration was a loss of $38 thousand and is included in other operating expenses on the condensed consolidated statements of operations and comprehensive loss. The fair value of the contingent purchase consideration was $1.5 million as of March 31, 2026.

The fair value of the contingent purchase consideration is determined using a Monte Carlo simulation that produces probability-weighted scenario outcomes. Significant unobservable inputs to the valuation are summarized below:

| **Significant Unobservable Input** | **March 31, 2026** |
|---|---|
| Probability of approval of the Share Authorization Proposal | 80% |
| Expected volatility of the common stock | 112.3% |
| Risk-free interest rate | 3.73% |
| Credit spread (no-approval scenario discount) | 9.9% |

Acquisition of Click – contingent purchase consideration

Under the terms of the Click Purchase Agreement, the Company agreed to pay up to an aggregate of $3 million in cash earn-out payments based on the post-closing performance of the Click Group. Specifically, (a) up to $1,500,000 may be payable based on the Click Group's EBITDA for the 12-month period beginning January 1, 2026, if actual EBITDA for such period falls within specified target ranges set forth in the purchase agreement, and (b) up to an additional $1,500,000 may be payable based on the Click Group's EBITDA for the 12-month period beginning January 1, 2027, if Actual EBITDA for such period falls within specified target ranges set forth in the purchase agreement.

The contingent purchase consideration is remeasured to fair value at each reporting date, with changes in fair value recognized in earnings. For the three months ended March 31, 2026, the change in fair value of the contingent purchase consideration was a loss of $43 thousand and is included in other operating expenses on the condensed consolidated statements of operations and comprehensive loss. The fair value of the contingent purchase consideration was $0.9 million as of March 31, 2026.

**12. Shareholders' Equity**

(a) Description of the Company's securities

The Company is authorized to issue 100,000,000 common shares, par value $0.0001 per share, and 50,000,000 preferred shares, par value $0.0001 per share. Holders of common shares are entitled to one vote in respect of each common share held at shareholder meetings of the Company.

On July 23, 2025, the board of directors of the Company approved a Certificate of Designation of Series A-1 Convertible Preferred Stock of the Company (the "Certificate of Designation") establishing the rights, preferences, powers, restrictions and limitations of the Company's newly authorized 3,433.33 shares of the Series A-1 preferred stock. The Certificate of Designation was filed with the Secretary of State of the State of Delaware on July 24, 2025, and became effective upon filing.

The Series A-1 preferred stock ranks senior to all junior securities, including common stock, and carries a $1.50 per share liquidation preference on an as-converted basis. After satisfying this preference, each share of Series A-1 preferred stock will automatically convert into 1,000 shares of the common stock. The Series A-1 preferred stock has no voting rights and is equity classified.

On August 1, 2025, the Board of Directors of the Company authorized a share repurchase program pursuant to which the Company may purchase shares of common stock, par value $0.0001 per share up to $5,000,000 worth of Common Stock. Under the repurchase program, GameSquare may purchase shares of its Common Stock on a discretionary basis from time to time through open market repurchases, in privately negotiated transactions, or other means, including through Rule 10b5-1 trading plans. The timing and actual number of shares repurchased will be determined by management depending on a variety of factors, including, among other factors, stock price, trading volume, market conditions and other general business considerations. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time. Repurchases under this program will be funded from the Company's surplus cash and cash equivalents or future cash flow generated by its Ethereum yield strategy. As of March 31, 2026, the Company had repurchased a total of 5,058,590 common shares at a total cost of $2.5 million under this program. Subsequent to March 31, 2026, the Company acquired an additional 2,291,000 common shares at a total cost of $1.0 million.

(b) Activity for the periods presented – common shares

During the three months ended March 31, 2026, the Company had repurchased an additional 2,066,073 common shares at a total cost of $0.8 million under its share repurchase program. Additionally, the Company cancelled 3,104,860 of its common shares in treasury, resulting in a reduction to treasury stock at cost and a reduction of additional paid-in capital of $1.4 million. As of March 31, 2026, the Company held no common shares as treasury stock.

During the three months ended March 31, 2026, the Company issued 799,324 common shares from the exercise of Restricted Share Units ("RSUs") under its equity incentive plan (see Note 14).

On January 22, 2025, Yorkville converted $3.7 million of its then outstanding $4.1 million convertible debt balance (*see* Note 10). Yorkville was issued 5,032,233 common shares for conversion of $3.7 million principal ($4.0 million fair value), with the remaining $411 thousand refinanced into the promissory note with Yorkville.

On March 10, 2025, the Company issued 1,094,891 common shares to pay an outstanding settlement due to the former CEO of Faze Clan for $1.5 million.

During the three months ended March 31, 2025, the Company issued 62,500 common shares from the exercise of Restricted Share Units ("RSUs") under its equity incentive plan (see Note 14).

**13. Net loss per share**

As the Company incurred a net loss for the years ended December 31, 2025 and 2024, the inclusion of certain options, RSUs, warrants, and contingent shares in the calculation of diluted earnings per share would be anti-dilutive and, accordingly, were excluded from the diluted loss per share calculation.

The following table summarizes potential common shares that were excluded as their effect is anti-dilutive:

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Options and RSUs outstanding | 3,107,379 | 3,264,257 |
| Warrants outstanding | 8,563,568 | 1,978,481 |
| Conversion of convertible debt | - | 4,284,090 |
| Conversion of Series A-1 preferred stock | 3,433,333 | - |
| Conversion of Series A-2 preferred stock | 5,000,000 | - |
| Total | 20,104,280 | 9,526,828 |

**14. Share-based compensation**

The Company grants share purchase options ("Options") for the purchase of common shares to its directors, officers, employees and consultants.

Options may be exercisable over periods of up to 10 years as determined by the Board of Directors of the Company. The Option price for shares that are the subject of any Option shall be fixed by the Board when such Option is granted but shall not be less than the market value of such shares at the time of grant.

The Omnibus Plan allows the Company to award restricted share units to directors, officers, employees and consultants of the Company and its subsidiaries upon such conditions as the Board may establish, including the attainment of performance goals recommended by the Company's compensation committee. The purchase price for common shares of the Company issuable under each RSU award, if any, shall be established by the Board at its discretion. Common shares issued pursuant to any RSU award may be made subject to vesting conditions based upon the satisfaction of service requirements, conditions, restrictions, time periods or performance goals established by the board.

The maximum number of common shares available for issuance pursuant to the settlement of RSUs and Options shall be 20% of the issued and outstanding common shares as of January 1 each year, or 6.5 million common shares as of January 1, 2025. On January 1, 2026, the amount was 19.6 million, being 20% of the outstanding common shares on January 1, 2026.

(a) Options

The following is a summary of Options outstanding as of March 31, 2026 and December 31, 2025, and changes during the three months then ended, by Option exercise currency:

| | Number of shares | Weighted-average exercise price (CAD) | Weighted-average remaining contractual term | Aggregate intrinsic value |
|---|---|---|---|---|
| Outstanding at January 1, 2025 | 416,621 | $ 19.34 | 1.96 | $ - |
| Forfeited or expired | (131,558) | $ 16.68 | | |
| Outstanding at December 31, 2025 | 285,063 | $ 20.56 | 0.95 | $ - |
| Forfeited or expired | (71,259) | $ 21.50 | | |
| Outstanding at March 31, 2026 | 213,804 | $ 20.25 | 1.05 | $ - |
| Exercisable at March 31, 2026 | 213,804 | $ 20.25 | 1.05 | $ - |

| | Number of shares | Weighted-average exercise price (USD) | Weighted-average remaining contractual term | Aggregate intrinsic value |
|---|---|---|---|---|
| Outstanding at January 1, 2025 | 2,344,594 | $ 2.47 | 6.91 | $ - |
| Forfeited or expired | (1,273,780) | $ 3.05 | | |
| Outstanding at December 31, 2025 | 1,070,814 | $ 1.78 | 3.35 | $ - |
| Forfeited or expired | (61,651) | $ 3.05 | | |
| Outstanding at March 31, 2026 | 1,009,163 | $ 1.70 | 3.09 | $ - |
| Exercisable at March 31, 2026 | 1,009,163 | $ 1.70 | 3.09 | $ - |

Share-based compensation expense related to the vesting of options was $0 and $3 thousand for the three months ended March 31, 2026 and 2025, respectively, and is included in general and administrative expense on the condensed consolidated statements of operations and comprehensive loss.

(b) RSUs

The following is a summary of RSUs outstanding on March 31, 2026, and December 31, 2025, and changes during the three months then ended:

| | Number of shares | Weighted-average grant date fair value |
|---|---|---|
| Outstanding at January 1, 2025 | 578,042 | $ 2.70 |
| Granted | 3,096,192 | 1.29 |
| Exercised | (1,800,687) | 0.94 |
| Forfeited | (708,187) | 1.68 |
| Outstanding at December 31, 2025 | 1,165,360 | $ 2.29 |
| Granted | 1,518,376 | 0.33 |
| Exercised | (799,324) | 0.66 |
| Outstanding at March 31, 2026 | 1,884,412 | $ 1.40 |

The grant-date fair values of RSUs are based on the Company's stock price as of the grant date.

Shared-based compensation expense related to the vesting of RSU's was $0.5 million and $26 thousand for the three months ended March 31, 2026 and 2025, respectively, and is included in general and administrative expense on the condensed consolidated statements of operations and comprehensive loss.

**15. Warrants**

(a) Liability-classified warrants having CAD exercise price

The functional currency of the Company is USD and certain of the Company's warrants have an exercise price in CAD, resulting liability classification of the warrants.

The following is a summary of changes in the value of the warrant liability for the three months ended March 31, 2026:

| | Amount |
|---|---|
| Balance, January 1, 2026 | $ 1,193 |
| Change in fair value | (931) |
| Foreign exchange | (20) |
| Balance, March 31, 2026 | $ 242 |

The following assumptions were used to determine the fair value of the warrant liability (CAD exercise price) using the Black-Scholes option pricing model:

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Share price | CAD$0.38 | CAD$0.53 |
| Term, in years | 1.50 | 1.75 |
| Exercise price | CAD$9.68 | CAD$9.68 |
| Expected volatility | 100.00% | 100.00% |
| Risk-free interest rate | 2.74% | 2.59% |
| Expected dividend yield | 0% | 0% |

Volatility was estimated by using the average historical volatility of the Company. The expected life in years represents the period of time that warrants issued are expected to be outstanding. The risk-free rate is based on government treasury bond rates issued with a remaining term approximately equal to the expected remaining life of the warrants.

The Company had 123,930 liability-classified warrants (CAD exercise price) with a weighted average exercise price of CAD$9.68 outstanding as of March 31, 2026 and December 31, 2025. There we no changes during the three months ended March 31, 2026.

(b) Liability-classified warrants having USD exercise price

Beginning July 18, 2025, after closing of the offering of its common shares, the Company no longer had sufficient unissued authorized common shares to cover its outstanding equity-classified warrants. As a result, beginning on July 18, 2025 and through March 31, 2026, these warrants were reclassified to warrant liability. The Company reclassed all equity-classified warrants to warrant liability, in the amount of $9.1 million, the fair value of all outstanding equity-classified warrants as of that date. These warrants will be reclassified back to equity-classified warrants after the Company successfully increases its common share authorization.

