THESCORE, INC.

ANNUAL INFORMATION FORM

For the year ended
August 31, 2018

October 17, 2018

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THESCORE, INC.

ANNUAL INFORMATION FORM

All references in this annual information form ("**AIF**") to "theScore", "we", "us" and "our" refers to theScore, Inc. and its direct and indirect subsidiaries unless otherwise noted or the context requires otherwise. All information contained herein is as of August 31, 2018 unless otherwise noted.

All dollar amounts in this AIF are expressed in Canadian dollars, unless otherwise noted.

Certain trademarks used in this AIF, such as "theScore", "ScoreMobile", "theScore esports", "theScore.com" and "theScoreesports.com", and theScore logo, theScore esports logo and the "S" icon are trademarks or registered trademarks of theScore. All other trademarks or services marks appearing in this AIF are the trademarks or service marks of their respective owners.

References in this AIF to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is not incorporated by reference into this AIF.

FORWARD-LOOKING INFORMATION AND FORWARD-LOOKING STATEMENTS

Certain statements made or incorporated by reference in this AIF constitute forward-looking statements that are made as of the date hereof. The words "anticipate," "believe," "plan," "estimate," "expect," "intend," "will," "may" and "should" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect our current expectations concerning future results and events, and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, new services, market forces, commitments and technological developments. By its nature, such forward-looking information is subject to various risks and uncertainties, including risks related to our operating in a new and developing industry that is reliant on mobile advertising, our historical losses and negative operating cash flows, liquidity risk associated with meeting our financial obligations, the industry competition we face, our dependence on key suppliers, the protection of our intellectual property, our dependence on key personnel and several other risk factors, including those discussed in this AIF or in documents incorporated by reference in this AIF, which could cause our actual results and experience to differ materially from the anticipated results or other expectations expressed (see "Risk Factors"). Readers are cautioned not to place undue reliance on this forward-looking information, and we disclaim any intention or obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements and information contained in this AIF are expressly qualified by this cautionary statement.

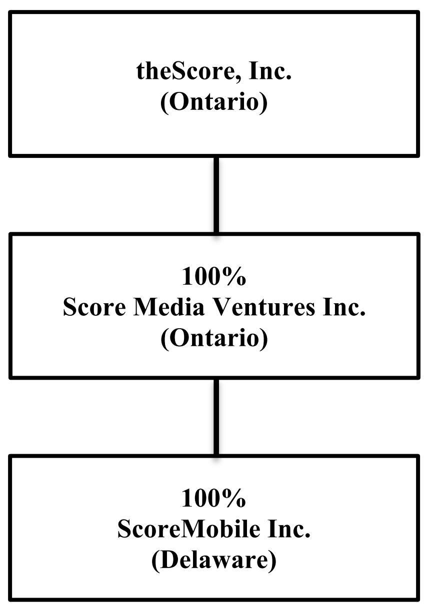
CORPORATE STRUCTURE AND HISTORY

theScore was incorporated pursuant to the *Business Corporations Act* (Ontario) ("**OBCA**") on August 30, 2012 under the name "theScore, Inc."

Our fiscal year commences September 1st of each year and ends on August 31st of the following year. Our fiscal year which ended on August 31, 2018 is referred to as "current fiscal year", "fiscal 2018", "F2018" or using similar words. Our previous fiscal year which ended on August 31, 2017 is referred to as "previous fiscal year", "fiscal 2017", "F2017" or using similar words.

Our registered office and principal place of business is 500 King St. W., 4th Floor, Toronto, Ontario, M5V 1L9.

The following chart depicts the intercorporate relationships among theScore and its material subsidiaries (all of which are wholly-owned) as of the date of this AIF:



GENERAL DEVELOPMENT OF THE BUSINESS – THREE YEAR HISTORY

Highlights of Fiscal 2018

Audience for our flagship mobile sports application 'theScore' (more commonly known as "theScore app") reached 3.7 million average monthly active users in Q4 F2018. A monthly active user is a unique user that uses theScore app at least once in the month. Average monthly user sessions on our mobile sports applications reached 257 million in Q4 F2018, with users accessing our apps approximately 70 times a month each on average. Monthly user sessions are the number of times our mobile applications are opened in the month.

In May 2018, the Supreme Court of the United States struck down the *Professional and Amateur Sports Protection Act of 1992*, an Act that largely outlawed sports betting outside Nevada, effectively clearing a path for the legalization of sports betting in the United States. Interactive gaming and sports betting executive David Wang joined us in August 2018 as a Senior Advisor as we evaluate U.S. sports betting opportunities.

We redesigned our website, theScore.com, creating a stronger connection between the look and feel of our mobile application and our web platforms. In addition, we redesigned the PGA golf section of theScore app to provide deeper stats coverage and personalization options.

Our content reached approximately 55 million users[1] per month in Q4 F2018 across Facebook, Instagram and Twitter, serving to further amplify our brand with sports fans globally.

theScore esports continued to drive audience growth after we refocused our strategy towards the production of original video content. Our YouTube channel grew to approximately 0.4 million subscribers, recording total cross-platform video views of approximately 33 million in Q4 F2018, year-over-year growth of 115%.

We also extended our video strategy to our primary sports vertical, launching the first of a new longer-form video content series “theScore X” in Q4 F2018, which debuted with a feature on NBA star Lance Stephenson.

We launched our service for Bixby Home, resulting in our news and data content being available to users on Samsung Galaxy devices, including their flagship S9 and S9+ devices, across the United States. Users are able to access our content by swiping through to Bixby Home, the name of Samsung’s personal assistant.

Highlights of Fiscal 2017

In Q4 F2017, we launched an update to theScore app for iOS (with the Android update following in Q1 F2018). The app was redesigned with a new user interface and an enhanced multimedia content offering. With continued coverage from every major league and competition, the new-look app included features designed to make it even easier for sports fans to uncover the biggest stories, scores and stats from their favourite teams.

We continued to expand on our chatbot platforms, adding a Top News option, live scores, game highlights and trending video content to our Facebook Messenger bot, maintaining our status as an innovator in the platform. We were also among the first wave of providers to launch group chat functionality for Messenger, allowing fans to send content delivered by theScore bot into conversations with their friends. In 2016, we became the first independent sports media company to launch a bot for Facebook Messenger.

We gave sports fans a shot at a $100,000 grand prize with a new bracket-picking challenge during March 2017’s men’s college basketball championship tournament. It was the first contest of this nature to be hosted by theScore app, and invited players to create or join groups and compete against friends by picking winners of the 63-game tournament.

In November 2016, theScore esports was chosen as the Best esports Coverage Website in the inaugural Esports Industry Awards, which were hosted in London, England. theScore esports was chosen ahead of other esports coverage platforms from major industry peers, including Yahoo and ESPN.

We renewed our sponsorship agreement with PGA Tour professional Mackenzie Hughes. The agreement allowed us to position our logos in two prominent positions on Hughes’ golf shirts. In November 2016, Hughes secured his first PGA Tour victory at the RSM Classic, guaranteeing his Tour status for a further three years and earning him qualification to major events including the US Masters and PGA Championship.

Highlights of Fiscal 2016

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[1] Social reach does not necessarily represent unique monthly users, as there may be duplication in audience across social media platforms.

theScore app for iOS and Android was updated to include coverage from major summer events including the Olympic Games in Rio 2016, the Copa America Centenario and EURO 2016.

We launched chatbots for Facebook Messenger and Kik Messenger, allowing sports fans to receive automated real-time scores and breaking news updates on the platforms. theScore chatbot was the first sports chatbot on the Facebook Messenger platform.

We updated theScore esports app for iOS and Android to include coverage of live scores and stats from games including Street Fighter, Super Smash Bros., Heroes of the Storm, Call of Duty, Hearthstone and StarCraft II.

We became one of the first digital publishers to be part of Google's newly launched Accelerated Mobile Pages (AMP) project, allowing us to deliver content faster on the mobile web and enhancing organic discoverability.

The design of theScore esports app for iOS and Android and for mobile and desktop web was totally refreshed to deliver sharper visuals and a look to better complement the high-quality coverage of the biggest tournaments, teams and players.

theScore app for Android was named one of the best apps of 2015 by Google Play in its prestigious end-of-year round-up.

THE BUSINESS OF THESCORE

General Description of the Business

Our mission is to create highly-engaging digital products and content that empower the sports fan's experience. Our flagship mobile app 'theScore' is one of the most popular multi-sport news and data apps in North America. We also create innovative digital sports experiences through our web, social and esports platforms. We generate revenues through the sale of standard and custom advertising and sponsorship opportunities on our mobile sports applications and web platforms and have offices in Toronto and New York.

Users of theScore app are primarily located in North America. In the year ended August 31, 2018, the location of the audience for theScore app on iOS and Android was approximately 62% in the United States, 26% in Canada and 12% in other international markets.

Mobile Sports Applications

Mobile sports applications are a key component for our growth. We differentiate our mobile sports applications from those of our competitors through a combination of: (i) a proprietary software that we use to aggregate, parse and serve multiple sports data content feeds; (ii) a proprietary content management system that enables our editorial team to create and curate multimedia mobile sports news content; (iii) a user-friendly interface; and (iv) a unique, independent approach to the development and curation of mobile-optimized sports news content which is comprehensive, customizable and updated in real-time.

Depending on the platform, our mobile sports applications are built either as native applications based on software developer kits ("**SDKs**") provided by the applicable operating system manufacturers, or as hybrid applications which utilize a combination of web technologies like HTML 5 and native software SDKs.

We distribute our mobile sports applications through mobile and online application storefronts operated by the applicable operating system manufacturers or selected third parties.

theScore

Originally launched in September 2007, theScore app delivers comprehensive and completely customizable news, scores, stats, and notifications for all major leagues and sports, including the National Football League, NCAA Football and Basketball, the National Basketball Association, Major League Baseball, the National Hockey League, PGA Golf, NASCAR Racing and major European soccer leagues, including the English Premier League and Champions League, as well as special events such as the Olympic Games and FIFA World Cup.

Available on iOS and Android operating systems, theScore app is free to end users and provides sports fans with deep personalization options, allowing them to follow and receive push notifications on news, scores and stats from their favourite teams and fantasy players in real-time with customizable feeds and seamless social sharing. We deliver comprehensive original news content across all major leagues and competitions, presenting stories in a way to make them easily consumable on mobile devices, including rich visuals and multimedia, such as videos and embedded tweets. News stories are produced by our industry leading mobile-first newsroom, where a team of news editors creates content via our in-house content management system that allows them to deliver mobile news to the user.

theScore.com is our principal web property. It provides sports news, scores, video and editorial content written by a roster of original, engaging sports voices, while curating the best and most relevant sports content from around the web. theScore.com is fully responsive and provides a great viewing experience for sports fans across a wide range of devices and screens, combined with all the news and data fans have come to expect from its flagship mobile app.

We continue to expand our marketing efforts through a dedicated team of social media editors, content creators and curators, who are responsible for sharing and syndicating our editorial content through social platforms including Facebook, Twitter, Instagram and other third party platforms. This syndication increases the exposure of our brand and editorial content and drives users back to theScore.com. In Q4 F2018, our content reached approximately 55 million users[2] per month across Facebook, Instagram and Twitter, serving to further amplify our brand with sports fans globally.

In Q4 of F2017, theScore app for iOS was comprehensively redesigned with the goal of empowering the sports fan's experience, with even deeper team coverage, a sleek new users interface and a dynamically enhanced multimedia content offering. The redesign included a completely new bottom navigation broken out into sections including:

- Favorites: Designed to take theScore app's personalization features to the next level, Favorites is home to all the content relating to a user's selection of preferred teams and leagues. It includes original content from theScore newsroom, as well as third party content and multimedia from trusted sources.

- Scores: The source for all of the day's live action, as well as upcoming games, from every major league, sorted based on user preferences.

- Discover: A completely new section that enables us to align our app offering with the content being shared across our social platforms. Discover is home to content covering the biggest trending stories and topics, pulling in content from across the web and social media, as well as multimedia content created by our team.

- Leagues: A quick-access menu for sports fans looking to browse the app by league or sport.

The Android redesign of theScore app was launched in Q1 F2018.

theScore chatbot for Facebook Messenger was launched in June 2016 and allows sports fans to receive automated real-time scores and breaking news updates on the messaging platforms. At launch, theScore chatbots delivered scores and breaking news from the NFL, MLB, NBA, NHL and most major soccer leagues, with coverage of NCAA Football and for special events like the Olympic Games and the FIFA World Cup.

[2] Social reach does not necessarily represent unique monthly users, as there may be duplication in audience across social media platforms.

theScore esports

We also provide comprehensive coverage of the growing competitive video gaming scene through theScore esports. Via a dedicated newsroom of specialist content creators, theScore esports produces and shares original video content pieces across its social and web platforms, including features on high-profile teams, games and players from across the esports scene, as well as highlights and interviews. Our primary distribution platform for our video content is YouTube, and as of Q4 F2018 theScore esports had approximately 400,000 subscribers to its YouTube channel. Total cross-platform views of theScore esports videos reached 33 million in Q4 F2018, year-over-year growth of approximately 115%.

Launched on Android and iOS in February and March 2015 respectively, theScore esports mobile application (more commonly known as 'theScore esports app') was the first dedicated mobile app for esports by a major sports media company. theScore esports app combines mobile-first breaking news, live scores, stats and push notifications from across the world of esports and competitive video gaming. theScore esports app offers coverage of games including League of Legends (NA LCS, EU LCS, LCK and LPL regions), Dota 2, Counter-Strike: GO and Heroes of the Storm, Street Fighter, Super Smash Bros., Call of Duty, Hearthstone and StarCraft II.

theScoreesports.com is the principal web property for our coverage of competitive video gaming. It provides news and analysis created by our team of esports writers. theScoreeSports.com is fully responsive across a wide range of devices and screens and includes the same breadth and depth of news coverage found within the mobile application.

User Metrics

The following chart highlights average monthly users of theScore app on iOS and Android on a quarterly basis for our last four fiscal years:

	F2015	**F2016**	**F2017**	**F2018**
Q1	4.3M	4.6M	4.4M	4.3M
Q2	4.2M	4.2M	4.1M	4.1M
Q3	4.0M	4.0M	3.9M	3.9M
Q4	3.5M	3.7M	3.5M	3.7M

Average monthly active users of theScore app were 3.7 million during Q4 F2018 versus 3.5 million in F2017. Monthly active users of theScore app on iOS grew by 12.5% in Q4 F2018 compared to the same period the previous year, with total app users partially offset by lower monthly active users on Android. Average monthly user sessions on theScore app reached 257 million in Q4 F2018, with theScore's users accessing its apps approximately 70 times a month each on average.

(Sources: Internal company data and Amplitude, 2018.)

Revenues

Our revenue model is an advertising-based revenue model. Our advertising revenue depends on the number of individuals who use our apps and website, how often they use our apps and website, and for how long they engage with our apps and website during each visit.

Users of our iPhone and Android apps must initially download the app for free from the Apple App Store or Google Play store. The users can then use our apps for free on their mobile device. Users of our website access the site for free by navigating to theScore.com in their web browser.

Revenue is generated by selling advertising impressions to advertisers. Advertising impressions appear within advertising units, which are embedded in various locations throughout our apps and website. New advertising impressions are generally created when a user opens an app or website or navigates to a different page or section within one of the apps or websites.

As shown in the table below, users of our mobile properties are primarily young, male, educated and affluent, which is a highly sought-after demographic in a number of key advertising categories including automotive, consumer electronics, quick service restaurants, beer and beverage products.

theScore Mobile Users – Selected Demographic Profile

	United States Audience	**Canadian Audience**
Between the ages of 18-44	43%	53%
Male	76%	82%
Household Income >$100,000	47%	49%
College Education	67%	64%

Source: comScore Mobile Metrix and comScore MobilLens, September 2018

Competitive Conditions

We operate in a highly competitive mobile sports market. We directly compete with many companies that offer mobile sports products. These include major media companies such as ESPN, Yahoo Sports, Fox Sports, CBS Sports, Turner Sports, SB Nation, TSN and Sportsnet, the digital media divisions of major North American sports leagues, independent fantasy sports companies, other digital media companies that cover esports, as well as start-up companies.

Market Trends

Growth of revenues associated with our mobile sports products will be driven in part by overall market trends, including the continued growth of the smartphone market, of mobile web usage and of mobile advertising in Canada and the United States. Alongside this, our ability to compete in an increasingly competitive mobile app market will determine our future growth. According to data from research firm Statista published June 2018, there are approximately 6.6 million apps and games currently available in the iTunes App Store and Google Play and, according to comScore's 2017 U.S. Mobile Apps Report, smartphone users in the U.S. are downloading fewer apps each month (Sources: Statista, June 2018 - Number of available applications in the Google Play Store & Number of available applications in the App Store; comScore, August 2017 – 2017 U.S. Mobile Apps Report.).

Growth of our esports audience and revenues will be driven by the continued expansion of the market for competitive gaming. According to the 2018 Newzoo Global eSports Market Report, global esports' audience is expected to reach 380 million in 2018, made up of 165 million esports enthusiasts and a further 215 million occasional viewers. The number of esports enthusiasts is expected to grow by another 16% by 2021, totaling 250 million. (Source: Newzoo, February 2018 – Newzoo Global eSports Market Report).

United States Industry Growth

In July 2018, Statista estimated that the number of American consumers with a smartphone is expected to grow from 69.6% of Americans (227 million users) in 2018 to 72.7% (245 million users) by 2022. Americans are also spending more time within mobile apps and less time on desktop browsers. According to eMarketer, adults in the U.S. are expected to spend an average of 3:25 hours per day on mobile devices in 2018, an annual increase of approximately 11 minutes. By 2019, mobile is expected to surpass television as the media attracting the most minutes in the U.S.

In March 2018, eMarketer forecasted that mobile ad spend in the U.S. would be $74.97 billion and is expected to reach $131.41 billion by 2022. Having already passed desktop in 2015, mobile ad spending is expected to pass TV as the dominant form of ad spend for the first time in 2018, and its share of the media ad spend market is only expected to increase. Mobile ad spending is expected to account for 69.9% of digital ad spending in 2018 and this is expected to increase to 77.1% by 2022. Mobile ad spending is expected to be responsible for 33.9% of total media ad spending in 2018 and grow to 47.9% in 2022. (Source: Statista, June 2018 – America's Smartphone Addiction; eMarketer, June 2018 – Mobile Time Spent 2018; eMarketer, March 2018 – US Mobile Ad Spending 2017-2022).

Canadian Industry Growth

In May 2018, Newzoo reported that the number of smartphone users in Canada had reached 26.5 million which represents 71.8% of the population, the 6th highest rate of penetration in the world. The rapid growth in smartphone user penetration over the last decade is expected to slow as the market is closing in on its saturation point.

Adoption of mobile advertising continues to increase as marketers become more comfortable with mobile advertising formats. Digital ad spending in Canada has now had the largest share of Canadian ad spend for four years, passing television in 2014 and this is expected to continue. According to a September 2018 eMarketer report, mobile ad spend in Canada is expected to be worth $5.07 billion in 2018 and is expected to grow to $7.11 billion in 2020 (Sources: Newzoo, May 2018 – Top 50 Countries/Markets by Smartphone Users and Penetration; eMarketer, September, 2018 – Mobile Ad Spending in Canada 2016-2020.)

Employees

As of August 31, 2018, we had 182 full-time employees and 24 part-time employees located in Toronto and 10 full-time employees in the United States. Of our 216 employees, 81 are involved in software and product development, 89 are involved in content development, 28 are involved in sales and marketing and 18 are involved in executive management, finance and administration. In addition, we have two contractors in executive management, finance and administration.

We believe that our success will be dependent on the performance of our management and key employees, many of whom have specialized knowledge and skills related to the digital sports media business. We believe we have the personnel with the specialized skills required to successfully carry out our operations and business objectives.

Properties

We maintain our operations at leased premises in Toronto, Ontario. This facility, totalling approximately 30,881 square feet, contains corporate, administration, sales and production functions. Total annual base rent is currently $910,000. The lease for this facility expires in 2022, and we have the option to extend this lease for an additional five years. We also maintain offices at leased premises in Hamilton, Ontario which is partially owned by John Levy, our Chairman and Chief Executive Officer. This facility, totalling approximately 1,500 square feet, contains an executive office. We also maintain offices in New York City, New York, in a shared work space for our New York based employees who are engaged in sales, marketing and business development functions.

RISK FACTORS

An investment in our securities involves risks and uncertainties. In addition to the other information contained in this AIF, investors should carefully consider the risks and uncertainties described below before investing in our securities. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair business operations and cause the price of our securities to decline. If any of the following risks actually occur, our business and prospects may be harmed and our financial condition and results of operations may suffer significantly. Some of the following statements are forward-looking and actual results may differ materially from the results anticipated in these forward-looking statements. See "FORWARD-LOOKING INFORMATION AND FORWARD-LOOKING STATEMENTS" herein.

Risks Related to Our Business and Industry

New and Developing Industry Reliant on Mobile Advertising

We derive all of our revenues from sales of advertising and sponsorship. The digital sports media industry is a relatively new and rapidly evolving industry and as such it is difficult to predict the prospects for growth. There is no assurance that advertisers will continue to increase their purchases of online and mobile advertising, that the supply of advertising inventory will not exceed demand or that smartphone penetration in the United States and Canada will continue to grow. If the industry grows more slowly than anticipated or our existing products and services lose, or our new products and services fail to achieve, market acceptance, we may be unable to achieve our strategic objectives, which could have a material adverse effect on our prospects, business, financial condition or results of operations.

Historical Losses and Negative Operating Cash Flows

We have a history of operating losses and we can be expected to generate continued operating losses and negative cash flows in the future while we carry out our current business plan to further develop and expand our digital media business. We have made significant up-front investments in research and development, sales and marketing, and general and administrative expenses in order to rapidly develop and expand our business. We are currently incurring expenditures related to our operations that have generated negative operating cash flows from operations. The successful development and commercialization of these operations will depend on a number of significant financial, logistical, technical, marketing, legal, competitive, economic and other factors, the outcome of which cannot be predicted. There is no guarantee that such operations will become profitable or produce positive cash flow or that we will be successful in generating significant revenues in the future or at all. While we can utilize cash and cash equivalents to fund our operating and development expenditures, we do not have access to committed credit facilities or other committed sources of funding. Our inability to ultimately generate sufficient revenues to become profitable and have positive cash flows could have a material adverse effect on our prospects, business, financial condition, results of operations or overall viability as an operating business.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We do not have access to a credit facility or other sources of credit. Our objective in managing liquidity is to ensure we will always have sufficient liquidity to meet our liabilities when due, under both normal and distressed conditions, without incurring unacceptable losses or risking damage to our reputation. There is no assurance that our approach to managing liquidity will prove successful and should we be unable to meet our liabilities when due it could have a material adverse effect on our prospects, business, financial condition and results of operations.