The following is a summary of changes in the value of the warrant liability (USD exercise price) during the three months ended March 31, 2026:

| | | Amount |
|---|---|---|
| Balance, January 1, 2025 | $ | - |
| Reclass equity classified warrants to warrant liability | | 9,059,762 |
| Change in fair value | | (7,434,123) |
| Balance, December 31, 2025 | $ | 1,625,639 |
| Change in fair value | $ | (658,452) |
| Balance, March 31, 2026 | $ | 967,187 |

The following assumptions were used to determine the fair value of the warrant liability (USD exercise price) using the Black-Scholes option pricing model:

| | | March 31, 2026 | | December 31, 2025 |
|---|---|---|---|---|
| Share price | $ | 0.270 | $ | 0.385 |
| Term, in years | | 1.30-4.30 | | 1.55-4.55 |
| Exercise price | $ | 1.00-$87.85 | $ | 1.00-$87.85 |
| Expected volatility | | 110.33%-116.75% | | 110.33%-116.75% |
| Risk-free interest rate | | 2.69%-3.02% | | 2.55%-2.90% |
| Expected dividend yield | | 0% | | 0% |

Volatility was estimated by using the average historical volatility of the Company. The expected life in years represents the period of time that warrants issued are expected to be outstanding. The risk-free rate is based on government treasury bond rates issued with a remaining term approximately equal to the expected remaining life of the warrants.

The Company had 8,439,638 liability-classified warrants (USD exercise price) with a weighted average exercise price of $9.54 outstanding as of March 31, 2026 and December 31, 2025. There we no changes during the three months ended March 31, 2026.

(c) Equity-classified warrants

Beginning July 18, 2025, after closing of the offering of its common shares, the Company no longer had sufficient unissued authorized common shares to cover its outstanding equity-classified warrants. As a result, beginning on July 18, 2025 and through March 31, 2026, these warrants were reclassified to warrant liability. The Company reclassed all equity-classified warrants to warrant liability, in the amount of $9.1 million, the fair value of all outstanding equity-classified warrants as of that date. These warrants will be reclassified back to equity-classified warrants after the Company successfully increases its common share authorization.

The Company had no equity-classified warrants outstanding as of March 31, 2026 and December 31, 2025. There we no changes during the three months ended March 31, 2026.

**16. Related party transactions**

(a) Convertible debenture with a director of the Company as counterparty

On September 1, 2022, Engine extended convertible debentures that were due to expire in October and November 2022 with an aggregate principal amount of $1.3 million. Key terms include (a) maturity date of August 31, 2025, (b) interest rate of 7% (interest to be paid in full at maturity) and (c) conversion price of $4.40. The convertible debenture is beneficially held by Stu Porter, a director of the Company. The convertible debenture matured in the third quarter of 2025 (*see* Note 10).

(b) Promissory note with significant investor

On March 25, 2025, the Company entered into a secured promissory note with Blue & Silver Ventures, Ltd. The principal amount of $2 million under the promissory note is payable on demand and no later than July 1, 2025. The promissory note bears interest at a rate of ten percent (10%) per annum, with a default interest rate of fifteen percent (15%) per annum, and is payable on demand and no later than July 1, 2025 with the principal amount. The Company, at its option, may prepay the promissory note, in whole or in part, without a prepayment penalty of any kind.

In connection with the promissory note, the Company entered into a security agreement, by and between the Company and Blue & Silver Ventures, Ltd. to provide a security interest in the assets of the Company to Blue & Silver Ventures, Ltd. in order to secure the obligations underlying the promissory note.

In July 2025, the Company paid $2.1 million, principal and accrued interest, to pay the promissory note in full.

**17. Commitments and contingencies**

Contingencies

Reid v. GameSquare Holdings, Inc., et al. – A Complaint was filed on December15, 2025, in the United States District Court, Northern District of Texas by Kevin Reid against GameSquare Holdings, Inc., its former President, Louis Schwartz and its Chief Executive Officer, Justin Kenna. The plaintiff alleges that he was induced by the defendants' misrepresentations about the Company to purchase GameSquare stock and seeks damages of approximately $5 million under Texas law. The Company does not believe the claims have merit and intends to vigorously defend the matter. The Company is also indemnifying Mr. Schwartz in this matter, who is represented by separate counsel.

A motion to dismiss Mr. Reid's complaint was filed on behalf of Mr. Kenna and a partial motion to dismiss Mr. Reid's complaint was filed on behalf of GameSquare. Mr. Schwartz has also filed a motion to dismiss the complaint. Briefing on these motions has not yet been completed.

The Company is subject to various other claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable.

The outcomes of pending litigations in which the Company is involved are necessarily uncertain as are the Company's expenses in prosecuting and defending these actions. From time to time the Company may modify litigation strategy and/or the terms on which it retains counsel and other professionals in connection with such actions, which may affect the outcomes of and/or the expenses incurred in connection with such actions. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations, or liquidity.

Commitments

In August and September 2025, the Company entered into an agency services agreement with Anime Foundation. The agreements contain a requirement that the Company acquire $1.5 million of ANIME tokens in the open market. In September and October 2025, $0.5 million or 33.7 million ANIME tokens were purchased in the open market as partial fulfillment required under the contract. In February and March 2026, $1 million or 188.3 million ANIME tokens were purchased in the open market. No remaining commitment is outstanding.

**18. Revenue and segmented information**

The CODM uses gross profit, as reviewed at periodic business review meetings, as the key measure of the operating segment results as it reflects the Company's underlying performance for the period under evaluation to determine resource allocation. As of March 31, 2026, the Company is organized into the six operating segments, which represent four reportable segments: Owned and Operated IP, Agency, SaaS and managed services and Yield. Talent Agency and Marketing Agency operating segments are combined into Agency reportable segment. B2B SaaS and B2C SaaS operating segments are combined into SaaS and managed services reportable segment.

Revenue, cost of sales and gross profit for the Company's operating and reportable segments, disaggregated into geographic locations, are as follows:

| | Three months ended March 31, 2026 | | | | |
|---|---|---|---|---|---|
| **Segment** | **United Kingdom** | **USA** | **Spain** | **Australia** | **Total** |
| **Revenue** | | | | | |
| Owned and Operated IP | $ - | $ 2,957,152 | $ - | $ - | $ 2,957,152 |
| Agency | 32,543 | 4,228,030 | 2,106,508 | 3,161,086 | 9,528,167 |
| SaaS and managed services | - | 1,263,191 | 787,112 | - | 2,050,303 |
| Yield | - | (31,901) | - | - | (31,901) |
| Total Revenue | 32,543 | 8,416,472 | 2,893,620 | 3,161,086 | 14,503,721 |
| **Cost of sales** | | | | | |
| Owned and Operated IP | - | 2,242,643 | - | - | 2,242,643 |
| Agency | 3,523 | 3,566,739 | 951,058 | 1,907,980 | 6,429,300 |
| SaaS and managed services | - | 167,343 | 92,154 | - | 259,497 |
| Yield | - | - | - | - | - |
| Total Cost of sales | 3,523 | 5,976,725 | 1,043,212 | 1,907,980 | 8,931,440 |
| **Gross profit** | | | | | |
| Owned and Operated IP | - | 714,509 | - | - | 714,509 |
| Agency | 29,020 | 661,291 | 1,155,450 | 1,253,106 | 3,098,867 |
| SaaS and managed services | - | 1,095,848 | 694,958 | - | 1,790,806 |
| Yield | - | (31,901) | - | - | (31,901) |
| Total Gross profit | $ 29,020 | $ 2,439,747 | $ 1,850,408 | $ 1,253,106 | $ 5,572,281 |

| | Three months ended March 31, 2025 | | | | |
|---|---|---|---|---|---|
| **Segment** | **United Kingdom** | **USA** | **Spain** | **Australia** | **Total** |
| **Revenue** | | | | | |
| Owned and Operated IP | $ - | $ 3,088,506 | $ - | $ - | $ 3,088,506 |
| Agency | 229,706 | 2,070,329 | 955,751 | - | 3,255,786 |
| SaaS and managed services | - | 426,211 | 668,621 | - | 1,094,832 |
| Yield | - | - | - | - | - |
| Total Revenue | 229,706 | 5,585,046 | 1,624,372 | - | 7,439,124 |
| **Cost of sales** | | | | | |
| Owned and Operated IP | - | 1,752,844 | - | - | 1,752,844 |
| Agency | 216,949 | 1,264,872 | 819,132 | - | 2,300,953 |
| SaaS and managed services | - | 113,997 | 113,405 | - | 227,402 |
| Yield | - | - | - | - | - |
| Total Cost of sales | 216,949 | 3,131,713 | 932,537 | - | 4,281,199 |
| **Gross profit** | | | | | |
| Owned and Operated IP | - | 1,335,662 | - | - | 1,335,662 |
| Agency | 12,757 | 805,457 | 136,619 | - | 954,833 |
| SaaS and managed services | - | 312,214 | 555,216 | - | 867,430 |
| Yield | - | - | - | - | - |
| Total Gross profit | $ 12,757 | $ 2,453,333 | $ 691,835 | $ - | $ 3,157,925 |

Management does not evaluate operating segments using discrete asset information. The Company's consolidated assets are generally shared across, and are not specifically ascribed to, operating and reportable segments.

Property and equipment, net, by geographic region, are summarized as follows:

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| USA | $ 65,356 | $ 70,362 |
| Australia | 43,333 | 40,245 |
| United Kingdom | - | - |
| Spain | 4,384 | 3,447 |
| Total | $ 113,073 | $ 114,054 |

**19. Fair value measurements**

The carrying value of cash approximates fair value. The carrying amount of other current assets and liabilities, such as accounts and other receivables and accounts payable, approximates fair value due to the short-term maturity of the amounts, and such current assets and liabilities are considered Level 2 in the fair value hierarchy.

The following tables summarize financial assets and liabilities measured at fair value on a recurring basis:

| | As of March 31, 2026 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Liabilities:** | | | | |
| Warrant liability | - | - | 967,429 | 967,429 |
| Arbitration reserve | 65,249 | - | - | 65,249 |
| Contingent purchase consideration, non-current | - | - | 2,353,517 | 2,353,517 |

| | As of December 31, 2025 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Liabilities:** | | | | |
| Warrant liability | - | - | 1,626,832 | 1,626,832 |
| Arbitration reserve | 93,041 | - | - | 93,041 |
| Contingent purchase consideration, non-current | - | - | 807,000 | 807,000 |

(a) Fair values measured on a non-recurring basis

The Company's non-financial assets, such as property and equipment, goodwill and intangible assets, are recorded at fair value upon a business combination and are remeasured at fair value only if an impairment charge is recognized. The Company's investments, accounted for under the measurement alternative of ASC 321, is remeasured at fair value only upon an observable price change or if an impairment charge is recognized. The Company uses unobservable inputs to the valuation methodologies that are significant to the fair value measurements, and the valuations require management's judgment due to the absence of quoted market prices. The Company determines the fair value of its held and used assets, goodwill and intangible assets using an income, cost or market approach as determined reasonable.

Digital assets measured at fair value under ASC 350-60 are not included in the fair value hierarchy table above, in accordance with ASC 350-60.

(b) NAV practical expedient

The investment in Dialectic is measured at fair value using the NAV practical expedient under ASC 820-10 and is not categorized in the fair value hierarchy. The NAV is calculated monthly by the general partner in accordance with ASC 946 using fair value for substantially all underlying assets.

**20. Discontinued operations**

(a) FaZe Media

As discussed in Note 4, on April 1, 2025, the Company sold FaZe Media and recognized a gain on disposition of $3.0 million, resulting in FaZe Media meeting the requirements for presentation as discontinued operations.

The Company recognized a pretax net loss of $0 and $2.6 million for the three months ended March 31, 2026 and 2025, respectively, in net income (loss) from discontinued operations in the condensed consolidated statements of operations and comprehensive loss in relation to FaZe Media. The pretax net loss of $2.6 million during the three months ended March 31, 2025, includes revenue of $6.4 million, cost of revenue of $6.4 million, and operating expenses of $2.6 million.

FaZe Media had amortization and depreciation of $0 and $0.3 million for the three months ended March 31, 2026 and 2025, respectively. FaZe Media did not have significant capital expenditures or significant noncash activity during the periods presented.

(b) Frankly

During the third quarter of 2025, the Company executed a plan to discontinue the operations of Frankly, following a strategic decision to focus the Company's resources on its full-service creative agency, SaaS and newly launched digital asset treasury. Subsequent to the May 31, 2024 Frankly asset disposal, the business of Frankly that remained was its legacy programmatic advertising operation. Given its single digit-gross margins and operating losses, management deemed it in the best interest of the Company to discontinue operations of Frankly. During the periods presented, Frankly met the requirements to be reported as discontinued operations.

The Company recognized a pretax net loss of $94 thousand and $0.5 million for the three months ended March 31, 2026 and 2025, respectively, in net income (loss) from discontinued operations in the condensed consolidated statements of operations and comprehensive loss in relation to Frankly. The pretax net loss of $94 thousand during the three months ended March 31, 2026, includes revenue of $6 thousand, cost of revenue of $11 thousand, and operating expenses of $89 thousand. The pretax net loss of $0.5 million during the three months ended March 31, 2025, includes revenue of $7.3 million, cost of revenue of $7.1 million, and operating expenses of $0.7 million.

Frankly had amortization and depreciation of $4 thousand and $52 thousand for the three months ended March 31, 2026 and 2025, respectively. Frankly did not have significant capital expenditures or significant noncash activity during the periods presented.

**21. Subsequent events**

*Share Buyback authorization expansion*

In April 2026, the Company's Board of Directors authorized an increase in its stock repurchase program from $5 million to $15 million.

*Share Buyback*

Subsequent to March 31, 2026, GameSquare repurchased 2,291,000 shares of its common stock for $1.0 million, representing an average price per share of approximately $0.4490. Following these transactions, the Company has $11.5 million remaining under its current authorization. Consistent with its capital allocation priorities, GameSquare intends to continue using funds generated by its treasury strategy to opportunistically repurchase its common stock.

*ETH backed short-term promissory notes*

As of March 31, 2026 the Company had $9.5 million of outstanding borrowings under ETH-backed promissory notes, which were collateralized by 6,958.15 ETH with a fair value of $14.6 million, resulting in a collateral coverage ratio of approximately 154%.

In April 2026, the Company expanded its borrowings under ETH-backed promissory notes from $9.5 million to $11.1 million. The Company intends to extend the terms of the underlying borrowings until the price of ETH returns to levels that exceed the Company's average cost per ETH.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*Unless the context otherwise requires, all references in this section to the "Company," "GameSquare," "we," "us," or "our" refer to GameSquare Holdings, Inc. and its subsidiaries and/or the management and employees of the Company.*

*The following discussion and analysis provide information which our management believes is relevant to an assessment and understanding of our results of operations and financial condition. This discussion and analysis should be read together with our audited consolidated financial statements and related notes included in Part I of this Form 10-Q. This discussion and analysis should also be read together with our financial information for the year ended and as of December 31, 2025. In addition to historical financial information, this discussion and analysis contains forward-looking statements that reflect our plans, estimates, and beliefs that involve risks, uncertainties and assumptions. As a result of many factors, such as those set forth under the "Cautionary Statement Regarding Forward-Looking Statements" elsewhere in this Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.*

**Overview**

GameSquare is a vertically integrated, digital media, entertainment and technology company that connects global brands with gaming and youth culture audiences. GameSquare's end-to-end platform includes Swingman LLC dba as Zoned, a gaming and lifestyle marketing agency, Code Red, a UK based esports talent agency, Click, an Australia based gaming and esports talent agency, FaZe, a lifestyle and media platform rooted in gaming and youth culture whose premium brand, talent network, and large audience can be monetized across a variety of products and services, GameSquare Esports, (USA), Inc. dba as Fourth Frame Studios, a creative production studio, Mission Supply, a merchandise and consumer products business, Stream Hatchet, live streaming data and analytics platform, SideQik, a social influencer marketing platform, GCN, a digital media company focused on gaming and esports audiences, and TubeBuddy, a powerful search engine optimization, workflow, analytics, and productivity tool company.

GameSquare completed the plan of arrangement (the "Arrangement") with GameSquare Esports Inc. ("GSQ") on April 11, 2023, resulting in the Company acquiring all the issued and outstanding securities of GSQ. At completion of the Arrangement Engine Gaming and Media, Inc. changed its name to GameSquare Holdings Inc.

GameSquare completed its Merger with FaZe on March 7, 2024, resulting in the Company acquiring all the issued and outstanding securities of FaZe.

GameSquare is primarily engaged in the business described above. However, as a secondary strategy, GameSquare is also leveraging sophisticated crypto infrastructure with the intent to generate digital asset yield. GameSquare has partnered with Dialectic, a crypto-native asset manager, to implement an ETH based treasury strategy. GameSquare's ETH-focused yield generation strategy is built on top of Dialectic's proprietary platform Medici, which applies machine learning models, automated optimization, and multi-layered risk controls to generate returns. GameSquare's Board has approved an ETH based treasury and cash management strategy of up to $250 million, based on staged investments over time, while keeping adequate working capital for the operating business. To date, GameSquare has purchased or acquired, directly and indirectly, approximately $63 million ETH and other digital assets, excluding NFTs, to support broader growth initiatives across the Company's platform. During the three months ending March 31, 2026, the Company sold $0.7 million in digital assets and exchanged $0.4 million of NFTs for digital assets. As of March 31, 2026, the total fair market value of the Company's digital assets, including fair value of ETH in its investment with Dialectic, amounted to $33.5 million.

GameSquare completed its acquisition of Click, an Australian proprietary limited company on September 11, 2025, resulting in the Company acquiring all the issued and outstanding securities of Click.

On February 20, 2026, GameSquare also acquired TubeBuddy, a company with powerful search engine optimization, workflow, analytics, and productivity tools powered by proprietary AI, which are used by creators and digital publishers to grow, manage, and monetize their content.

**Brands**

*FaZe Esports*

FaZe Esports a digitally native lifestyle and media brand founded and rooted in gaming and youth culture. FaZe Esports is at the forefront of the global creator economy, which is an industry centered around innovative digital content development fueled by social media influencers, creators and businesses who monetize their content online. With a leading digital content platform created for and by Generation Z and Millennials, FaZe Esports has established a highly engaged and growing global fanbase. FaZe Esports produces merchandise, consumer products, and creates advertising and sponsorship programs for leading national brands. FaZe Esports has several revenue streams including brand sponsorships, consumer products, and Esports.

*Zoned*

Zoned Gaming is a marketing agency dedicated to bridging the gap between gaming and pop-culture. They work with endemic and non-endemic brands alike, helping them identify their lane and build equity in the constantly changing world of gaming and esports.

*Click*

Click is leading talent management firm founded in Australia with a growing U.S. presence. Regularly named as one of the top digital creator agencies by Business Insider and recently awarded "Best Talent Management Agency" by industry body AiMCO, Click has assembled one of the largest English-speaking gaming rosters, with over 85 active talent, half of which are U.S. talent.

*Code Red*

Code Red is an authentic esports media agency that is passionate about esports and video games. Since 2003, Code Red has produced major esports events, sourced, and hired esports and gaming talent, developed esports related content (that has gone out to over 1 million viewers), managed major esports teams, conducted a wide range of ongoing and ad-hoc strategic consultancy projects, and managed countless marketing campaigns.

*GCN*

GCN is a media group dedicated to gaming and esports. GCN builds bespoke strategy solutions for reaching young gaming and esports audiences from content creation to full-scale tournaments for any endpoint be it social, broadcast TV or live stream.

*Fourth Frame Studios*

Rooted in gaming, youth, and popular culture, Fourth Frame Studios is a multidisciplinary creative and production studio that specializes in telling stories for a multi-dimensional audience. Fourth Frame Studios builds meaningful and diverse content systems fueled by best-in-class creatives and production resources, that truly get what gamers and youth audiences want.

*Mission Supply*

Mission Supply operates at the intersection of gaming, esports, and fashion design filling a need for fans seeking high quality merchandise that represents their favorite teams, organizations, and brands within the gaming ecosystem by providing merchandise and consumer product design, marketing, and sales consultation to brands and esports organizations seeking to reach large and growing gaming and youth demographics.

*Sideqik*

Sideqik is an influencer marketing platform that offers brands, direct marketers, and agencies tools to discover, connect and execute marketing campaigns with content creators. Sideqik's end-to-end solutions offer marketers advanced capabilities to discover influencers with demographic and content filtering; connect and message influencers; share marketing collateral such as campaign briefs, photos, logos, videos; measure reach, sentiment, and engagement across all major social media platforms; and evaluate earned media value and return on investment across the entire campaign.

*Stream Hatchet*

Stream Hatchet is the leading provider of data analytics for the live streaming industry. With a suite of services, encompassing a user-friendly SaaS platform, custom reports, and strategic consulting, Stream Hatchet is a trusted guide for those navigating the dynamic landscape of live streaming. With up to seven years of historical data with minute-level granularity from 20 platforms, Stream Hatchet provides stakeholders in the live-streaming industry with powerful insights to drive innovation and growth. Stream Hatchet partners with a diverse clientele - from video game publishers and marketing agencies to esports organizers and teams - who rely on the company's cutting-edge data analytics to optimize their marketing strategies, secure lucrative sponsorships, enhance esports performance, and build successful tournaments.

*TubeBuddy*

Acquired by GameSquare on February 20, 2026, TubeBuddy provides powerful search engine optimization, workflow, analytics, and productivity tools powered by proprietary AI, which are used by creators and digital publishers to grow, manage, and monetize their content. The acquisition adds a scaled creator technology layer to GameSquare's technology platform which the Company believes will accelerate its strategy to build an integrated ecosystem spanning content, community, data, and performance marketing.

**Recent Developments**

*TubeBuddy Asset Purchase Agreement and Preferred Stock Issuance*

On February 20, 2026, GameSquare Holdings, Inc., TubeBuddy, Inc., a Delaware corporation and indirect wholly-owned subsidiary of the Company ("Buyer"), Ben Group, Inc., a Nevada corporation ("Ben Group"), and TubeBuddy, LLC, a California limited liability company ("TB LLC", and together with Ben Group, "Seller"), entered into an asset purchase agreement (the "Asset Purchase Agreement"), pursuant to which the Seller has agreed to sell to Buyer and Buyer has agreed to purchase from Seller substantially all the assets, and certain specified liabilities, of the Seller relating to software which utilizes search engine optimization, bulk processing, workflow, and other tools for social media and content creation (the "Transaction"). As consideration for the Transaction, the Company issued to Seller 5,000,000 shares of newly designated Series A-2 Convertible Preferred Stock of the Company, par value $0.0001 per share (the "Series A-2 Preferred Stock").

Pursuant to the Asset Purchase Agreement, the Company agreed to file a preliminary proxy statement with the SEC on or prior to April 30, 2026 and to hold a related meeting of stockholders for the purposes of obtaining the approval (the "Shareholder Approval") of the holders of the Company's capital stock to authorize a sufficient number of additional shares of common stock of the Company, par value $0.0001 per share (the "Common Stock"), to allow for the conversion of the Series A-2 Preferred Stock into Common Stock in accordance with, and pursuant to the terms and conditions set forth in, the Certificate of Designation (as defined below). The Company agreed to hold a meeting of stockholders to seek the Shareholder Approval no later than 120 days after the closing of the Transaction. If the Company fails to obtain the Shareholder Approval by September 30, 2026 (the "Shareholder Approval Deadline"), the Company shall pay to Seller an aggregate amount equal to $3,500,000 plus accrued interest, $2,350,000 (plus accrued interest) of which shall be payable within five business days of the Shareholder Approval Deadline and $1,150,000 of which shall be payable within five business days after the 18-month anniversary of the closing of the Transaction, as set forth in the Asset Purchase Agreement.