Competition

The digital sports media industry is rapidly evolving and intensely competitive, and is subject to changing technology, shifting user needs, and frequent introductions of new products and services. Our current and potential competitors include large and established companies, such as ESPN, Yahoo Sports, Fox Sports, CBS Sports, Turner Sports, SB Nation, TSN and Sportsnet, the digital media divisions of major sports leagues, independent fantasy sports companies, other digital media companies that cover esports, as well as start-up companies. Certain competitors have more established relationships and greater financial resources and they can use their resources against us in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for advertisers, employees, technologies, digital media rights, websites and applications. The digital media divisions of major sports leagues have more access to proprietary content that may not be made available to us. Emerging start-ups may be able to innovate and provide products and services faster than we can. If competitors are more successful than us in developing compelling products and engaging content or in attracting and retaining users, advertisers, and digital media rights, our revenues and growth rates and the value of the capitalized digital assets could be negatively affected. There is no assurance that we will be able to maintain our position in the marketplace.

Dependence on Key Suppliers and/or Sources of Content

We currently obtain a significant portion of our content, in particular scores, statistics and standings, for our mobile sports applications and website from a small number of sports content providers. We also rely on third party web hosting providers to enable users to access content through our mobile sports applications and website. If any or all of these sports content providers or web hosting providers elect not to renew their contracts at the expiration of their current terms, cease operations or do not meet their contractual obligations, we may be unable to provide timely content to both our mobile sports applications and website or find substitute providers in a timely manner. Our inability to retain sports content providers or web hosting providers to provide timely content to both our mobile sports applications and website could have a material adverse effect on our prospects, business, financial condition and results of operations.

We also rely on application storefronts operated by the applicable operating system manufacturers, along with selected third party application storefronts to distribute our mobile sports applications to consumers. If these operating system manufacturers cease to make our mobile sports application available in their application storefronts or will only make such mobile sports applications available on terms unacceptable to us, this could prevent the broad distribution of our products and services and could have a material adverse effect on our prospects, business, financial condition and results of operations.

We share and syndicate our editorial content through third party platforms including Facebook, Twitter, Instagram, YouTube and others. This syndication increases the exposure of our editorial content and generates user traffic for our websites. If these third party platforms modify or alter their policies with respect to the sharing and/or syndication of content, traffic to our websites could be negatively affected and could have a material adverse effect on our prospects, business, financial condition and results of operations.

We also curate and aggregate content from selected third-party sources, including news articles, social media content and other multimedia content, and present it to our audience through our mobile applications and website. If these third parties modify or alter their policies, or otherwise preclude other publishers from curating and aggregating such content, our ability to present this content to our audience could be negatively affected and could have a material adverse effect on our prospects, business, financial condition and results of operations.

Mobile Device Users May Choose Not to Allow Advertising

The success of our business model depends on our ability to deliver targeted, highly relevant ads to users of our mobile sports applications and website. Targeted advertising is done primarily through analysis of data, much of which is collected on the basis of user-provided permissions. This data might include a mobile device's location or data collected when users view an advertisement or when they click on or otherwise engage with an advertisement. Users may elect not to allow data sharing for targeted advertising for a number of reasons, such as privacy concerns, or pricing mechanisms that may charge the user based upon the amount or types of data consumed. In addition, the designers of mobile device operating systems are increasingly promoting features that allow device users to disable some of the functionality, which may impair or disable the delivery of advertisements to their devices, and device manufacturers may include these features as part of their standard device specifications. Although we are not aware of any such products that are widely used in the market today, as has occurred in the online advertising industry, companies may develop products that enable users to prevent advertisements from appearing on their mobile device screens. Finally, as discussed more fully below, the delivery of targeted advertising is under increasing scrutiny by regulators in many of the jurisdictions in which we operate, and regulatory changes could impact our business model and may have similar impact for many if not most entities that rely on targeted advertising. If any of these developments were to occur, it could have a material adverse effect on our prospects, business, financial condition and results of operations.

Limited Long-Term Agreements with Advertisers

Our success requires us to maintain and expand our current advertiser client relationships and to develop new relationships. Our contracts with our advertiser clients generally do not include long-term obligations requiring them to purchase our services and may be cancelled upon short or no notice and without penalty. As a result, we may have limited visibility as to our future advertising revenue streams. We cannot ensure our advertiser clients will continue to use our services or that we will be able to replace, in a timely or effective manner, departing clients with new clients that generate comparable revenue. Any non-renewal, renegotiation, cancellation or deferral of significant advertising contracts that in the aggregate account for a significant amount of revenue, could have a material adverse effect on our prospects, business, financial condition and results of operations.

Substantial Capital Requirements

We may require substantial additional equity or debt financing in order to carry out our business objectives, including the continued development of new and upgraded functionality of our products and services. There can be no assurance that debt or equity financing or cash generated by operations would be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it would be on terms acceptable to us. Failure to obtain sufficient financing may result in the delay or indefinite postponement of development or production on any or all of our products and services which could have a material adverse effect on our business, financial condition and results of operations.

Protection of Intellectual Property

Our commercial success depends upon our ability to develop new or improved technologies and products, and to successfully obtain or acquire patent or other proprietary or statutory protection for these technologies and products in Canada, the United States and other countries.

We rely on, among other things, copyrights, trademarks, trade secrets, confidentiality procedures and contractual provisions to protect our proprietary rights. While we enter into confidentiality and non-disclosure agreements with our employees, consultants, customers, potential customers and others to attempt to limit access to and distribution of proprietary and confidential information, it is possible that:

- some or all of our confidentiality and non-disclosure agreements will not be honoured;
- third parties will independently develop equivalent technology or misappropriate our technology or designs;
- disputes will arise with our strategic partners, customers or others concerning the ownership of intellectual property;
- unauthorized disclosure or use of our intellectual property, including source code, know-how or trade secrets will occur; or
- contractual provisions may not be enforceable.

There can be no assurance that we will be successful in protecting our intellectual property rights or that we will become aware of third party infringements that might be occurring. Inability to protect our intellectual property rights could have a material adverse effect on our prospects, business, financial condition or results of operations.

Infringement on Intellectual Property

Our commercial success depends upon us avoiding the infringement of intellectual property rights owned by others. The industry in which we compete has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by us in our products. Some of these patents may grant very broad protection to the third party owners thereof. Patents can be issued very rapidly and there is often a great deal of secrecy surrounding pending patent applications. We cannot determine with certainty whether any existing third-party patents or the issuance of any new third-party patents would require us to alter our technologies, pay for licenses, challenge the validity or enforceability of the patents, or cease certain activities. Third parties may assert intellectual property infringement claims against us and against our customers, partners and/or suppliers. We may be subject to these types of claims either directly or indirectly through indemnities assuming liability for these claims that we may provide to certain customers and partners. There can be no assurance that our attempts to negotiate favourable intellectual property indemnities in favor of us with our suppliers for infringement of third-party intellectual property rights will be successful or that a supplier's indemnity will cover all damages and losses suffered by us and our customers, partners and other suppliers due to infringing products, or that we can secure a license, modification or replacement of a supplier's products with non-infringing products that may otherwise mitigate such damages and losses.

Some of our competitors have, or are affiliated with companies that have, substantially greater resources than us, and these competitors may be able to sustain the costs of complex intellectual property infringement litigation to a greater degree and for longer periods of time than us. Regardless of whether third-party claims of infringement against us have any merit, these claims could:

- adversely affect our relationships with our customers;
- be time-consuming to evaluate and defend;
- result in costly litigation;
- result in negative publicity for us;
- divert our management's attention and resources;
- cause product and software delivery delays or stoppages;
- subject us to significant liabilities;
- require us to enter into costly royalty or licensing agreements;
- require us to develop possible workaround solutions that may be costly and disruptive to implement; or
- require us to cease certain activities or to cease distributing our products and delivering our services in certain markets.

In addition to being liable for potentially substantial damages relating to a patent or other intellectual property following an infringement action against us or, in certain circumstances, our customers with respect to our products and services, we may be prohibited from developing or commercializing certain technologies or products unless we obtain a license from the holder of the patent or other applicable intellectual property rights, or purchase the patent. There can be no assurance that we will be able to obtain any such license or purchase the patent on commercially reasonable terms, or at all. If we do not obtain such a license, our prospects, business, operating results and financial condition could be materially adversely affected and we could be required to cease related business operations in some markets and restructure our business to focus on continuing operations in other markets. In addition, we include and promote certain third-party applications and content with our products. Our support and promotion of third-party applications and content increases the risk of intellectual property claims being asserted against us if such applications and content infringe on the patents or other intellectual property rights of others.

Brand Development

The brand identity that we have developed has significantly contributed to the success of our business. Maintaining and enhancing 'theScore' brand is critical to expanding our base of users, advertisers and partners. We believe that the importance of brand recognition will increase due to the relatively low barriers to entry in the industry for wireless communications applications. 'theScore' brand may be negatively impacted by a number of factors, including product malfunctions, delivery of incorrect information, data privacy and security issues. If we fail to maintain and enhance 'theScore' brand, or if we incur excessive expenses in this effort, it could have a material adverse effect on our prospects, business, financial condition and results of operations. Maintaining and enhancing 'theScore' brand will depend largely on our ability to be a technology leader and to continue to provide high-quality products and services, which we may not do successfully.

Dependence on Key Personnel and Employees

Our success is dependent on the services and performance of key executives, including our directors and a small number of highly skilled and experienced executives and personnel. We strongly depend on the business and technical expertise of our management and key personnel. Due to our relatively small size, the loss of any of these individuals or our inability to attract and retain additional highly skilled employees may adversely affect our business and future operations. The competition for highly skilled technical, research and development, management and other employees is high and there can be no assurance that we will be able to engage the services of such personnel or retain our current personnel.

Rapid Technology Developments

The digital sports media industry is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with the technological developments, achieve product acceptance and remain relevant to users and therefore attractive to advertisers, we will need to continue developing new and upgraded functionality of our products and services and adapt to new business environments and competing technologies and products developed by our competitors. The process of developing new technology is complex and uncertain. To the extent we are not able to adapt to new technologies and/or standards, experiences delays in implementing adaptive measures or fails to accurately predict emerging technological trends and the changing needs of end-users, we may lose users and advertisers and/or fail to secure new sports data and content licences or renew existing licences as they expire.

We have developed and are continuing to develop a number of products and services incorporating advanced technologies and we will pursue those products and services that we expect to have the best chance for success based on our expectations of future market demand. The development and application of new technologies involve time, substantial costs and risks. There can be no certainty that we will be able to develop new products, services and technologies to keep up-to-date with developments in the digital sports media industry and, in particular, to launch such products, services or technologies in a timely manner or at all. There can be no certainty that such products will be popular with end-users or that such products or new technologies will be reliable, robust and not susceptible to failure. Any of these factors could have a material adverse effect on our prospects, business, financial condition or results of operations.