The Asset Purchase Agreement also provides for deferred consideration upon the occurrence of certain events. Under the Asset Purchase Agreement, in the event the volume weighted average per share price of the Series A-2 Preferred Stock on a one-to-one as-converted basis to Common Stock for the 30 trading days preceding the date that is 18 months after closing of the Transaction is less than $0.70 per share, after accounting for changes in the Series A-2 Preferred Stock (on such as-converted basis) by way of stock split, stock dividend, combination, reclassification, or similar event, or through merger, consolidation, reorganization, recapitalization or business combination, Seller shall be entitled to additional cash consideration (the "Deferred Cash Consideration"). Such Deferred Cash Consideration shall be equal to (a) the product of (i) 5,000,000 multiplied by (ii) the absolute value of the dollar amount by which such calculation in the previous sentence is less than $0.70, minus (b) any proceeds received by Seller from the sale of the Series A-2 Preferred Stock prior to the date that is 18 months after closing (the "Deferred Cash Consideration Date"). However, no Deferred Cash Consideration shall be owed if, prior to the Deferred Cash Consideration Date and after the Series A-2 Preferred Stock are converted into shares of Common Stock (the "Converted Shares"), the (x) closing price of the Converted Shares is greater than $0.70 per share for ten consecutive trading days or 20 total trading days subsequent to the date such Converted Shares are no longer subject to any trading restrictions to the holder of such shares under Rule 144 of the Securities Act, or (y) the Seller or its affiliates sells any of such shares prior the Deferred Cash Consideration Date for aggregate gross proceeds in excess of $3,500,000.

The Asset Purchase Agreement contains representations and warranties, and covenants of the Company, Buyer and Seller, and indemnification rights of the parties after the closing of the Transaction that are customary for transactions of this type.

In connection with the Transaction, on February 20, 2026, the Company filed the Certificate of Designation of Series A-2 Convertible Preferred Stock (the "Certificate of Designation") with the Secretary of State of Delaware, which designated 5,000,000 shares of Series A-2 Preferred Stock.

Each share of Series A-2 Preferred Stock was issued with an initial liquidation value of $1.00 per share, subject to adjustments for stock splits, combinations and similar transactions. Upon the receipt of the Shareholder Approval, each share of Series A-2 Preferred Stock shall automatically convert into one share of Common Stock subject to adjustment for certain corporate events as set forth in the Certificate of Designation.

Each share of Series A-2 Preferred Stock is entitled to vote with the holders of the Common Stock, voting together as a single class, with respect to any matters presented to the stockholders of the Company. Each share of Series A-2 Preferred Stock is entitled to a number of votes equal to 3.86 shares of Common Stock (subject to standard adjustments for reverse and forward stock splits and similar transactions), provided such number of votes shall not exceed 19.99% of the outstanding number of Common Stock as provided in the Certificate of Designation. In connection with the Transaction, Seller agreed to vote its shares of Series A-2 Preferred Stock in favor of authorizing an increase to the number of authorized Common Stock of the Company.

The Series A-2 Preferred Stock ranks senior to all junior securities, including Common Stock, and ranks on parity with the Company’s Series A-1 Preferred Stock. The Series A-2 Preferred Stock will participate equally in any dividends declared to holders of Common Stock.

*Repurchase Program*

On August 1, 2025, the Board of Directors of the Company authorized a share repurchase program pursuant to which the Company may purchase up to $5,000,000 of shares of Common Stock. Under the repurchase program, GameSquare may purchase shares of its Common Stock on a discretionary basis from time to time through open market repurchases, in privately negotiated transactions, or other means, including through Rule 10b5-1 trading plans. The timing and actual number of shares repurchased will be determined by management depending on a variety of factors, including, among other factors, stock price, trading volume, market conditions and other general business considerations. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time. Repurchases under this program will be funded from the Company’s surplus cash and cash equivalents or future cash flow generated by its Ethereum yield strategy.

In April 2026, the Company’s Board of Directors authorized an increase in its stock repurchase program from $5 million to $15 million.

As of March 31, 2026, the Company had repurchased 5,058,590 common shares at a total cost of $2.5 million under this program. Subsequent to March 31, 2026, the Company acquired an additional 2,291,000 common shares at a total cost of $1.0 million. Following these transactions, the Company has $11.5 million remaining under its current authorization. Consistent with its capital allocation priorities, GameSquare intends to continue using funds generated by its treasury strategy to opportunistically repurchase its common stock.

*ETH backed short-term promissory notes*

The Company has entered into short-term promissory note arrangements with third-party lenders that are collateralized by the Company’s holdings of ETH. The borrowings are evidenced by promissory notes with a contractual term of 60 days and bear interest at a stated rate of 8.5% to 9.5% per annum.

Under the terms of the agreements, the Company pledges ETH as collateral to secure repayment of the notes. The arrangements require the Company to maintain specified loan-to-value (“LTV”) ratios based on the market value of ETH relative to the outstanding principal balance of the borrowings. The applicable collateralization thresholds are as follows: (a) Initial borrowing ratio of 150% - At inception, the Company must pledge ETH with a market value equal to at least 150% of the principal amount borrowed; (b) Margin call ratio of 130% - if the collateral value declines such that the collateral coverage falls below 130% of the outstanding loan balance, the lender will issue a margin call requiring the Company to pledge additional ETH or repay a portion of the borrowing; (c) Liquidation ratio of 120% - if the collateral coverage falls below 120% and the Company does not cure the deficiency within 24 hours, the lender may liquidate pledged ETH to satisfy the outstanding obligation; and (d) capital return ratio of 170% - if the collateral coverage exceeds 170%, the Company may request the return of excess pledged ETH, subject to lender approval and continued compliance with minimum collateralization requirements.

The Company continues to recognize the pledged ETH on its balance sheet, as the collateral arrangement does not constitute a transfer of control. The ETH collateral is subject to restrictions while pledged and cannot be freely transferred until the related borrowings are repaid or the lenders release the collateral.

The fair value of ETH collateral is subject to significant market volatility. Declines in the market price of ETH could result in margin calls requiring the Company to post additional collateral or repay a portion of the outstanding borrowings. If the Company were unable to meet such requirements, the lenders may liquidate pledged ETH to satisfy the Company’s obligations under the promissory notes.

As of March 31, 2026 the Company had $9.5 million of outstanding borrowings under ETH-backed promissory notes, which were collateralized by 6,958.15 ETH with a fair value of $14.6 million, resulting in a collateral coverage ratio of approximately 154%.

In April 2026, the Company expanded its borrowings under ETH-backed promissory notes from $9.5 million to $11.1 million. The Company intends to extend the terms of the underlying borrowings until the price of ETH returns to levels that exceed the Company’s average cost per ETH.

*Click Equity Purchase Agreement*

On September 10, 2025, GameSquare, entered into an Equity Purchase Agreement (the “Click Purchase Agreement”) with Click, pursuant to which, among other things, GameSquare acquired all of the outstanding equity interests in Click, subject to the terms and conditions in the Click Purchase Agreement (the “Click Transaction”). The Click Transaction closed on September 11, 2025.

Under the terms of the Click Purchase Agreement, the Company paid a base purchase price of $4,500,000 subject to customary adjustments for cash, net working capital, indebtedness and transaction expenses. The sellers will also receive, subject to the terms and conditions described in the Click Purchase Agreement: (i) a deferred cash payment of $4,000,000 within sixty (60) days following December 31, 2025; and (ii) up to an aggregate of $3,000,000 in cash earn-out payments based on the post-closing performance of Click and its wholly owned subsidiary, Click Media & Management LLC, a Delaware limited liability company (“Click Media”) and together with Click, collectively, the “Click Group”). Specifically, (a) up to $1,500,000 may be payable based on the Click Group’s EBITDA for the 12-month period beginning January 1, 2026, if Actual EBITDA for such period falls within specified target ranges set forth in the Purchase Agreement, and (b) up to an additional $1,500,000 may be payable based on the Click Group’s EBITDA for the 12-month period beginning January 1, 2027, if Actual EBITDA for such period falls within specified target ranges set forth in the Purchase Agreement.

*Nasdaq bid price requirement*

On September 10, 2025, GameSquare received a letter (the “Minimum Bid Price Notice”) from the Nasdaq Listing Qualifications Department of the Nasdaq Stock Market LLC (“Nasdaq”) notifying GameSquare that for the last 30 consecutive business days, the closing bid price for GameSquare’s common stock (the “Common Stock”) was below the minimum $1.00 per share required for continued listing on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2) (the “Nasdaq Minimum Bid Price Requirement”). The Minimum Bid Price Notice had no immediate effect on the listing of the Common Stock, and the Common Stock continues to trade on the Nasdaq Capital Market.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), GameSquare was provided an initial compliance period of 180 calendar days, or until March 9, 2026, to regain compliance with the Nasdaq Minimum Bid Price Requirement, which requires that the closing bid price of the Common Stock meet or exceed $1.00 per share for a minimum of ten consecutive trading days.

On March 10, 2026, the Company received a second notice (the "Second Notice") from Nasdaq indicating that, while the Company has not yet regained compliance with the Nasdaq Minimum Bid Price Requirement, Nasdaq has determined that the Company is eligible for an additional 180 calendar day period, or until September 7, 2026 (the "Second Compliance Period"), to regain compliance. According to the Second Notice, Nasdaq's determination was based on (i) the Company meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on the Nasdaq Capital Market, with the exception of the Nasdaq Minimum Bid Price Requirement, and (ii) the Company's written notice of its intention to cure the deficiency during the Second Compliance Period by effecting a reverse stock split, if necessary.

If at any time during the Second Compliance Period, the closing bid price of the Company's common stock is at least $1.00 per share for a minimum of 10 consecutive business days, Nasdaq will provide the Company written confirmation of compliance. Nasdaq may, in its discretion, require the Company to maintain a bid price of at least $1.00 per share for a period in excess of 10 consecutive business days, but generally no more than 20 consecutive business days, before determining that the Company has demonstrated an ability to maintain long-term compliance. If the Company chooses to implement a reverse stock split, it must complete the split no later than 10 business days prior to the expiration of the Second Compliance Period. If compliance cannot be demonstrated by September 7, 2026, Nasdaq will provide written notification that the Company's securities will be delisted. At that time, the Company may appeal the delisting determination to a Nasdaq Hearings Panel. There can be no assurance that the Company will regain compliance with the Nasdaq Minimum Bid Price Requirement or otherwise maintain compliance with any of the other listing requirements.

The Company intends to continue to monitor the closing bid price of its common stock and may, if appropriate, consider available options to regain compliance with the Nasdaq Minimum Bid Price Requirement.

*Series A-1 Preferred Stock*

On July 23, 2025, the board of directors of the Company approved a Certificate of Designation of Series A-1 Convertible Preferred Stock of the Company (the "Certificate of Designation") establishing the rights, preferences, powers, restrictions and limitations of the Company's newly authorized 3,433.33 shares of the Series A-1 Preferred Stock, par value $0.0001 per share (the "Series A-1 Preferred Stock"). The Certificate of Designation was filed with the Secretary of State of the State of Delaware on July 24, 2025, and became effective upon filing.

The Series A-1 Preferred Stock ranks senior to all junior securities, including Common Stock, and carries a $1.50 per share liquidation preference on an as-converted basis, with such preference subject to the Shareholder Vote Condition. After satisfying this preference, holders participate pro rata with junior securities. The Series A-1 Preferred Stock has no voting rights, and upon satisfaction of the Shareholder Vote Condition, each share of Series A-1 Preferred Stock will automatically convert into 1,000 shares of the Common Stock.

*Newsweek Settlement*

On August 25, 2025, GameSquare entered into a Settlement and Release Agreement (the "Settlement Agreement") by and among the Company, its subsidiary, Frankly Media LLC ("Frankly Media"), and Newsweek Publishing LLC ("Newsweek") to resolve certain claims and disputes between the Company and Frankly Media on the one hand, and Newsweek on the other, and litigation previously filed by Newsweek in the Supreme Court of the State of New York, County of New York, Commercial Division, captioned *Newsweek Publishing LLC v. Frankly Media LLC, et al*., Index No. 654834/2025 (the "Litigation") related to their respective obligations under an advertising services agreement entered into on or about February 1, 2025 ("Advertising Agreement").