Defects in Products

Our products are highly complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Defects, errors or bugs found in our new products could delay commercial release for an extended period of time. Errors or defects may be found in new products after launch and, even if discovered, we may not be able to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and failures in our products could result in loss of or delay in end user acceptance of our products and may harm our reputation and brand. Correcting such errors and failures in our products could require significant expenditures by us, involving cost or time and effort of personnel. The consequences of such errors, failures and claims could have a material adverse effect on our prospects, business, financial condition or results of operations.

Real or Perceived Inaccuracies in Key Performance Metrics

Our user metrics are based on internal company data that are not independently verified, data from third party analytics providers that measure the performance of our mobile applications and websites, and/or data from third party platforms where our content is distributed, like Facebook, Instagram and YouTube. While these numbers are based on what we believe to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across multiple platforms and across our large user base around the world. Our measures of user growth and user engagement may differ from estimates published by third parties or from similarly-titled metrics of our competitors due to differences in methodology.

If advertisers, content or platform partners or investors do not perceive our user metrics to be accurate representations of our user base or user engagement, or if we discover material inaccuracies in our user metrics, our reputation may be harmed and content partners, advertisers and platform partners may be less willing to allocate their budgets or resources to our products and services, which could have a material adverse effect on our prospects, business, financial condition or results of operations. Further, as our business develops, we may revise or cease reporting metrics if we determine that such metrics are no longer accurate or appropriate measures of our performance.

User Data

We may require the registration of our users prior to accessing our products or services or certain features of our products or services and we may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. Our efforts to protect the personal information of our users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to our data or our users' data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of our terms of service or policies could damage our reputation and our brand and diminish our competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against us in connection with such incidents, including in respect of new mandatory breach reporting and record-keeping obligations in Canada which will soon become effective, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on our prospects, business, financial condition or results of operations.

We transmit and store a large volume of data in the course of supporting our website and mobile sports applications. The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk that these laws may be interpreted and applied in a manner that is not consistent with our data protection practices and results in additional compliance or changes in our business practices, or both, and liability or sanction under these laws. In addition, because our website and mobile sports applications are accessible in many jurisdictions, certain foreign jurisdictions may claim that we are required to comply with local laws, even where we have no local operating entity, employees, infrastructure or other physical presence in those jurisdictions. In particular, in the spring of 2018, the *General Data Protection Regulation* ("**GDPR**"), which provides for extraterritorial enforcement in some cases and includes the possibility of substantial monetary penalties for non-compliance, came into effect in the European Union. The impact of the GDPR on our business is uncertain. Likewise, California has enacted a Consumer Privacy Act, to be effective on January 1, 2020, that creates additional rights for consumers with respect to the collection and use of their data, and depending on how it is refined between now and its effective date, or interpreted by the California Attorney General in the promulgation of regulations and enforcement, it could negatively impact our business model. Furthermore, we may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that we are not able to reconcile such obligations, we may be required to change business practices or face liability or sanction.

In addition, a Parliamentary Committee has recently recommended certain changes to *Personal Information Protection and Electronic Documents Act* (Canada), the federal privacy and data protection statute in Canada, including new administrative enforcement powers and new financial penalties for non-compliance. There is a risk that the Government may implement changes to this statute that may result in additional compliance or changes in our business practices, or create additional risk of liability or sanction, or all of the foregoing.

Reliance on Collaborative Partners

We may rely on collaborative arrangements to provide services and to develop and commercialize some of our products or services in the future. There can be no assurance that we will be able to negotiate acceptable collaborative arrangements, that such collaborative arrangements will be successful or that we would not be required to relinquish certain material rights to our products or services. In addition, there can be no assurance that our collaborative partners will not pursue alternative technologies or develop alternative products or services either on their own or in collaboration with others, including our competitors. To the extent that we succeed in entering into collaborative arrangements, we will be dependent on the efforts of third parties for the continued development of certain services or products.

Additionally, we employ agents and subcontractors as part of the development and commercialization of our products. The ultimate liability for the performance of the agents or subcontractors lies with us. Further, our business model is based on the distribution of our products and services by third parties, including communication network providers, web hosting providers and operating system manufacturers. If these third parties are not successful in distributing our products and services it could have a material adverse effect on our prospects, business, financial condition or results of operations.

New Business Areas and Geographic Markets

Our growth strategy is dependent upon expanding our products into new business areas or new geographic markets. There can be no assurance that these new business areas and geographic markets will generate the anticipated volume of users or advertising revenue. In addition, any expansion into new business areas or geographic markets could expose us to new risks, including compliance with applicable laws and regulations, changes in the regulatory or legal environment; different customer preferences or habits; adverse exchange rate fluctuations; adverse tax consequences; differing technology standards or end-user requirements and capabilities; difficulties staffing and managing foreign operations; infringement of third party intellectual property rights; the cost of localising software (including translations) or otherwise adapting our products and services for new markets; difficulties collecting accounts receivable; or difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner. These factors could cause our expansion into new business areas or geographic markets to be unsuccessful or less profitable than our existing markets, or could cause our operating costs to increase unexpectedly or our sales to decrease, any of which could have a material adverse effect on our prospects, business, financial condition or results of operations.

We expect that a substantial portion of our future revenue will be derived from outside of Canada. Execution of this business strategy is subject to a variety of risks, including operating and technical problems, regulatory uncertainties and possible delays. If we do proceed to operate in different international regions, revenues earned from customers may decrease in the future for a variety of reasons, including increased competition and new entrants into geographic markets in which we operate or intend to operate. Depending on the countries involved, any or all of the foregoing factors could have a material adverse effect on our prospects, business, financial condition and results of operations. In addition, there can be no assurance that laws or administrative practices relating to taxation, foreign exchange or other matters in countries within which we intend to operate will not change. Any such change could have a material adverse effect on our prospects, business, financial condition and results of operations.

Risks Associated with the Fantasy Sports Business

Although we believe that the operation of our fantasy sports contests is lawful in the jurisdictions within Canada and the United States in which we offer such contests, there remains a risk that the legality of such activity, and the advertising of the same or similar activities, may be challenged by legal authorities in Canada, the United States or in other jurisdictions. If such a challenge were to occur and be upheld, it could involve substantial litigation expense, penalties, or other remedies or restrictions being imposed on us. Furthermore, there are currently few laws or regulations expressly related to fantasy sports contests. Due to the increasing popularity of fantasy sports contests, there has been an increase in review by legal authorities which could lead to the adoption of new laws and regulations with respect to fantasy sports contests. New laws or regulations or the application of existing laws and regulations could have a material adverse effect on our prospects, business, financial condition and results of operations. The enactment of such laws and regulations may increase our cost of doing business or decrease the growth of the fantasy sports contests industry which could in turn decrease the demand for our fantasy sports contest operations.

Operational and Financial Infrastructure

We are subject to growth-related risks, capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. This expansion may require us to commit financial, operational and technical resources in advance of an increase in the size of our business, with no assurance that the volume of business will increase or that such initiatives to improve and upgrade our systems and infrastructure will be successful. The inability to deal with this growth or any failure in these initiatives could have a material adverse effect on our prospects, business, financial condition or results of operations.

Information Technology Defects

The integrity, reliability and operational performance of our content aggregation, parsing and distribution and other operational information technology ("**IT**") systems are critical to our ability to serve our users and advertisers. Our IT systems may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any failure of these IT systems or the telecommunications and/or other third party infrastructure on which such systems rely, as described in " – *Reliance on Third-Party Owned Communication Networks*" could lead to significant costs and disruptions that could reduce our revenue, harm our business reputation and have a material adverse effect on our prospects, business, financial condition or results of operations.

We have procedures and measures in place to protect against network or IT system failure or disruption. However, those procedures and measures may not be effective to ensure that we are able to carry on our business in the ordinary course if they fail or are disrupted. In addition, our IT systems may not be effective in detecting any intrusion or other security breaches, or safeguarding against sabotage, hackers, denial of service attacks, viruses or cybercrime. Any failure in these protections could harm our business reputation and have a material adverse effect on our prospects, business, financial condition or results of operations.

Indemnified Liability Risk

Pursuant to the Business Separation Agreement, we agreed to indemnify Score Media (as defined below in "MATERIAL CONTRACTS") and its affiliates, directors, officers and employees in respect of any and all losses incurred as a direct result of taxes payable arising solely as a consequence of the participation of Score Media or its subsidiaries in the transactions contemplated by the Business Separation Agreement. Our liability for indemnification under the Business Separation Agreement is subject to a $50,000 basket and limited to $3 million in the aggregate. The indemnification obligation period for tax matters will survive for the relevant assessment period. Any requirement to indemnify Score Media under this provision could have a material adverse effect on our prospects, business, financial condition and results of operations.

Reliance on Third-Party Owned Communication Networks

The delivery of our products and services and a significant portion of our revenues are dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given of the continued use and expansion of these networks as a medium of communications for us. Ongoing regulatory initiatives make it impossible to predict how this segment of the market might respond to such initiatives, which could have a downstream impact on our delivery of products and services.

Effective delivery of our products and services through the Internet is dependent on Internet service providers continuing to expand high-speed Internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access our content. Changes in access fees to distributors, such as us or our service providers, or a departure from "net neutrality" (the principle that all forms of Internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or its governing regulations, as described in " – *Governmental Regulation of the Internet*" could result in increased costs to us. All of these factors are out of our control and the manifestation of any of them could ultimately have a material adverse effect on our prospects, business, financial condition or results of operations.

In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of our services, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, loss of revenue because of the inability of users or subscribers to use our services, or the cancellation by users or subscribers of their service with us, any of which could have a material adverse effect on our prospects, business, financial condition or results of operations.

Uncertain Economic Health of the Wider Economy

Our revenue streams are dependent on the overall macro-economic environment (in particular for sales of online advertising and sponsorship). Advertisers are directly affected by current economic conditions affecting the broader market. Current and future conditions in the domestic and global economies remain uncertain. Accordingly, adverse developments in the macro-economic environment could substantially reduce the funds spent on advertising and have a material adverse effect on our prospects, business, financial condition or results of operations.

Governmental Regulation of the Internet

Governments and regulatory authorities in some jurisdictions in which our content originates or our users reside, including Canada, impose rules and regulations affecting the third-party-owned communications networks over which our services are accessed, including Internet and mobile connectivity ("**network services**"), and affecting the audiovisual content distributed to the public as part of our services ("**audiovisual media**"). In certain circumstances this governmental regulation of the Internet, which is frequently controversial, protects our activities from certain tactics by competitors or potential competitors. Should efforts to overturn this governmental regulation prove successful, network services providers could impose restrictions that adversely impact our ability to deliver content on an equal footing with other audiovisual media providers, which could have an adverse effect on our prospects, business, financial condition and results of operations.

Canada

In Canada, the country in which we are established, network services fall under the *Telecommunications Act* (Canada); audiovisual media fall under the *Broadcasting Act* (Canada); and spectrum regulation falls under the *Radiocommunication Act* (Canada). In June 2018, the Federal Government established an expert panel to review and recommend amendments to the *Telecommunications Act,* the *Broadcasting Act* and (if necessary) the *Radiocommunication Act* (Canada) (the "**Legislative Review**"). A consultation document has been issued but no legislative proposals have yet been tabled.