The Settlement Agreement did not give rise to any new or incremental payment obligations beyond amounts previously owed under the Advertising Agreement. Rather, it memorialized and restructured the Company's and Frankly Media's existing payment obligations, which totaled $3,236,663.76 as of the settlement date. That amount is payable through an initial payment of $500,000 upon execution of the Settlement Agreement, followed by monthly installments of $250,000 through June 1, 2026, with the final payment adjusted to reflect the remaining outstanding balance. The Company and Frankly Media also agreed to remit to Newsweek any advertising revenues generated under the Advertising Agreement but not previously remitted as of June 30, 2025.

In addition, the Company agreed that, if it raises debt or equity financing, it will make supplemental payments of $500,000 for each $10 million of financing received, up to full satisfaction of the obligations under the Settlement Agreement. The Company has guaranteed the obligations of Frankly Media under the Settlement Agreement, and in the event of a breach or default, the entire remaining balance of the debt will become immediately due and payable.

**Other Highlights**

On December 31, 2025, GameSquare entered into a Separation Agreement with Lou Schwartz, pursuant to which Mr. Schwartz resigned from all positions with the Company, including as Chairman and member of the Board of Directors (the "Board") and the President of the Company, effective as of December 31, 2025 (the "Termination Date"). Under the terms of the Separation Agreement, the Company will pay Schwartz & Associates, P.C., an entity affiliated and controlled by Mr. Schwartz, a total of $250,000, with $70,000 payable upon execution of the Separation Agreement and the remaining balance to be paid in six equal installments between January 15, 2026 and March 30, 2026. These payments are fixed and unconditional and will be reported as non-employee compensation on IRS Form 1099. In addition, the Company will accelerate and immediately vest 174,324 RSUs under outstanding equity awards held by Mr. Schwartz, with such RSUs deemed earned and issued as of the Termination Date, with no further service or contingency required. The Company will also issue, within ten business days following certain corporate actions, vested options to acquire 653,570 shares of the Company's common stock, with a five-year exercise period and subject to the terms of the Company's Amended and Restated 2024 Stock Incentive Plan. The Company will pay the full cost of COBRA premiums necessary to continue Mr. Schwartz's current health coverage for up to nine months following the Termination Date or until he becomes covered under another group health plan. The Company has also agreed to indemnify Mr. Schwartz to the fullest extent permitted by Delaware law for claims arising out of his service as an officer or director, including advancement of legal fees and expenses in connection with currently pending shareholder litigation. In connection with the Separation Agreement, Mr. Schwartz will enter into an Advisor Agreement with the Company, effective January 1, 2026, under which he will provide business advisory services through July 31, 2026.

On January 16, 2026, the Board of the Company appointed the Company's current Chairman and Chief Executive Officer, Justin Kenna, as President of the Company, effective immediately. In connection with Mr. Kenna's appointment as President, the Company and Mr. Kenna entered into an amended and restated employment agreement, effective January 1, 2026 (the "Employment Agreement"), which supersedes Mr. Kenna's prior employment agreement with the Company, dated July 7, 2023. The Employment Agreement provides that Mr. Kenna will serve as Chief Executive Officer and President, reporting to the Board, for a term of three years beginning January 1, 2026, with automatic one-year renewals unless either party provides at least 120 days' written notice of non-renewal prior to the expiration of the then-current term. Mr. Kenna will receive an initial annual base salary of $660,000, with automatic annual increases of 3.5% effective as of the second and third anniversary of the effective date of the Employment Agreement, unless the Board provides timely notice to the contrary. He is also eligible to participate in the Company's annual bonus plan, with a target bonus opportunity of up to $400,000 per year, based on the achievement of performance metrics established by the Board. In addition, Mr. Kenna will receive a one-time grant of 500,000 RSUs under the Company's 2024 Stock Incentive Plan (the "Plan"), which will vest immediately upon issuance. For each full year of service, Mr. Kenna will also receive an annual grant of 500,000 RSUs and an option to purchase up to 500,000 shares of the Company's common stock, each subject to vesting schedules as set forth in the Employment Agreement and made pursuant to the Plan, which the Company intends to grant on or about the applicable anniversary of the effective date of the Employment Agreement. The Employment Agreement entitles Mr. Kenna to participate in the Company's benefit plans, including health, dental, vision, life, and disability insurance, as well as certain ancillary benefits such as an auto allowance, reimbursement for mobile phone use, and club memberships. In the event Mr. Kenna's employment is terminated by the Company without cause, and subject to his execution of a customary release and other applicable terms, Mr. Kenna will be entitled to: (A) payment of all accrued but unpaid wages through the termination date; (B) separation pay equal to twelve months of his then-current salary, paid over twelve months in accordance with the Company's regular payroll practices; (C) reimbursement for COBRA premiums necessary to continue family coverage under the Company's group health plan for up to twelve months, provided he is eligible and elects such coverage, and subject to COBRA's maximum payment limits; and (D) pro rata vesting of all outstanding equity awards through the end of the twelve-month severance period, with any performance-based awards prorated for active employment and paid in accordance with the terms of the applicable performance plan and actual performance results. The Employment Agreement also contains customary confidentiality, non-competition, and non-solicitation provisions.

On February 2, 2026, the Company appointed Amaree Tanawong as Chief Operating Officer of the Company. In connection with Ms. Tanawong's appointment as Chief Operating Officer, the Company and Ms. Tanawong entered into an employment agreement, dated February 2, 2026. Ms. Tanawong's Employment Agreement has no specific term and constitutes at-will employment. Ms. Tanawong will receive an initial annual base salary of $350,000. She is also eligible to participate in the Company's annual bonus plan, with a target minimum bonus amount of $35,000 for her first year of employment, increasing to an amount equal to up to 50% of her annual salary in subsequent years, in each case, based on the achievement of performance metrics established by the Company's Board of Directors. In addition, Ms. Tanawong will receive a one-time grant of 50,000 RSUs under the Company's Plan, which will vest 30 days following the date of grant. Ms. Tanawong will also receive (i) options to purchase up to 470,570 shares of the Company's common stock (the "Options") and (ii) 209,188 restricted stock units (the "LTIP RSUs"). The Options and LTIP RSUs will vest in four equal installments on each of the six-month, 12-month, 18-month and 24-month anniversaries of the grant date, subject to Ms. Tanawong's continued employment on such dates. The Employment Agreement also entitles Ms. Tanawong to participate in the Company's benefit plans, including health, dental, vision, life, and disability insurance. In the event Ms. Tanawong's employment is terminated by the Company without cause, and subject to her execution of a customary release and other applicable terms, Ms. Tanawong will be entitled to separation pay equal to three months of her then-current salary, provided that if such termination subsequent to the one-year anniversary of the date of the Employment Agreement then such amount will be increased by an additional month of her the-current salary for each additional year of service to the Company, subject to a maximum amount of six months of her then-current salary.

**Current Market Conditions**

GameSquare continues to pursue organic growth opportunities, as well as M&A growth opportunities. From August 2020 to May 2026, the Company has completed several acquisitions and divested non-core assets and assets that are a drain on achieving profitable operations. GameSquare's organic growth strategy focuses on growing audience and reach within its agency, SaaS and owned and operated IP segments. GameSquare's segments serve the gaming and esports market, and more broadly sports and entertainment through content creation, audience development and growing brand relationships. The digital agency industry is highly fragmented, and these businesses are generally characterized by high revenue growth with healthy earnings before income, taxes, depreciation and amortization margins, which management believes positions the Company well for sustainable growth through organic efforts and presents significant opportunities to grow through accretive acquisitions.

The combination of best-in-class technology assets with award-winning agency and creative capabilities, allows the Company to offer unparalleled insight into consumer behaviors. It also allows GameSquare to develop data-driven creative strategies, and measure and optimize campaigns towards customer acquisition goals in real-time - creating impactful marketing solutions that drive ROI for its customers. The Company has invested in its sales organization and continues to see significant growth in the number, and the size, of requests for proposals within its agency businesses.

The Company believes enterprise growth may come as a result of synergistic approaches to combining the strengths of its multiple SaaS companies that it can present as a unified offering to the market.

The following is a summary of the Company's financial performance highlights for the three months ended March 31, 2026 and 2025. This summary should be considered in the context of the additional disclosures in this MD&A which further highlight Company results by reportable segment.

**Results of Operations**

The following table summarizes our results of operations for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. Historical results of operations of FaZe Media and Frankly are netted in discontinued operations within the below figures.

| | Three months ended March 31, 2026 | Three months ended March 31, 2025 | Variance |
|---|---|---|---|
| Revenue | $ 14,503,721 | $ 7,439,124 | $ 7,064,597 |
| Cost of revenue | 8,931,440 | 4,281,199 | 4,650,241 |
| Gross profit | 5,572,281 | 3,157,925 | 2,414,356 |
| Operating expenses: | | | |
| General and administrative | 4,439,647 | 3,707,625 | 732,022 |
| Selling and marketing | 2,143,014 | 1,335,761 | 807,253 |
| Research and development | 610,802 | 654,053 | (43,251) |
| Depreciation and amortization | 430,250 | 204,131 | 226,119 |
| Contract exit costs | 150,855 | 617,213 | (466,358) |
| Other operating expenses | 1,171,697 | 745,377 | 426,320 |
| Total operating expenses | 8,946,265 | 7,264,160 | 1,682,105 |
| Loss from continuing operations | (3,373,984) | (4,106,235) | 732,251 |
| Other income (expense), net: | | | |
| Interest income (expense) | (329,101) | 26,586 | (355,687) |
| Change in fair value of convertible debt carried at fair value | - | 333,477 | (333,477) |
| Change in fair value of warrant liability | 659,383 | 5,347 | 654,036 |
| Arbitration settlement reserve | 27,792 | 55,583 | (27,791) |
| Realized and change in unrealized gain (loss) on digital assets and investment in ETH fund | (14,592,149) | - | (14,592,149) |
| Other income (expense), net | (2,593) | (73,464) | 70,871 |
| Total other income (expense), net | (14,236,668) | 347,529 | (14,584,197) |
| Loss from continuing operations before income taxes | (17,610,652) | (3,758,706) | (13,851,946) |
| Income tax expense | - | - | - |
| Net income (loss) from continuing operations | (17,610,652) | (3,758,706) | (13,851,946) |
| Net income (loss) from discontinued operations | (94,320) | (3,415,030) | 3,320,710 |
| Net loss | (17,704,972) | (7,173,736) | (10,531,236) |
| Net loss attributable to non-controlling interest | - | 2,018,132 | (2,018,132) |
| Net loss attributable to GameSquare Holdings, Inc. | $ (17,704,972) | $ (5,155,604) | $ (12,549,368) |

**Revenue**

The following tables disaggregate revenue by reportable segment and geographic region for the three months ended March 31, 2026 and 2025. FaZe Media and Frankly are reported in discontinued operations, and therefore not included in the below figures.

| | Three months ended March 31, 2026 | | | | |
|---|---|---|---|---|---|
| **Segment** | **United Kingdom** | **USA** | **Spain** | **Australia** | **Total** |
| **Revenue** | | | | | |
| Owned and Operated IP | $ - | $ 2,957,152 | $ - | $ - | $ 2,957,152 |
| Agency | 32,543 | 4,228,030 | 2,106,508 | 3,161,086 | 9,528,167 |
| SaaS and managed services | - | 1,263,191 | 787,112 | - | 2,050,303 |
| Yield | - | (31,901) | - | - | (31,901) |
| Total Revenue | 32,543 | 8,416,472 | 2,893,620 | 3,161,086 | 14,503,721 |
| **Cost of sales** | | | | | |
| Owned and Operated IP | - | 2,242,643 | - | - | 2,242,643 |
| Agency | 3,523 | 3,566,739 | 951,058 | 1,907,980 | 6,429,300 |
| SaaS and managed services | - | 167,343 | 92,154 | - | 259,497 |
| Yield | - | - | - | - | - |
| Total Cost of sales | 3,523 | 5,976,725 | 1,043,212 | 1,907,980 | 8,931,440 |
| **Gross profit** | | | | | |
| Owned and Operated IP | - | 714,509 | - | - | 714,509 |
| Agency | 29,020 | 661,291 | 1,155,450 | 1,253,106 | 3,098,867 |
| SaaS and managed services | - | 1,095,848 | 694,958 | - | 1,790,806 |
| Yield | - | (31,901) | - | - | (31,901) |
| Total Gross profit | $ 29,020 | $ 2,439,747 | $ 1,850,408 | $ 1,253,106 | $ 5,572,281 |

| | Three months ended March 31, 2025 | | | | |
|---|---|---|---|---|---|
| **Segment** | **United Kingdom** | **USA** | **Spain** | **Australia** | **Total** |
| **Revenue** | | | | | |
| Owned and Operated IP | $ - | $ 3,088,506 | $ - | $ - | $ 3,088,506 |
| Agency | 229,706 | 2,070,329 | 955,751 | - | 3,255,786 |
| SaaS and managed services | - | 426,211 | 668,621 | - | 1,094,832 |
| Yield | - | - | - | - | - |
| Total Revenue | 229,706 | 5,585,046 | 1,624,372 | - | 7,439,124 |
| **Cost of sales** | | | | | |
| Owned and Operated IP | - | 1,752,844 | - | - | 1,752,844 |
| Agency | 216,949 | 1,264,872 | 819,132 | - | 2,300,953 |
| SaaS and managed services | - | 113,997 | 113,405 | - | 227,402 |
| Yield | - | - | - | - | - |
| Total Cost of sales | 216,949 | 3,131,713 | 932,537 | - | 4,281,199 |
| **Gross profit** | | | | | |
| Owned and Operated IP | - | 1,335,662 | - | - | 1,335,662 |
| Agency | 12,757 | 805,457 | 136,619 | - | 954,833 |
| SaaS and managed services | - | 312,214 | 555,216 | - | 867,430 |
| Yield | - | - | - | - | - |
| Total Gross profit | $ 12,757 | $ 2,453,333 | $ 691,835 | $ - | $ 3,157,925 |

**Key Components and Comparison of Results of Operations**

**Three months ended March 31, 2026 and 2025**

**Revenue**

Revenues for the three months ended March 31, 2026, were $14.5 million, in comparison to $7.4 million for the same period in 2025. The increase was primarily related to increases in our Agency and SaaS and managed services reportable segments driven by our acquisitions of Click and TubeBuddy, and large increase in creative marketing agency services, partially driven by new web3 deals initiated as the result of the launch of our digital asset treasury.

*Owned and operated IP Revenue*

Owned and operated IP revenue for the three months ended March 31, 2026, was $3.0 million, in comparison to $3.1 million for the same period in 2025. The variance between the periods was not significant.

*Agency Revenue*

Agency revenue for the three months ended March 31, 2026, was $9.5 million, in comparison to $3.3 million for the same period in 2025. The increase was primarily related our acquisition of Click, and large increase in creative marketing agency services, partially driven by new web3 deals initiated as the result of the launch of our digital asset treasury.

*SaaS and managed services*

SaaS and management services revenue for the three months ended March 31, 2026, was $2.1 million, in comparison to $1.1 million for the same period in 2025. The increase was primarily due to the acquisition of TubeBuddy, which contributed approximately $0.9 million in revenue to the first quarter of 2026 covering the period February 21, 2026 to March 31, 2026.

*Yield*

Yield revenue for the three months ended March 31, 2026, was $(32) thousand, in comparison to $0 for the same period in 2025. The Company launched its DAT in the third quarter of 2025.

**Cost of Revenue**

Cost of revenue for the three months ended March 31, 2026, was $8.9 million, in comparison to $4.3 million for the same period in 2025. The increase was primarily related to the increase in revenue discussed above, and varying margins of the Company product mix.

**Operating expenses**

*General and administrative*

General and administrative expenses for the three months ended March 31, 2026, were $4.4 million, in comparison to $3.7 million for the same period in 2025. The increase was partially due to $0.5 million in stock based compensation recorded during the current period from new RSU grants to employees and officers, in addition to the operations of Click and TubeBuddy included in the current period, not in the prior year comparable period.

*Selling and marketing*

Selling and marketing expenses for the three months ended March 31, 2026, was $2.1 million, in comparison to $1.3 million for the same period in 2025. The increase was due to the operations of Click and TubeBuddy included in the current period, not in the prior year comparable period in addition to expansion of the sales and marketing headcount within the other business units in the group.

*Research and development*

Research and development expenses for the three months ended March 31, 2026, was $0.6 million, in comparison to $0.6 million for the same period in 2025. The variance between the periods was not significant.

*Depreciation and amortization*

Depreciation and amortization for the three months ended March 31, 2026, was $0.4 million, in comparison to $0.2 million for the same period in 2025. The decrease was primarily related to intangible asset impairments taken at December 31, 2024, reducing the go forward amortization. The current period included amortization expense in connection with definite-lived intangibles acquired in the Click and TubeBuddy acquisitions.

*Contract exit costs*

Contract exit costs for the three months ended March 31, 2026, were $0.2 million, in comparison to $0.6 million for the same period in 2025. The decrease was due to less exit activities undertaken in the current year period. As it relates to the acquisition of TubeBuddy, any employee or vendor contract exits were done prior to closing, and did not impact the income statement post-closing.

*Other operating expenses*

Other operating expenses for the three months ended March 31, 2026, were $1.2 million, in comparison to $0.7 million for the same period in 2025. Other operating expenses between the quarters consisted primarily of transaction-related expenses. The current year period included the costs related to the acquisition of TubeBuddy as compared to the disposal of Faze Media in the prior year period, which was less costly.

**Other income and expenses**

*Interest income (expense), net*

Interest income (expense), net for the three months ended March 31, 2026, was $(0.3) million, in comparison to $27 thousand for the same period in 2025. The prior year period included interest income on promissory notes from past deals related to the sale of Complexity and Frankly Media assets.

*Change in fair value of convertible debt carried at fair value*

Change in fair value of convertible debt income (expense) for the three months ended March 31, 2026, was $0, in comparison to $0.3 million for the same period in 2025. The Company had no convertible debt outstanding in the current year period.

*Change in fair value of warrant liability*

Change in fair value of warrant liability income (expense) for the three months ended March 31, 2026, was $0.7 million, in comparison to $5 thousand for the same period in 2025. After completion of the July 18, 2025 registered offering, the Company no longer had sufficient unissued authorized common shares available to cover all outstanding USD denominated warrants. These warrants were previously equity classified, but were reclassified to warrant liability on July 18, 2025 due to reasons noted above. The large change in warrant liability income in the current year period was due to change in fair value of these warrants, driven by the decline in the Company's common share price during the period.

*Arbitration settlement reserve*

Arbitration settlement reserve income (expense) for the three months ended March 31, 2026, was $28 thousand, in comparison to $56 thousand for the same period in 2025. The variance between the periods was not significant.

*Realized and change in unrealized gain (*loss*) on digital assets and investment in ETH fund*

Realized and change in unrealized gain (loss) on digital assets and investment in ETH fund for the three months ended March 31, 2026, was $(14.6) million, in comparison to $0 for the same period in 2025. The increase in loss was due to the launch of our digital asset treasury in July 2025. The line item is comprised of realized and change in unrealized gains (loss) on all of our crypto holdings, including our investment in ETH fund. The loss in the current year period is primarily driven by the change in market value of ETH.

*Other income (expense), net*

Other income (expense), net for the three months ended March 31, 2026, was $(3) thousand, in comparison to $(73) thousand for the same period in 2025. The variance between the periods was not significant.

**Net income (loss) from discontinued operations**

Net income (loss) from discontinued operations for the three months ended March 31, 2026, was $(94) thousand, in comparison to $(3.4) million for the same period in 2025. The historical results of Frankly and Faze Media are included in discontinued operations.

**Management's use of Non-GAAP Measures**

This Report contains certain financial performance measures, including "EBITDA" and "Adjusted EBITDA," that are not recognized under accounting principles generally accepted in the United States of America ("GAAP") and do not have a standardized meaning prescribed by GAAP. As a result, these measures may not be comparable to similar measures presented by other companies. For a reconciliation of these measures to the most directly comparable financial information presented in the Financial Statements in accordance with GAAP, see the section entitled "Reconciliation of Non-GAAP Measures" below.

We believe EBITDA is a useful measure to assess the performance of the Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of our underlying business performance and other one-time or non-recurring expenses. We define "EBITDA" as net income (loss) before (i) depreciation and amortization; (ii) income taxes; and (iii) interest expense.

*Adjusted EBITDA*

We believe Adjusted EBITDA is a useful measure to assess the performance of the Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of our underlying business performance and other one-time or non-recurring expenses. We define "Adjusted EBITDA" as EBITDA adjusted to exclude extraordinary items, non-recurring items and other non-cash items, including, but not limited to (i) share based compensation expense, (ii) transaction costs related to merger and acquisition activities, (iii) arbitration settlement reserves and other non-recurring legal settlement expenses, (iv) contract exit costs, primarily comprised of employee severance resulting from integration of acquired businesses, (v) impairment of goodwill and intangible assets, (vi) impairment of promissory notes receivable, (vii) gains and losses on extinguishment of debt, (viii) change in fair value of assets and liabilities adjusted to fair value on a quarterly basis, (ix) gains and losses from discontinued operations, and (x) Net income (loss) attributable to non-controlling interest.

*Reconciliation of Non-GAAP Measures*

A reconciliation of Adjusted EBITDA to the most directly comparable measure determined under US GAAP is set out below.

| | Three months ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Net loss | $ (17,704,972) | $ (7,173,736) |
| Interest (income) expense, net | 329,101 | (26,586) |
| Income tax expense | - | - |
| Amortization and depreciation | 430,250 | 204,131 |
| Share-based payments | 527,686 | 28,998 |
| Realized and change in unrealized (gain) loss on digital assets and investment in ETH fund | 14,592,149 | - |
| Transaction costs | 1,090,845 | 745,377 |
| Arbitration settlement reserve | (27,792) | (55,583) |
| Contract exit costs | 150,855 | 617,213 |
| Change in fair value of contingent purchase consideration | 80,852 | - |
| Change in fair value of warrant liability | (659,383) | (5,347) |
| Change in fair value of convertible debt carried at fair value | - | (333,477) |
| Loss (gain) on disposition of subsidiary | - | 298,382 |
| Loss from discontinued operations | 94,320 | 3,116,648 |
| Adjusted EBITDA | $ (1,096,089) | $ (2,583,980) |

**Liquidity and Capital Resources**

*Overview*

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. We may revise programs depending on our working capital position.

Our approach to managing liquidity risk is to ensure that we will have sufficient liquidity to meet liabilities when due. Our liquidity and operating results may be adversely affected if our access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company.

We regularly evaluate our cash position to ensure preservation and security of capital as well as maintenance of liquidity. As we do not presently generate sufficient revenue to cover costs, managing liquidity risk is dependent upon the ability to reduce monthly operating cash outflow and secure additional financing. The recoverability of the carrying value of the assets and our continued existence is dependent upon our ability to raise financing in the near term, and ultimately the achievement of profitable operations.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in an accumulated deficit of $180.0 million as of March 31, 2026 and of $162.3 million as of December 31, 2025. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute its business strategy or be successful in future financing activities. As of March 31, 2026, the Company had a working capital deficiency of $5.7 million and of $18.7 million as of December 31, 2025, which is comprised of current assets less current liabilities. The Company has an additional $10.7 million of ETH value held within its investment in ETH fund, which can be redeemed and subsequently sold at its election (subject to the ETH fund's redemption provisions).

These conditions indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

As of March 31, 2026, cash and restricted cash totaled $4.2 million, compared to $6.4 million as of December 31, 2025.

We do not have any current plans to raise additional funds, given the Company has a significant digital asset treasury. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute its business strategy or be successful in future financing activities.