Both the *Telecommunications Act* (Canada) and *Broadcasting Act* (Canada) grant broad discretion to the Canadian Radio-television and Telecommunications Commission ("**CRTC**") to pursue the objectives set out in those Acts by regulating and supervising the Canadian broadcasting and telecommunications systems. In addition, the *Radiocommunication Act* (Canada) grants the Department of Innovation, Science and Economic Development Canada ("**ISED**") discretion to pursue the objectives set out in the *Telecommunications Act* (Canada) by fixing the terms and conditions of the spectrum licences and exemptions which authorize the provision of mobile services in Canada. Both ISED and the CRTC have taken actions to increase competition between network providers, which could lower access costs. The CRTC has also established and clarified its network neutrality rules through several decisions. In the last two years, the wholesale regimes for both wireless and wireline services have been changed by the CRTC, and various other decisions have been made with a view to facilitating sustainable competition that provides reasonable prices, innovative services and continued innovation and investment in high-quality wireless and wireline networks. Furthermore, the CRTC has recently rejected proposals to establish an administrative site-blocking regime to police intellectual property piracy on the Internet.

With respect to the *Broadcasting Act* (Canada), our activities which involve the transmission of audiovisual content, and fall under that Act, are subject to the Exemption Order for Digital Media Broadcasting Undertakings ("**DMBU Order**"). The DMBU Order generally exempts audiovisual content transmitted to the public only over the Internet, or through point-to-point mobile applications (including sports applications), from licensing. In September 2014, the CRTC completed a major public proceeding with respect to the manner in which it regulates video services and which proceeding included, among many other topics, a discussion of the DMBU Order. In a series of decisions in the first four months of 2015, the CRTC refrained from amending or revoking the DMBU Order. However, potential changes to the regulatory obligations applicable to digital media services, which could include new financial contribution or content-related obligations, are within the scope of the current Legislative Review.

If the CRTC's and/or ISED's approaches to the issues discussed above, or the legislative basis under which they operate, should change, it could negatively impact our business.

In addition, the Canadian Anti-Spam Legislation ("**CASL**") came into force on July 1, 2014. CASL prohibits the transmission of commercial electronic messages without an addressee's consent and includes additional requirements relating to form and content of commercial electronic messages. Failure to comply with CASL can result in financial penalties which could affect our operating profit and financial position. On July 1, 2017, the private right of action provisions of CASL were to have come into effect, allowing any person to bring claims for contraventions of CASL. However, on June 7, 2017, the Government suspended that provision and indicated that a Parliamentary Committee would be asked to study it. That Committee recommended further consideration, which the Government has agreed to undertake. There is currently no clear expectation as to whether the private right of action will be brought into force or, if so, when. Should it not be amended or cancelled, we could be negatively impacted by plaintiffs claiming that we violated the provisions of CASL.

United States

In the United States, where much of our content is distributed, telecommunications services are subject to regulation by the Federal Communications Commission ("**FCC**") under the Communications Act of 1934 ("**Communications Act**"). While the FCC regulates use of radio spectrum, certain aspects of telephony service, some fiber optic cable services, and some cable infrastructure and programming, content distributed by Internet is generally not considered to be a telecommunications service and thus free of FCC regulation. The extent to which the Federal Trade Commission ("FTC") intends to fill this void remains uncertain.

Even without direct regulation of Internet content, FCC regulation of infrastructure providers can have an effect on our business. The Open Internet Order, FCC 15-24, 30 FCC Rcd. 5601 (2015) ("**Open Internet Order**") declared internet service to be protected as a regulated utility under Title II of the Communications Act. The Open Internet Order was part of a series of regulatory and judicial interpretations of net neutrality, establishing the degree to which Internet content providers will be protected from blocking, paid prioritization and other service restrictions or interference by wireline and mobile infrastructure owners. Even though the FCC declined to impose a full regulatory regime on the Internet, opponents of the Open Internet Order sued to block the new rules. While the lawsuits were pending, the 2016 election brought a change in administration in the United States and a change in control of the FCC. As a result of the changes, the FCC reversed the Open Internet Order. The result is that we will not be regulated in our content distribution or insulated from business practices of infrastructure providers that support distribution of our content.

The State of California passed a comprehensive net neutrality law on September 30, 2018. The California Internet Consumer Protection and Net Neutrality Act of 2018 targets "fixed Internet service providers," defined to include providers of broadband Internet access service that serves end users primarily at fixed endpoints, including fixed wireless providers. The providers will be prohibited from actions like blocking lawful content, impairing or degrading lawful Internet traffic, and engaging in paid prioritization, among other prohibitions. While the law would insulate our content distribution from business practices of infrastructure providers, the FCC and the U.S. Department of Justice have already challenged the law, calling for injunctive relief. The injunction action is pending as of October 4, 2018.

Some video distributed over the Internet and previously carried on television is subject to closed captioning rules. 47 C.F.R. §79.4. Application of those rules to our video content could add expense and regulatory risk for us.

Before the 2016 election, the FCC had under consideration a proposed rulemaking to treat certain "over-the-top" on-line video programming providers like multi-channel video programming distributors, or cable companies. Notice of Proposed Rulemaking, 29 FCC Rcd 15995 (2014). With the change of administrations, the proposed regulatory changes are in suspense. If implemented in a way that included the content distributed by us, the proposed regulations could add cost and impose traditional cable company obligations on us.

Other Jurisdictions

In other jurisdictions, both network services and media distribution are frequently subject to particular rules or regulations. Guidelines or rules are in place in a number of jurisdictions, with varying degrees of enforcement, with respect to both network services, including network neutrality and audiovisual media, including content exclusivity and standards. However, although regulatory schemes can vary significantly from jurisdiction to jurisdiction, we are not aware of regulations in any material jurisdiction that would require us to be licensed to carry on our activities over the public Internet in those jurisdictions.

Currency Fluctuations

Our reporting and functional currency is Canadian dollars but an increasing proportion of our revenue may be earned and expenses may be incurred in other currencies, including the US dollar, pound sterling and the euro. See "*– New Business Areas and Geographic Markets*" above. A significant movement of any of these currencies against the Canadian dollar could have a material adverse effect on our prospects, business, financial condition and results of operations.

Changes in Taxation

Changes in taxation rates or law, or misinterpretation of the law or any failure to manage tax risks adequately could result in increased charges, financial loss, including penalties and reputational damage, and which could have a material adverse effect on our prospects, business, financial condition and results of operations.

Exposure to Taxable Presences

Our policy will be to manage and operate our business in a way that is intended to ensure that we are resident for tax purposes solely in the jurisdiction in which we are incorporated or domiciled and that we have no taxable permanent establishments or other taxable presence in any other jurisdiction. However, if we are found to be tax resident elsewhere or to have a taxable permanent establishment or other taxable presence elsewhere, whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the overall amount of tax payable by us.

Risk of Litigation

We may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If we are unable to resolve these disputes favourably, it could have a material adverse effect on our prospects, business, financial condition and results of operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, recorded and reported and assets are safeguarded against unauthorized or improper use. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Credit Risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. Our exposure to credit risk is influenced by the individual characteristics of each customer. Although we establish an allowance for doubtful accounts that represents our estimate of potential credit losses in respect of accounts receivables and historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographical area, there is no assurance that the allowance for doubtful accounts will be sufficient to cover credit losses in the future and future credit losses could have a material adverse effect on our prospects, business, financial condition and results of operations.

Free and Open Source Software Utilization

We, together with our third party suppliers and collaborative partners, make use of Free and Open Source Software ("**FOSS**") in the development of our mobile sports applications, web properties and related operational information technology systems. The law surrounding the use of FOSS is in a state of evolution and the legal ramifications of such use remain uncertain in Canada and in other countries. The use of FOSS may therefore lead to unintended legal consequences that may have a material adverse effect on our proprietary technology and intellectual property, or those of our third party suppliers and collaborative partners, including potential tainting and a loss of our or our suppliers' or partners' proprietary positions in relation to the said applications, properties and systems, and the possibility of intellectual property infringement claims or breach of contract claims from FOSS licensors or from our third party suppliers or collaborative partners.

Risk Relating to Ownership of theScore Shares

Major Shareholder with 100% of the Special Voting Shares

Mr. John Levy controls or directs 100% of the issued and outstanding Special Voting Shares and approximately 20.9% of the outstanding Class A Shares. As a result, Mr. Levy is entitled to nominate a majority of the members of our board of directors (the "**Board**") and he has the ability to influence the outcome of matters submitted to the our shareholders for approval, which include amendments to our corporate governing documents and business combinations. Our interests and the interests of other shareholders may at times conflict with those of Mr. Levy, and this conflict might be resolved against our interests and the interests of other shareholders. Due to these shareholdings and contractual rights of Mr. Levy and John Levy Family Holdings Ltd. ("**JLFHL**") in the Respective Rights Agreement, Mr. Levy will be in a position to determine whether we or our operations are acquired by a third party, to significantly influence the election of the members of the Board and the board of directors of our subsidiaries and to generally direct our affairs.

Market Price and Trading Volume of Class A Shares

Our Class A Shares trade on the TSX Venture Exchange. The price of the Class A Shares is likely to be significantly affected by a variety of factors and events including short-term changes to our financial condition or results of operations as reflected in our quarterly earnings reports. Other factors unrelated to our performance that may have an effect on the price of our Class A Shares include the following: (i) the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow our securities; (ii) lessening in trading volume and general market interest in our securities or technology companies more generally may affect an investor's ability to trade significant numbers of the Class A Shares; (iii) the size of our public float may limit the ability of some institutions to invest in our securities; and (iv) a substantial decline in the price of the Class A Shares that persists for a significant period of time could cause our securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Class A Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. We may be the target of similar litigation in the future. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

In addition, our Class A Shares may not qualify as a permitted investment under the investment policies or guidelines of certain institutional investors which could result in a lessening in trading volume and our securities.

Dividend Policy

We have not paid any dividends on either our Class A Shares or our Special Voting Shares. Our current policy is to retain earnings for our future growth. Any future declaration of dividends is, subject to certain statutory restrictions, within the discretion of the Board based on their assessment of, among other factors, our overall financial condition, results of operations, capital and operating expenditure requirements and other relevant factors. At this time, we anticipate using all available cash resources towards our stated business objectives and retaining all earnings, if any, to finance our business operations and accordingly, have no plans to pay any dividend.

Future Sales of Class A Shares by Existing Shareholders

Sales of a large number of Class A Shares in the public markets, or the potential for such sales, could decrease the trading price of our Class A Shares and could impair our ability to raise capital through future sales of Class A Shares. In particular, Mr. John Levy controls or directs approximately 20.9% of the issued and outstanding Class A Shares. If either Mr. Levy or any other significant shareholder decides to liquidate all or a significant portion of their position, it could adversely affect the price of our Class A Shares.

In addition, if our Class A Shares failed to qualify as permitted investments under the investment policies or guidelines of certain institutional investors and such institutions were forced to liquidate their position, it could adversely affect the price of our Class A Shares.

DIVIDENDS

We have not paid or declared any dividends on either our Class A Shares or our Special Voting Shares. Our current policy is to retain earnings, if any, for its future growth. Any future declaration of dividends is, subject to certain statutory restrictions, within the discretion of the Board based on their assessment of, among other factors, our overall financial condition, results of operations, capital and operating expenditure requirements and other relevant factors.

DESCRIPTION OF CAPITAL STRUCTURE

Our authorized capital consists of 5,566 Special Voting Shares (the "**Special Voting Shares**"), an unlimited number of Class A Subordinate Voting Shares (the "**Class A Shares**") and an unlimited number of Preference Shares (the "**Preference Shares**"), issuable in series.