Our ability to maintain sufficient liquidity could be affected by various risks and uncertainties including, but not limited to, our ability to raise additional funds through financing, those related to consumer demand and acceptance of our products and services, our ability to collect payments as they become due, achieving our internal forecasts and objectives, the economic conditions of the United States and abroad.

**Sources and Uses of Cash**

Since inception, we have financed our operations primarily by issuing equity and debt. As of March 31, 2026, our principal sources of liquidity were our cash, accounts receivable and digital assets in the amount of $2.4 million, $10.7 million and $22.8 million, respectively. The Company has an additional $10.7 million of ETH value held within our investment in ETH fund, which can be redeemed and subsequently sold at our election (subject to the ETH fund's redemption provisions).

*Operating Activities*

Net cash used in operating activities was $6.4 million during the three months ended March 31, 2026, compared with $8.6 million used in operating activities in the comparative prior year period. The use of funds in operating activities is described in the Results of Operations section above.

*Investing Activities*

Net cash used in investing activities was $2.5 million for the three months ended March 31, 2026, primarily due to $3.9 million payment of the acquisition of Click deferred cash consideration and $1 million of additional purchases of Anime tokens, partially offset by $1.5 million in proceeds from the sale of the Cowboy Ape NFT and $0.7 million in proceeds from sale of digital assets.

Net cash used in investing activities was $0.4 million for the three months ended March 31, 2025.

*Financing Activities*

Net cash provided by financing activities was $6.7 million for the three months ended March 31, 2026, which was primarily due to $7.5 million in proceeds from ETH backed promissory notes payable, partially offset by $0.8 million for acquisition of treasury stock.

Net cash provided by financing activities was $1.5 million for the three months ended March 31, 2025, which was primarily due to $2 million in proceeds from the promissory note payable to Blue & Silver, partially offset by $0.7 million in net repayments under the former line of credit with SLR Digital Finance, LLC.

**Commitments and Contingencies**

*Management commitments*

The Company is party to certain management contracts. These contracts require payments of approximately $0.7 million to be made upon the occurrence of a change in control and termination without cause to certain officers of the Company. The Company is also committed to payments upon termination without cause of approximately $0.7 million pursuant to the terms of these contracts. Since a triggering event has not taken place, these amounts have not been recorded in these condensed consolidated financial statements.

*Former activities*

The Company was previously involved in oil and gas exploration activities in Canada, the United States and Colombia. The Company ceased all direct oil and gas exploration activities in 2014. While management estimated that the exposure to additional liabilities from its former oil and gas activities over and above the reclamation deposits held in trust for the Alberta Energy Regulator of $0.3 million to be remote, the outcome of any such contingent matters is inherently uncertain.

*Litigation and arbitration*

We are subject to various claims, lawsuits and other complaints arising in the ordinary course of business. We record provisions for losses when claims become probable, and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on our financial condition, operations, or liquidity.

## Critical Accounting Policies

### Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control of its services to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and related revenue recognition policies:

*Brand Sponsorships*

The Company offers advertisers a full range of promotional vehicles, including but not limited to online advertising, livestream announcements, event content generation, social media posts, logo placement on the Company's official merchandise, and special appearances of members of the Company's talent roster. The Company's brand sponsorship agreements may include multiple services that are capable of being individually distinct; however the intended benefit is an association with the Company's brand, and the services are not distinct within the context of the contracts. Revenues from brand sponsorship agreements are recognized ratably over the contract term. Payment terms and conditions vary, but payments are generally due periodically throughout the term of the contract. In instances where the timing of revenue recognition differs from the timing of billing, management has determined the brand sponsorship agreements generally do not include a significant financing component.

*Content*

The Company and its talent roster generate and produce original content which the Company monetizes through Google's AdSense service. Revenue is variable and is earned when the visitor views or "clicks through" on the advertisement. The amount of revenue earned is reported to the Company monthly and is recognized upon receipt of the report of viewership activity. Payment terms and conditions vary, but payments are generally due within 30 to 45 days after the end of each month.

The Company grants exclusive licenses to customers for certain content produced by the Company's talent. The Company grants the customer a license to the intellectual property, which is the content and its use in generating advertising revenues, for a pre-determined period, for an amount paid by the customer, in most instances, upon execution of the contract. The Company's only performance obligation is to license the content for use in generating advertising revenues, and the Company recognizes the full contract amount at the point at which the Company provides the customer access to the content, which is at the execution of the contract. The Company has no further performance obligations under these types of contracts and does not anticipate generating any additional revenue from these arrangements apart from the contract amount.

*Consumer Products*

The Company earns consumer products revenue from sales of the Company's consumer products on the Company's website or at live or virtual events. Revenues are recognized at a point in time, as control is transferred to the customer upon shipment. The Company offers customer returns and discounts through a third-party distributor and accounts for this as a reduction to revenue. The Company does not offer loyalty programs or other sales incentive programs that are material to revenue recognition. Payment is due at the time of sale. The Company has outsourced the design, manufacturing, fulfillment, distribution, and sale of the Company's consumer products to a third party in exchange for royalties based on the amount of revenue generated. Management evaluated the terms of the agreement to determine whether the Company's consumer products revenues should be reported gross or net of royalties paid. Key indicators that management evaluated in determining whether the Company is the principal in the sale (gross reporting) or an agent (net reporting) include, but are not limited to:

- the Company is the party that is primarily responsible for fulfilling the promise to provide the specified good or service,
- the Company has inventory risk before the good is transferred to the customer, and
- the Company is the party that has discretion in establishing pricing for the specified good or service.

Based on management's evaluation of the above indicators, the Company reports consumer products revenues on a gross basis.

*Esports*

League Participation: Generally, the Company has one performance obligation—to participate in the overall Esport event—because the underlying activities do not have standalone value absent the Company's participation in the tournament or event. Revenue from prize winnings and profit-share agreements is variable and is highly uncertain. The Company recognizes revenue at the point in time when the uncertainty is resolved.

Player Transfer Fees: Player transfer agreements include a fixed fee and may include a variable fee component. The Company recognizes the fixed portion of revenue from transfer fees upon satisfaction of the Company's performance obligation, which coincides with the execution of the related agreement. The variable portion of revenue is considered highly uncertain and is recognized at the point in time when the uncertainty is resolved.

Licensing of Intellectual Property: The Company's licenses of intellectual property generate royalties that are recognized in accordance with the royalty recognition constraint. That is, royalty revenue is recognized at the time when the sale occurs.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Company.

Deferred revenue consists of customer advances for Company services to be rendered that will be recognized as income in future periods.

*Digital talent agency revenues*

The Company operates a digital talent and influencer marketing agency that connects brands with digital creators and talent for marketing campaigns, content production, promotional events, and related services. Contracts with customers generally specify the scope of services, campaign deliverables, and associated fees.

The Company's performance obligations typically consist of arranging for and managing the delivery of digital marketing services performed by talent on behalf of brand customers. Deliverables may include, among other things:

- Sponsored social media content
- Digital marketing campaigns
- Brand endorsements and promotions
- Live or virtual promotional events
- Content creation and distribution

Revenue is generally recognized at a point in time when the contracted deliverable or event has been completed and the customer obtains the benefit of the service. For social media or digital content campaigns, this typically occurs when the agreed-upon content is posted or otherwise delivered in accordance with the contractual requirements. For live or virtual promotional events, revenue is recognized when the event has occurred.

*Digital marketing agency revenues*

The Company operates an end-to-end digital marketing agency focused on connecting brands with gaming and youth audiences through digital content, influencer partnerships, and targeted marketing campaigns. The Company provides a comprehensive suite of services that may include:

- Development of marketing strategies and audience engagement plans
- Campaign concept design and creative development
- Identification and contracting of digital talent and influencers
- Production of digital content and marketing materials
- Coordination and management of promotional campaigns
- Distribution of marketing content across social media and digital platforms

These services are typically delivered as integrated marketing campaigns designed to achieve specified marketing objectives for the Company's brand clients.

Customer contracts generally define the scope of a marketing campaign and the associated deliverables. In most arrangements, the Company provides a bundle of integrated services that are highly interdependent and are combined into a single performance obligation, representing the delivery of an integrated marketing product or service.

The services provided by the Company—including strategy development, campaign design, talent engagement, content production, and campaign distribution—are not separately identifiable within the context of the contract and together represent a single combined output to the customer.

The Company recognizes revenue over time as services are performed because the marketing deliverables created under the Company's contracts are customized for a specific customer and generally have no alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

Progress toward completion of the performance obligation is measured using an input method, generally based on time incurred relative to total estimated time required to complete the service. This method is considered to faithfully depict the Company's performance in transferring control of the integrated marketing services to the customer.

*Software-as-a-service*

The Company enters into license agreements with customers for its gaming and e-sports data platform (Stream Hatchet) and an influencer marketing platform (SideQik). These license agreements, generally non-cancellable, without paying a termination penalty, and multiyear, provide the customer with the right to use the Company's application solely on a Company-hosted platform or, in certain instances, on purchased encoders. The license agreements also entitle the customer to technical support.

Revenue from these license agreements is recognized ratably over the license term. Early termination fees are recognized when a customer ceases use of agreed upon services prior to the expiration of their contract. These fees are recognized in full on the date the customer has completed their migration of the Company's solutions and there is no continuing service obligation to the customer.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Company.

Deferred revenue consists of customer advances for Company services to be rendered that will be recognized as income in future periods.

**Investments**

Investments in and advances to entities or joint ventures in which the Company has significant influence, but less than a controlling financial interest, are accounted for using the equity method. Significant influence is generally presumed to exist when the Company owns an interest between 20% and 50% and exercises significant influence.

In accordance with ASC 321 "Investments—Equity Securities" ("ASC 321"), equity securities which the Company has no significant influence (generally less than a 20% ownership interest) with readily determinable fair values are accounted for at fair value based on quoted market prices. Equity securities without readily determinable fair values are accounted for either at fair value or using the measurement alternative which is at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. All gains and losses on investments in equity securities are recognized in the consolidated statements of operations and comprehensive loss.

Equity securities accounted for under ASC 321 without a readily determinable fair value are accounted for using the net asset value ("NAV") practical expedient in accordance with ASC 820 where applicable and when elected by the Company. The NAV is calculated by the general partner in a manner consistent with ASC 946, Financial Services — Investment Companies.

Equity securities accounted for under ASC 321 without a readily determinable fair value and for which the NAV practical expedient has not been elected are accounted for under the measurement alternative. The Company assesses the securities for impairment indicators, at least annually, or more frequently if there are any indicators of impairment. If the assessment indicates that the fair value of the investment is less than its carrying value, the investment is impaired and an impairment charge equal to the excess of the carrying value over the related fair value of the investment will be recorded.

**Digital assets**

Crypto assets within the scope of ASC 350-60 are measured at fair value each reporting period, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss. Fair value is determined using Level 1 inputs from principal market cryptocurrency exchanges or widely recognized pricing indices. These assets are presented separately on the consolidated balance sheets. Upon sale or transfer, crypto assets are derecognized at fair value. The Company applies an average cost methodology to assign costs for purposes of determining digital assets held and realized gains and losses.

Digital assets outside the scope of ASC 350-60, such as NFTs, are accounted for as indefinite-lived intangible assets under ASC 350-30.

**Business combinations**

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of the acquisition. The Company uses the acquisition method of accounting and allocates the purchase price to the identifiable assets and liabilities of the relevant acquired business at their acquisition date fair values. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill. The allocation of the purchase price in a business combination requires the Company to perform valuations with significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations. Transaction costs associated with business combinations are expensed as incurred and are included in selling, general and administrative expense in the consolidated statements of operations.

**Impairment of long-lived assets and goodwill**

Long-lived assets consist of property and equipment, right-of-use assets and intangible assets. The Company assesses for impairment of asset groups, including intangible assets, at least annually, or more frequently if there are any indicators for impairment.

Goodwill and indefinite life intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired.

When a triggering event that occurred during the reporting period is identified, or when the annual impairment test is required, the Company may first assess qualitative factors to determine whether it is more likely than not that goodwill is impaired. If the Company determines it is more likely than not that goodwill is not impaired, an impairment test is not necessary. If an impairment test is necessary, management estimates the fair value of the Company. If the carrying value of the Company exceeds its fair value, goodwill is determined to be impaired, and an impairment charge equal to the excess of the carrying value over the related fair value of the Company will be recorded. If the qualitative assessment indicates that it is more likely than not that goodwill is not impaired, further testing is unnecessary.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

**Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our condensed consolidated financial statements and related disclosures requires us to make estimates, assumptions, and judgments as of the balance sheet date that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. Our actual results may differ from these estimates under different assumptions and conditions. The accounting estimates described in Item 7 of Part II of our Annual Report on Form 10-K for the year ended December 31, 2025 are those we consider critical in preparing our unaudited Condensed Consolidated Financial Statements. Changes to the Company's critical accounting policies or estimates during the three months ended March 31, 2026 are as follows:

<u>Redeemable convertible preferred stock – Mezzanine equity</u>

The Company accounts for its Series A-2 redeemable convertible preferred stock in accordance with ASC 480, Distinguishing Liabilities from Equity, ASC 815, Derivatives and Hedging, and applicable SEC guidance, including ASC 480-10-S99.

The Company classifies redeemable convertible preferred stock as temporary equity (mezzanine equity) outside of permanent stockholders' equity in the consolidated balance sheets because the shares contain redemption features that are not solely within the control of the Company. The redeemable convertible preferred stock is initially recorded at its issuance date fair value, net of issuance costs.

The Company evaluates the terms of the redeemable convertible preferred stock to determine whether any embedded features, including conversion options, redemption features, or other contingent settlement provisions, require bifurcation and separate accounting as derivative instruments pursuant to ASC 815.

Subsequent to initial recognition, the carrying value of the redeemable convertible preferred stock is adjusted for accretion to the redemption value when redemption becomes probable or, if applicable, using the effective interest method or by recognizing changes immediately as they occur pursuant to ASC 480-10-S99. Accretion is recorded as an adjustment to retained earnings, or in the absence of retained earnings, as an adjustment to additional paid-in capital and accumulated deficit.

Dividends on redeemable convertible preferred stock, whether declared or cumulative, are recorded in accordance with the terms of the applicable agreements and are reflected as adjustments in arriving at net income (loss) attributable to common stockholders in the calculation of earnings per share.

Upon conversion, redemption, extinguishment, or modification of the redeemable convertible preferred stock, the Company evaluates the transaction to determine the appropriate accounting treatment, including whether the transaction should be accounted for as an extinguishment, modification, or induced conversion in accordance with applicable U.S. GAAP.

The Company reassesses the classification of redeemable convertible preferred stock at each reporting date to determine whether changes in facts or circumstances impact the presentation or accounting treatment of the instrument.

**Recent Accounting Pronouncements**

See Note 3 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted, the timing of their adoptions and our assessment, to the extent we have made one, of their potential impact on our financial condition and results of operations.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this Item.

## ITEM 4. CONTROLS AND PROCEDURES

**Disclosure Controls and Procedures**

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures under the supervision of our Chief Executive Officer and our Chief Financial Officer and concluded that our disclosure controls and procedures were not effective as of March 31, 2026. Material weaknesses relating to the Design and Implementation of Control Activities and Monitoring Activities were identified. The Company did not have sufficient resources with the relevant expertise to perform an effective risk assessment process, design and implement controls supported by documentation and provide evidence that such controls designed was based on the COSO Framework.

The material weaknesses in risk assessment, control activities and monitoring activities contributed to the following material weaknesses: (i) the Company did not complete a documented risk assessment, and (ii) the Company did not identify all risks and design relevant controls related to system of internal controls. As a consequence of the aggregation of the foregoing deficiencies in the Company's DC&P and ICFR design, the Company did not have effective control activities related to the design of process-level and management review control activities. Aside from these deficiencies, management believes that the Company's condensed consolidated financial statements for three months ended March 31, 2026, present fairly in all material respects, the Company's financial position, results of operations, changes in shareholders' equity and cash flows in accordance with U.S. GAAP. The Company does not believe and is not aware of any circumstance in which the potential weaknesses have impacted the Company's financial reporting and as a result, there were no material adjustments to the Company's condensed consolidated financial statements for the three months ended March 31, 2026. In addition, there were no changes to previously released financial results. However, if the collective deficiencies were deemed to create a material weakness, a material misstatement to our consolidated financial statements might not be prevented or detected on a timely basis.

*Management's Remediation Measures*

To address the deficiencies identified, management, with oversight of the Audit Committee, has implemented, or will implement, remediation measures to further address the deficiencies in the design of its DC&P and ICFR. The Company intends to complete such remedial measures by December 31, 2027, and is currently underway with planning and scoping procedures. Management has also performed an initial risk assessment using a top-down, risk-based approach with respect to the risks of material misstatement of the consolidated financial statements. In addition, compensating controls have been applied to a number of areas where the risks of material misstatement are considered moderate to high. The Company is engaging outside resources to strengthen the business process documentation and help with management's self-assessment and testing of internal controls. Although the Company can give no assurance that these actions will remediate these deficiencies or that additional deficiencies or a material weaknesses will not be identified in the future, management believes the foregoing efforts will, when implemented, strengthen our DC&P and ICFR. Management will take additional remedial actions as necessary as they continue to evaluate and work to improve the Company's control environment.

**Changes in Internal Control Over Financial Reporting**

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Reid v. GameSquare Holdings, Inc., et al. – A Complaint was filed on December15, 2025, in the United States District Court, Northern District of Texas by Kevin Reid against GameSquare Holdings, Inc., its former President, Louis Schwartz and its Chief Executive Officer, Justin Kenna. The plaintiff alleges that he was induced by the defendants' misrepresentations about the Company to purchase GameSquare stock and seeks damages of approximately $5 million under Texas law. The Company does not believe the claims have merit and intends to vigorously defend the matter. The Company is also indemnifying Mr. Schwartz in this matter, who is represented by separate counsel.

A motion to dismiss Mr. Reid's complaint was filed on behalf of Mr. Kenna and a partial motion to dismiss Mr. Reid's complaint was filed on behalf of GameSquare. Mr. Schwartz has also filed a motion to dismiss the complaint. Briefing on these motions has not yet been completed.

The Company is subject to various other claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable.

The outcomes of pending litigations in which the Company is involved are necessarily uncertain as are the Company's expenses in prosecuting and defending these actions. From time to time the Company may modify litigation strategy and/or the terms on which it retains counsel and other professionals in connection with such actions, which may affect the outcomes of and/or the expenses incurred in connection with such actions. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations, or liquidity.

## ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the Securities and Exchange Commission on April 8, 2026, which could materially affect our business, financial condition, results of operations, or cash flows.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

### Repurchases of Shares

In April 2026, the Company's Board of Directors authorized an increase in its stock repurchase program from $5 million to $15 million.

As of March 31, 2026, the Company had repurchased 5,058,590 common shares at a total cost of $2.5 million under this program. Subsequent to March 31, 2026, the Company acquired an additional 2,291,000 common shares at a total cost of $1.0 million. Following these transactions, the Company has $11.5 million remaining under its current authorization. Consistent with its capital allocation priorities, GameSquare intends to continue using funds generated by its treasury strategy to opportunistically repurchase its common stock.

### Issuer Purchases of Equity Securities

| Period | (a) Total number of shares (or units) purchased | (b) Average price paid per share (or unit) | (c) Total number of shares (or units) purchased as part of publicly announced plans or programs | (d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs |
|---|---|---|---|---|
| October 1, 2025 to October 31, 2025 | 833,124 | $ 0.72 | 833,124 | $ 4,400,852 |
| November 1, 2025 to November 30, 2025 | 1,120,606 | 0.50 | 1,953,730 | 3,835,045 |
| December 1, 2025 to December 31, 2025 | 1,038,787 | 0.54 | 2,992,517 | 3,271,244 |
| January 1, 2026 to January 31, 2026 | 543,057 | 0.46 | 3,535,574 | 3,022,925 |
| February 1, 2026 to February 28, 2026 | 1,460,016 | 0.33 | 4,995,590 | 2,542,995 |
| March 1, 2026 to March 31, 2026 | 63,000 | 0.29 | 5,058,590 | 2,524,945 |
| April 1, 2026 to April 30, 2026 | 2,291,000 | 0.44 | 7,349,590 | 11,526,142 |
| Total | 7,349,590 | $ 0.47 | 7,349,590 | $ 11,526,142 |

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), nor did any director or officer adopt or terminate any "non-Rule 10b5-1 trading arrangement," as such term is defined in Item 408(c) of Regulation S-K.

On August 1, 2025, the Board of Directors authorized a share repurchase program pursuant to which the Company may repurchase up to $5.0 million of its common stock from time to time. In April 2026, the Company's Board of Directors authorized an increase in its stock repurchase program from $5 million to $15 million. While the repurchase program permits repurchases to be effected through various means, including pursuant to a Rule 10b5-1 trading plan, the Company has not adopted any Rule 10b5-1 trading arrangement in connection with the repurchase program as of the date of this Quarterly Report.

**ITEM 6. EXHIBITS**

The exhibits to this Form 10-Q are listed in the following Exhibit Index:

| EXHIBIT NUMBER | DESCRIPTION OF EXHIBITS |
|---|---|
| 3.1 | Amendment No. 1 to the Bylaws of GameSquare Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 14, 2026). |
| 3.2 | Certificate of Designation of Series A-2 Convertible Preferred Stock of GameSquare Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 23, 2026). |
| 10.1 | Asset Purchase Agreement, dated February 20, 2026, by and among Ben Group, Inc., TubeBuddy, LLC, TubeBuddy, Inc., and GameSquare Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 23, 2026). |
| 10.2 | Registration Rights Agreement, dated February 20, 2026, by and among Ben Group, Inc., TubeBuddy, LLC, TubeBuddy, Inc., and GameSquare Holdings, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 23, 2026). |
| 10.3 | Employment Agreement, dated February 2, 2026, between the Company and Amaree Tanawong (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 6, 2026). |
| 10.4 | Amended and Restated Employment Agreement, effective January 1, 2026, between the Company and Mr. Kenna (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on January 16, 2026). |
| 31.1* | Certification of Principal Executive Officer pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Financial Officer pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents. |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.
** Furnished, not filed.
^ Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish copies of such schedules and exhibits to the Securities and Exchange Commission upon request.

## SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | | | |
|---|---|---|---|
| | | | GAMESQUARE HOLDINGS, INC.<br>(Registrant) |
| Dated: | May 14, 2026 | By: | *<u>/s/ JUSTIN KENNA</u>*<br>Justin Kenna<br>Chief Executive Officer<br>(Principal Executive Officer) |
| Dated: | May 14, 2026 | By: | *<u>/s/ MICHAEL MUNOZ</u>*<br>Michael Munoz<br>Chief Financial Officer<br>(Principal Financial Officer) |

**Exhibit 31.1**

**CERTIFICATION REQUIRED BY RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, Justin Kenna, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GameSquare Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2026

By: */s/ Justin Kenna*
Justin Kenna
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION REQUIRED BY RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, Michael Munoz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GameSquare Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| | | | |
|---|---|---|---|
| Date: | May 14, 2026 | By: | */s/ Michael Munoz* |
| | | | Michael Munoz |
| | | | Chief Financial Officer |
| | | | (Principal Financial and Accounting Officer) |

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. §1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of GameSquare Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Justin Kenna, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 14, 2026

*/s/ Justin Kenna*
Justin Kenna
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. §1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of GameSquare Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Munoz, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | |
|---|---|
| May 14, 2026 | */s/ Michael Munoz* |
| | Michael Munoz |
| | Chief Financial Officer |
| | (Principal Financial and Accounting Officer) |