Class A Shares

The holders of Class A Shares are entitled to receive notice of and to attend, and to cast one vote for each Class A Share held by them at all meetings of our shareholders, other than meetings at which only the holders of another class or series of shares (if any) are entitled to vote separately as a class or series and other than with respect to certain matters which are exclusively reserved for the holders of Special Voting Shares.

The holders of Class A Shares, voting separately as a class, have the right to elect that number of members of the Board that is not elected by the holders of the Special Voting Shares (other than the director, if any, that holders of the Preference Shares are collectively entitled to elect), provided that at no time will the number of directors to be elected by the holders of the Class A Shares be less than two directors.

The holders of Class A Shares are entitled to receive, subject to the prior rights of the holders of the Preference Shares and to the *pari passu* rights of the holders of the Special Voting Shares, any dividend declared by the Board on the Class A Shares. Subject to the rights of holders of shares ranking prior to or on a parity with the Class A Shares, the holders of Class A Shares shall be entitled to receive *pari passu* with the holders of Special Voting Shares, the remaining property of theScore in the event of any liquidation, dissolution or winding-up of theScore, whether voluntary or involuntary, or other distribution of the assets of theScore among its shareholders for the purpose of winding-up its affairs.

Special Voting Shares

The holders of Special Voting Shares are entitled to receive notice of and to attend, and vote at all meetings of our shareholders, other than any meeting of holders of another class of shares who are entitled to vote separately as a class at such meeting and other than with respect to certain matters which are exclusively reserved for the holders of Class A Shares. The holders of Special Voting Shares are entitled to one vote for each share held.

The holders of Special Voting Shares, voting separately as a class, have the right to elect that number of members of the Board that is equal to the sum of: (i) the number of members of the Board that would constitute a majority of the authorized number of our directors (after deducting one from such authorized number if the holders of the Preference Shares are collectively entitled to elect one director), plus (ii) two, subject to the rights of the holders of the Class A Shares to elect at least two members of the Board.

The holders of Special Voting Shares are entitled to receive, subject to the prior rights of the holders of Preference Shares and *pari passu* with the holders of Class A Shares, any dividend declared by the Board on the Class A Shares.

Subject to the rights of holders of shares ranking prior to or on a parity with Special Voting Shares, the holders of Special Voting Shares shall be entitled to receive *pari passu* with the holders of Class A Shares, the remaining property of theScore in the event of any liquidation, dissolution or winding-up of theScore, whether voluntary or involuntary, or other distribution of the assets of theScore among its shareholders for the purpose of winding-up its affairs.

Each outstanding Special Voting Share is convertible into one Class A Share at the option of the holder at any time and from time to time.

Pursuant to a trust agreement dated October 19, 2012, between theScore, JLFHL (as assignee of Levfam Holdings Ltd. ("**Levfam**")) and Computershare Trust Company of Canada (as assignee of Valiant Trust Company) (as amended, the "**Coat Tail Agreement**") JLFHL, the holder of Special Voting Shares, agreed not to sell any Special Voting Shares pursuant to a take–over bid under circumstances in which securities legislation would have required the same offer be made to holders of Class A Shares if the sale had been of Class A Shares rather than Special Voting Shares unless, either (i) an identical offer is made for the Class A Shares, which identical offer has no condition other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Special Voting Shares, or (ii) there is a concurrent unconditional offer to purchase all of the Class A Shares at a price per share at least as high as the highest price per share paid pursuant to the take–over bid for the Special Voting Shares.

Preference Shares

Preference Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the Board, provided that any such resolution shall have been approved by all directors elected by the holders of Special Voting Shares.

The Board shall by resolution fix from time to time before the issue thereof the designation of, and the rights, privileges, restrictions and conditions attaching to, the Preference Shares of each series including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption and/or purchase prices and terms and conditions of redemption and/or purchase, the rights of holders on liquidation, dissolution or winding-up, any voting rights, any conversion rights and any sinking fund or other provisions, the whole to be subject to the issue of a certificate and articles of amendment or such other document as may be prescribed by law setting forth the designation of, and the rights, privileges, restrictions and conditions attaching to, the Preference Shares of such series.

The Preference Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of theScore, whether voluntary or involuntary, or any other distribution of the assets of theScore among its shareholders for the purpose of winding-up its affairs, rank on a parity with the Preference Shares of every other series and be entitled to preference over the Special Voting Shares, the Class A Shares and any other shares of theScore ranking junior to the Preference Shares.

The holders of the Preference Shares as such shall not be entitled to receive notice of or to attend or to vote at any meeting of our shareholders, provided that the provisions attaching to one or more series of Preference Shares may provide that in the event that we have has failed to pay dividends prescribed in such series provisions for the period of time fixed by the directors in such series provisions and until such time as all arrears of such dividends on such shares have been paid, the holders of such shares will be entitled to receive notice of and to attend any meeting of our shareholders called for the purpose of electing directors and will be entitled, voting separately thereat as a class together with holders of any other series of Preference Shares who have similar voting rights upon a failure to pay dividends, to collectively, elect one director of theScore in addition to the directors which the holders of Special Voting Shares and of Class A Shares are entitled to elect.

There are currently no Preference Shares issued or outstanding.

MARKET FOR SECURITIES

Our Class A Shares are listed and posted for trading on the TSX Venture Exchange under the symbol "SCR". The following sets forth the high and low market prices and the volume of the Class A Shares traded on the TSX Venture Exchange during the periods indicated:

Month	**High ($)**	**Low ($)**	**Trading Volume (shares)**
September, 2017	0.18	0.15	2,405,854
October, 2017	0.175	0.14	3,328,660
November 2017	0.155	0.12	3,855,950
December 2017	0.17	0.13	4,042,920
January 2018	0.16	0.13	3,026,910
February 2018	0.14	0.115	2,967,750
March 2018	0.15	0.125	2,478,560
April 2018	0.16	0.13	2,060,730
May 2018	0.46	0.145	39,070,410
June 2018	0.35	0.27	3,650,060
July 2018	0.41	0.34	3,335,060
August 2018	0.415	0.29	4,587,620
September 2018	0.405	0.31	2,779,420

The closing price for the Class A Shares listed on the TSX Venture Exchange on October 16, 2018 was $0.30.

DIRECTORS AND OFFICERS

Name and Occupation

The following table sets out the names, provinces and country of residence, positions with theScore, principal occupations in the past five years of each of our directors and executive officers. The table also sets out the number of Special Voting Shares, Class A Shares and options beneficially owned directly or indirectly or over which control or direction is exercised as of October 17, 2018 by each of our directors and executive officers.

Information as to Class A Shares, Special Voting Shares and options beneficially owned or over which control or direction is exercised, not being within our knowledge, has been supplied by the respective individuals.

Name and Municipality of Residence	Principal Occupation During Past Five Years	Position with theScore	Securities of theScore
JOHN LEVY Ontario, Canada	Chairman of the Board and Chief Executive Officer of theScore	Chairman of the Board and Chief Executive Officer (Director since August 30, 2012)	5,566 Special Voting Shares, 62,098,545 Class A Shares and options to acquire 6,400,000 Class A Shares (4)
RALPH LEAN, Q.C. (1)(2)(3) Ontario, Canada	Counsel, Gowling WLG (law firm) (May 2014 – Present) Counsel, Heenan, Blaikie LLP (law firm) (May 2013 – May 2014)	Director (Director since October 18, 2012)	136,502 Class A Shares and options to acquire 380,000 Class A Shares
JOHN ALBRIGHT Ontario, Canada	Managing Partner, Relay Ventures (venture capital company)	Director (Director since May 3, 2013)	50,995,500 Class A Shares and options to acquire 340,000 Class A Shares(6)
LORRY SCHNEIDER Ontario, Canada	Principal, LHS & Associates (business consultant)	Director (Director since October 18, 2012)	181,670 Class A Shares and options to acquire 340,000 Class A Shares
MARK SCHOLES (1)(2)(3) Ontario, Canada	Partner, Weisz, Rocchi & Scholes (law firm)	Director (Director since October 18, 2012)	148,234 Class A Shares and options to acquire 380,000 Class A Shares
WILLIAM THOMSON (1)(2) (3) Ontario, Canada	Managing Partner, Mercana Growth Partners (merchant banking company)	Director (Director since October 18, 2012)	145,002 Class A Shares and options to acquire 380,000 Class A Shares
MARK ZEGA Ontario, Canada	Partner, Filion, Wakely, Thorup, Angeletti LLP (law firm)	Director (Director since October 18, 2012)	156,502 Class A Shares and options to acquire 380,000 Class A Shares

Name and Municipality of Residence	Principal Occupation During Past Five Years	Position with theScore	Securities of theScore
KIRSTINE STEWART Ontario, Canada	President & Chief Revenue Officer, TribalScale (digital product development company) (January 2018 – Present) Chief Strategy Officer, Diply (social media company) (September 2016 – December 2018) VP Media, North America, Twitter (social media company) (September 2014 – August 2016) Founding Head of Canada, Twitter (social media company) (April 2013 – January 2015)	Director (Director since June 9, 2016)	85,512 Class A Shares and options to acquire 200,000 Class A Shares
BENJAMIN LEVY Ontario, Canada	President and Chief Operating Officer of theScore	Director, President and Chief Operating Officer (Director since August 31, 2012)	5,965,008 Class A Shares and options to acquire 3,000,000 Class A Shares(5)

(1) Member of the Human Resources and Compensation Committee ("**HRC Committee**").

(2) Member of the Audit Committee.

(3) Member of the Nominating and Corporate Governance Committee.

(4) 5,566 Special Voting Shares and 55,707,099 Class A Shares are held by JLFHL; 5,280,586 Class A Shares are held by Norwest Video Inc. ("**Norwest**"); 1,110,860 Class A Shares are held by Mr. John Levy directly. Norwest holds options to acquire 6,400,000 Class A Shares. JLFHL and Norwest are corporations controlled by John Levy.

(5) 4,250,000 Class A Shares are held by Benjie Levy Family Holdings Inc., a corporation controlled by Mr. Benjamin Levy. Mr. Benjamin Levy also holds 1,715,008 Class A Shares directly and/or in trust for his children. Mr. Benjamin Levy is a beneficiary of certain family trusts which hold an indirect interest in the shares controlled and directed by Mr. John Levy (see note 4). He holds options to acquire 3,000,000 Class A Shares.

(6) 50,995,500 Class A Shares are held by Relay Ventures. John Albright co-directs Relay Ventures.

Each director will hold office until the next annual meeting or until his successor is elected or appointed.

As of October 17, 2018, our directors and executive officers as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 119,912,475 Class A Shares, representing 40.4% of the issued and outstanding Class A Shares. Mr. John Levy, one of our directors and officers, beneficially owns or controls 5,566 Special Voting Shares, representing 100% of the issued and outstanding Special Voting Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

John Albright was a director of Axios Mobile Assets Corp. ("**Axios**") until he resigned on January 10, 2017. On February 24, 2017, the Ontario Superior Court of Justice granted an application of Axios' senior lender to appoint a receiver and manager over the assets, undertakings and property of Axios and its subsidiaries.

Conflicts of Interest

Mr. John Levy controls or directs 100% of the issued and outstanding Special Voting Shares, controls or directs approximately 20.9% of the outstanding Class A Shares. As a result of the Special Voting Shares, Mr. Levy controls us and is entitled to nominate a majority of the members of the Board and he has the ability to influence the outcome of matters submitted to our shareholders for approval, which include amendments to our corporate governing documents and business combinations. Our interests and the interests of other shareholders may at times conflict with those of Mr. Levy, and this conflict might be resolved against our interests and the interests of other shareholders. Due to the shareholdings and contractual rights of Mr. Levy and JLFHL in the Respective Rights Agreement, Mr. Levy will be in a position to determine whether we or our operations are acquired by a third party, to significantly influence the election of the Board and the board of directors of our subsidiaries and to generally direct our affairs.

AUDIT COMMITTEE

Audit Committee

Our Audit Committee is responsible for monitoring our accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, the quality and integrity of financial statements and for overseeing the external audit.

The Audit Committee is composed of three directors, Ralph Lean, Q.C., Mark Scholes and William Thomson, each of whom is considered to be "independent" as defined in National Instrument 52-110 — *Audit Committees* ("**NI 52-110**"). Each member of the Audit Committee is considered to be ''financially literate'' within the meaning of NI 52-110 which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of our financial statements.

The Audit Committee Charter and Terms of Reference are attached as Schedule A to this AIF.

Relevant Education and Experience

The relevant education and experience of each of the members of the Audit Committee is as follows:

Member	Relevant Education and Experience
Ralph Lean, Q.C.	• Member of Score Media Board of Directors • Counsel at GowlingWLG, Counsel at Heenan Blaikie LLP, and Partner at Cassels, Brock and Blackwell for over 20 years, specializing in corporate law • Bachelor of Laws degree from Osgoode Hall Law School and a Bachelor's degree in Business Administration from the University of Western Ontario.
Mark Scholes	• Member of Score Media Audit Committee. • Partner with the law firm of Weisz, Rocchi & Scholes with a practice consisting primarily of Commercial Real Estate transactions, where the guidance he provided to clients includes advice relating to the financial aspects of real estate. • Bachelor of Laws Degree obtained from the University of Toronto, and a Bachelor of Arts Degree in Business from McMaster University, with major emphasis in accounting. • Past Treasurer for a medium sized charitable institution in Hamilton, Ontario.

Member	Relevant Education and Experience
William Thomson	• Member of Score Media Audit Committee. • Currently the Managing Partner of Mercana Growth Partners, a merchant banking company specializing in the areas of finance, leadership, strategic alliances and corporate development. • Chartered Accountant. • Experience preparing, analyzing and evaluating financial statements having a breadth and level of complexity similar to or more complex than those of theScore. • Practical knowledge of internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

In accordance with the relevant independence rules and related interpretations prescribed by the relevant professional bodies in Canada, we are restricted from engaging auditors to provide certain non-audit services to us and our subsidiaries, including bookkeeping or other services related to the accounting records or financial statements, information technology services, valuation services, actuarial services, internal audit services, corporate finance services, management functions, resource functions, legal services and expert services unrelated to the audit.

The Audit Committee has established a process to pre-approve audit, audit-related and non-audit services of our external auditor. Annually, our management provides the Audit Committee with a list of the audit-related and non-audit services that are anticipated to be provided during the year for pre-approval. The Audit Committee reviews the services with the auditor and our management and considers whether the provision of the service is compatible with maintaining the auditor's independence. Our management may engage the auditor for specific engagements that are included in the list of preapproved services. The Audit Committee delegates authority to the Chair of the Audit Committee to approve requests for services not included in the pre-approved list of services or for services not previously pre-approved by the Audit Committee. Any services approved by the Chair will be reported to the full Audit and Risk Committee at the next meeting. A review of all audit and non-audit services and fees rendered to us by KPMG LLP is reviewed annually by the Audit Committee.

External Auditor Service Fees

Our consolidated financial statements for the year ended August 31, 2018 and 2017 have been audited by KPMG LLP. The fees paid by us to our auditors in the last two fiscal years are set out below. The Audit Committee considered and agreed that the services covered by these fees are compatible with maintaining the independence of our auditors. Audit fees consist of fees related to the audit of the consolidated financial statements, quarterly reviews of condensed consolidated interim financial statements, and assurance related procedures in connection with a prospectus. Tax fees relate principally to fees associated with assistance related to tax compliance requirements and certain tax credit filings.

Category	Fiscal Year Ended August 31, 2018	Fiscal Year Ended August 31, 2017
Audit Fees	$206,500	$200,000
Audit Related Fees	Nil	Nil
Tax Compliance Fees	$53,485	$28,215
All Other Fees	$60,000	$159,402
Total	**$319,985**	**$387,617**

LEGAL PROCEEDINGS

We are not aware of any material legal proceedings that we are a party to, or that any of our properties is or was the subject of, during the fiscal year ended August 31, 2018.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of our directors or executive officers or any person that beneficially owns or controls, directly or indirectly, 10% or more of the issued and outstanding Class A Shares or Special Voting Shares or associate or affiliate of any such director or executive officer or 10% shareholder has any material interest, direct or indirect, in any transaction within our most recently completed financial year or within the current financial year that has materially affected or would materially affect us.

REGISTRAR AND TRANSFER AGENT

Our registrar and transfer agent is Computershare Trust Company of Canada, at its principal office located at 100 University Avenue, North Tower, 8th floor, Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts we or any of our predecessors entered into during the year ended August 31, 2018 or prior to said fiscal year (and which are still in effect), other than in the ordinary course of business, are as follows:

Business Separation Agreement

On October 18, 2012, we entered into a business separation agreement (the "**Business Separation Agreement**") with Score Media Inc. ("**Score Media**") that provided for the separation of the television and digital media businesses of Score Media prior to closing of our spin-out from Score Media. In the Business Separation Agreement, we provided Score Media, its affiliates, directors, officers and employees, with certain rights to indemnification from us which are limited to $3.0 million in the aggregate. The indemnity period expired on October 18, 2014 for all non-tax related matters. The indemnity period for tax-related matters expires 30 days following the expiry of the applicable limitation periods in the *Income Tax Act* (Canada). No indemnification claims have been made as of October 17, 2018.

Respective Rights Agreement

On May 9, 2014, we entered into a second amended and restated respective rights agreement (the "**Respective Rights Agreement**") with Levfam Holdings Ltd. ("**Levfam**"), JSL Family Holdings Inc. ("JSL") and Mr. John Levy. On May 30, 2014 Levfam assigned all of its rights and obligations thereunder to John Levy Family Holdings Ltd. ("**JLFHL**"). Each of Levfam, JSL, and JLFHL are controlled by Mr. John Levy.

Pursuant to the Respective Rights Agreement, JLFHL has a contractual pre-emptive right which entitles it to subscribe for a *pro rata* share of any Class A Shares or Special Voting Shares issued by us. In addition, the Special Voting Shares owned by JLFHL will be deemed to have been converted to Class A Shares if at any time the number of Class A Shares owned by JLFHL and its affiliates, in the aggregate, is less than the Threshold Amount.

"**Threshold Amount**" is defined in the Respective Rights Agreement to mean 12,000,000 Class A Shares adjusted for: (i) all Class A Subordinate Voting Share Reorganizations (as hereinafter defined) if, at the close of the principal stock market on which the Class A Shares are traded on the date of declaration of any such Class A Subordinate Voting Share Reorganization, we have a market capitalization of less than $500 million; and (ii) for all reductions, combinations, consolidations or changes of the Class A Shares into a lesser number of Class A Shares if at the close of the principal stock market on which the Class A Shares are traded on the date of declaration of any such reduction, combination, consolidation or change we have a market capitalization of $500 million or more.

"**Class A Subordinate Voting Share Reorganization**" is defined in the Respective Rights Agreement to mean any: (i) subdivision, redivision or change of the outstanding Class A Shares into a greater number of Class A Shares; (ii) reduction, combination, consolidation or change of the outstanding Class A Shares into a lesser number of Class A Shares; or (iii) issuance of Class A Shares (or securities, including debt, convertible into or exchangeable for Class A Shares or rights, options or warrants to acquire Class A Shares) to the holders of all or substantially all of the then outstanding Class A Shares by way of stock dividend or other distribution.

Pursuant to the Respective Rights Agreement, each of JLFHL and its affiliates has the right to request that we file, at the expense of the requesting party, a prospectus for the sale in any provinces of Canada of all or any Class A Shares owned by them provided that such request must be in respect of Class A Shares with a fair market value of at least $5 million. Any such request may be pre-empted by us if we identify a specific business need and use for the proceeds of the sale of such securities and we use commercially reasonable efforts to effect a treasury offering within 60 days of the exercise of this pre-emptive right. In addition, in any public offering (whether a treasury offering or a secondary offering) made by us, JLFHL and its affiliates are entitled to an unlimited right to sell Class A Shares owned by them as part of that public offering, provided that we and the underwriters can reduce the number of shares proposed to be sold by JLFHL and its affiliates in view of market conditions.

Pursuant to the Respective Rights Agreement, Mr. John Levy agreed that, so long as he controls us and is actively involved in its management, he will not: (i) carry on any business activities that are competitive with the business of us and our subsidiaries; and/or (ii) own any interest in or provide financial or managerial assistance to any entity that is primarily engaged in the business of, or whose assets or properties are significantly comprised of, digital sports media, except as follows: (i) passive investment in shares of a public company of not more than 5% of the outstanding equity; (ii) entities in which the HRC Committee has asked him to take an interest as director, officer or similar capacity on behalf of us or for our benefit; (iii) any business in which he had an ownership interest as of May 9, 2014; and (iv) any investment that he has recommended to the Board as an investment for us which the Board and the HRC Committee has decided not to make; provided that the making of any such investment does not impede the performance by him of his duties and responsibilities as our officer and he does not become actively involved in the management of any such investment.

Management Services Agreement

Mr. John Levy, Chairman and Chief Executive Officer, and his services are made available to us by Norwest Video Inc. ("**Norwest**") (a corporation controlled by Mr. John Levy). Pursuant to a management services agreement we had with Norwest and Mr. John Levy effective April 13, 2015, Norwest was entitled to an annual basic management fee of $540,000 between September 1, 2015 and August 31, 2016, $580,000 between September 1, 2016 and August 31, 2017 and $640,000 between September 1, 2017 and August 31, 2018. This management services agreement expired on August 31, 2018.

We entered into a new management services agreement ("**Management Services Agreement**") with Norwest and Mr. John Levy effective April 11, 2018. It has a term of approximately two years and provides that Norwest is entitled to a basic management services fee of $640,000 per year between September 1, 2018 and August 31, 2020. Norwest is entitled to participate in an annual bonus pool in an amount to be determined annually by the HRC Committee and to participate in any long-term incentive plan, our stock option and restricted share unit plan, our employee share purchase plan, our RRSP contribution program and any similar plan created by us in the manner and to the extent authorized by the Board. Norwest is also entitled to reimbursement for certain expenses incurred on our behalf by Mr. John Levy, including reasonable travel and other out-of-pocket expenses provided such expenses were actually and properly incurred by Mr. John Levy in connection with management of our business.

We are able to terminate the Management Services Agreement at any time upon payment to Norwest of two times the sum of (i) the highest annual basic management fee earned in any one of the three most recently completed fiscal years and the highest bonus fees earned in any one of the three most recently completed fiscal years, and (ii) accelerated vesting of all options which will vest within twelve months of the termination date.

The Management Services Agreement provides that Mr. John Levy will not, during the term of the Management Services Agreement, (i) carry on any business activities that are competitive with our business; and/or (ii) own any interest in or provide financial or managerial assistance to any entity that is primarily engaged in the business of, or whose assets or properties are significantly comprised of, digital sports media, except as follows: (i) passive investment in shares of a public company of not more than 5% of the outstanding equity; (ii) entities in which the HRC Committee has asked him to take an interest as director, officer or similar capacity on our behalf or for our benefit; (iii) any business in which he had a prior ownership interest; and (iv) any investment that he has recommended to the Board as an investment for us which the Board and the HRC Committee has decided not to make.

Board Nomination Agreement

We entered into a board nomination agreement (the "**Board Nomination Agreement**") with certain Relay Ventures' funds on May 3, 2013. The Board Nomination Agreement provides Relay Ventures with the right to designate one of certain specified individuals to be included among the Board's nominees as directors at each meeting of our shareholders at which directors are to be elected by the holders of the Class A Shares for so long as Relay Ventures holds at least 7.5% of the outstanding Class A Shares. Relay Ventures' co-founder and managing partner, John Albright, was appointed to the Board on May 3, 2013 pursuant to the Board Nomination Agreement.

The Board Nomination Agreement requires Relay Ventures to vote the Class A Shares controlled or beneficially held by Relay Ventures or its affiliates in favour of the Board's slate of nominees for election as directors at each meeting of our shareholders at which directors are to be elected provided that the Relay Nominee has been nominated in accordance with the Board Nomination Agreement. In addition, Mr. John Levy agreed to vote or cause to be voted all Class A Shares controlled or beneficially owned by him or his affiliates in favour of the Relay Nominee for election as a director at each meeting of our shareholders at which directors are to be elected provided the Relay Nominee has been nominated in accordance with the Board Nomination Agreement.

Relay Ventures Pre-emptive Rights Agreement

We also entered into a pre-emptive rights agreement (the "**Pre-emptive Rights Agreement**") with certain Relay Ventures funds on May 3, 2013. The Pre-emptive Rights Agreement provides Relay Ventures, so long as it holds a minimum of a 5% equity interest in us (on a non-diluted basis), with pre-emptive rights to co-subscribe on any future equity issuance by us subject to customary exclusions for the issuance of shares under stock incentive plans or in connection with arm's length acquisitions and similar transactions, to maintain its proportional equity interest at the relevant time.

Coat Tail Agreement

For a summary of the terms of the Coat Tail Agreement, see "DESCRIPTION OF CAPITAL STRUCTURE – Special Voting Shares".

INTEREST OF EXPERTS

KPMG LLP are our auditors and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to us may be found on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities, and securities authorized for issuance under equity compensation plans is contained in our management information circular for our most recent annual meeting of shareholders that involved the election of directors, which may be found on SEDAR at www.sedar.com.

Additional financial information is contained in our consolidated financial statements as at and for the years ended August 31, 2018 and 2017 and our MD&A for the year ended August 31, 2018 and may be found on SEDAR at www.sedar.com.

<u>SCHEDULE A</u>

THESCORE, INC.
AUDIT COMMITTEE CHARTER

A. Audit Committee Purpose

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of theScore, Inc. (the "**Corporation**") whose primary function is to assist the Board in assessing the effectiveness of the accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations.

B. Committee Composition, Appointment and Procedures

1. Structure and Composition of Committee

The Committee shall be comprised of not less than three directors, all of whom must be independent directors in accordance with applicable regulatory and stock exchange requirements.

2. Financial Literacy

All members of the Committee shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation.

3. Appointment of Committee Members

Members of the Committee shall be appointed from time to time and shall hold office at the pleasure of the Board, upon the recommendation of the Nominating and Corporate Governance Committee.

4. Vacancies

(a) Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board; and

(b) The Board shall fill any vacancy if the membership of the Committee is less than three Directors.

5. Committee Chairman

The Board shall appoint a Chairman for the Committee.

6. Absence of Committee Chairman

If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

7. Secretary of Committee

The Committee shall appoint its own secretary, who shall serve as the secretary of the Committee.

8. Meetings

(a) The Chairman of the Committee or the Chairman of the Board, or any two members of the Committee may call a meeting of the Committee;

(b) The Committee shall meet at such times during each year as it deems appropriate;

(c) The Committee will ordinarily meet in camera at the end of each of its formal meetings and may meet in camera at any other time as required;

(d) There shall be four senior management personnel available for meetings of the Committee at the invitation of the Chairman of the Committee. These four persons will be those holding the positions of Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Corporate Secretary; and

(e) Representatives of the external auditors shall be available for Committee meetings at the invitation of the Chairman of the Committee.

9. Quorum

A majority of the members of the Committee shall constitute a quorum.

10. Notice of Meetings

(a) Notice of the time and place of every meeting shall be given in writing (including by way of written facsimile or electronic communication) to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting; and

(b) Attendance of a member at a meeting constitutes a waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11. Review of Charter

The Committee shall review its performance and this Charter annually or otherwise as it deems appropriate and propose recommended changes to the Board.

C. **Responsibilities of the Committee**

12. The Committee shall:

(a) Review all quarterly unaudited and annual audited financial statements and accompanying reports to the shareholders, MD&A, related annual and interim earnings press releases, earnings guidance disclosure or any other disclosure based on the Corporation’s financial statements prior to the release of those statements;

(b) Make recommendations to the Board for approval with respect to the annual audited financial statements and, in each case, review:

(i) The appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices;

(ii) The existence and substance of significant accruals, estimates, or accounting judgements, and the level of conservatism;

(iii) Unusual or extraordinary items, transactions with related parties, and adequacy of disclosures;

(iv) Asset and liability carrying values;

(v) Income tax status and related reserves;

(vi) Qualifications contained in letters of representation;

(vii) Assurances of compliance with covenants in trust deeds or loan agreements;

(viii) Business risks, uncertainties, commitments, litigation and contingent liabilities;

(ix) The adequacy of explanations for significant financial variances between years;

(x) The adequacy of control systems utilized by the Corporation; and

(xi) Material valuation issues.

(c) Review the Corporation's Annual Information Form (if any), management proxy circular and annual report and make a recommendation for approval thereof to the Board.

(d) Oversee the external audit process, including:

(i) The selection and appointment of an auditing firm to conduct the annual audit of the Corporation’s annual financial statements and review of the Corporation’s quarterly financial statements (and related notes and management’s discussion and analysis in each case);

(ii) Assess the independence of the appointed auditing firm;

(iii) Review of the external audit plan comprising a fee estimate, objectives, scope, materiality, timing and areas of audit risk;

(iv) Review of audit reports and reviews and findings, including corresponding management responses;

(v) Approve the audit fee;

(vi) Establish, from time to time, pre-approval arrangements for specific categories of permitted audit related services; and

(vii) Private discussions regarding the quality of financial personnel, the level of co-operation received and unresolved material differences of opinion or disputes.

(e) Oversee the external non-audit process, including:

(i) Approving the nature of any non-audit services provided and any material mandates by the auditing firm to the Corporation or its subsidiary entities, the fees charged by the firm for such services and the impact on the independence of the auditor provided that the auditing firm is prohibited from providing appraisal or valuation services, fairness opinions, actuarial services, internal audit outsourcing services, management functions or human resources, bookkeeping or other services relating to the accounting records or financial statements of the Corporation or financial information systems designed in implementation; and

(ii) Information as to the non-audit services provided by the auditing firm, the fees charged by the firm for such services and the impact on the independence of the auditor.

(f) Review incidents of fraud, illegal acts and conflicts of interest;

(g) Review cases where management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as auditor;

(h) Establish financial whistle blowing procedures for:

(i) receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

(i) Review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

13. The Committee may, at the request of the Board, investigate such other matters as the Board considers appropriate in the circumstances.

D. **Resources, Meetings and Reports**

14. The Committee shall have adequate resources to discharge its responsibilities. The Committee may, for and on behalf of the Corporation and at the Corporation’s sole expense, engage such consultants as it considers in its sole discretion necessary to assist it in fulfilling its duties and responsibilities.

15. The Committee shall meet not less than four times per year.

16. The meetings of the Committee shall ordinarily include the auditors and the Chairman of the Board shall be an ex officio member of the Committee if not otherwise appointed as a member of the Committee. The Committee may request the attendance of other officers at its meetings from time to time.

17. The Board shall be kept informed of the Committee's activities by a report presented at the Board meeting following each Committee meeting.

18. The Committee shall keep minutes of its meetings in which shall be recorded all actions taken by the Committee which minutes shall be made available to the Board.

19. The members of the Committee shall have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Corporation and its subsidiaries.

THESCORE, INC.
(the "Corporation")

TERMS OF REFERENCE FOR THE CHAIRMAN OF THE AUDIT COMMITTEE

Title:	Chairman (the "**Chair**") of the Audit Committee (the "**Committee**")
Appointment:	The Chair is a financially literate Director of the Corporation who is elected as a Director by the Corporation's shareholders and is appointed by the other directors annually as a member of the Committee. The Chair is an independent Director in accordance with applicable regulatory and stock exchange requirements. The Chair is appointed by the members of the Board of Directors (the "**Board**") and serves in this role at the pleasure of the Board
Reports:	The Chair maintains open communication with the Chairman of the Board. The Chair has unfettered two-way communication with all senior officers and the Corporation's auditor.
Function:	The Chair's primary role includes ensuring that the Committee functions properly, that it meets its obligations and responsibilities, and that its organization and mechanisms are in place and are working effectively.

A. **Key Responsibilities:**

1. Provides leadership to the Committee with respect to its functions as described in the Committee's written mandate and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee.

2. Calls and chairs meetings of the Committee. Meetings of the Committee may also be called by the Chairman of the Board or any two members of the Committee.

3. Ensures that the Committee meets on a regular basis and at least quarterly.

4. In consultation with the Chairman of the Board, the Chief Financial Officer and the Committee members, establishes a calendar for holding meetings of and sets the agendas for the meetings of the Committee.

5. In collaboration with the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer and the Secretary ensures that agenda items for all Committee meetings are ready for presentation and that adequate information is distributed to Committee members in advance of such meetings in order that Committee members may properly inform themselves on matters to be acted upon.

6. Assigns work to Committee members.

7. Acts as liaison and maintains communication with the Chairman of the Board and the Board to optimize and co-ordinate input from Directors, and to optimize effectiveness of the Committee. This includes reporting regularly to the full Board on all proceedings and deliberations of the Committee. Such reports shall be made not less frequently than quarterly.

8. Ensures that the Committee receives adequate and regular updates from the management on all issues relating to audits, financial statements, MD&A, annual and interim earnings, press releases, procedures for disclosure of financial information and disclosure controls.

9. Meets separately as required with management to optimize his liaison function and to ensure efficient communication between management and the Committee.

10. Meets separately as required with the Corporation's auditor to ensure that the Committee has the information required to perform its role of oversight in line with its mandate.

11. Pre-approves non-audit services not prohibited by law to be performed by the Corporation's auditor in conformity with the terms of any authorization delegated to him by the Committee.

12. Reports annually to the Committee on the role of the Chair and the effectiveness of the Chair role in contributing to the objectives and responsibilities of the Committee as a whole.

13. Reports annually to the Board on the role of the Committee and the effectiveness of the Committee role in contributing to the objectives and responsibilities of the Board as a whole.

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