Q3 – 2014
Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended
May 31, 2014 and 2013
(Unaudited)

theScore, Inc.

Condensed Consolidated Interim Statements of Financial Position
(in thousands of Canadian dollars)
(unaudited)

	May 31, 2014	August 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents (note 10)	$ 23,794	$ 14,524
Accounts receivable	2,098	1,621
Other receivables (note 1)	-	2,030
Other assets (note 8)	2,060	1,295
Prepaid expenses and deposits	608	386
	28,560	19,856
Non-current assets:		
Property and equipment (note 3)	2,203	2,313
Intangible assets (note 4)	5,202	6,523
Investment	760	760
Other assets (note 8)	4,619	1,782
	12,784	11,378
Total assets	$ 41,344	$ 31,234
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,735	$ 2,380
Non-current liabilities:		
Deferred lease obligation	508	495
Shareholders' equity	38,101	28,359
Commitments and contingencies (notes 1 and 10)		
Total liabilities and shareholders' equity	$ 41,344	$ 31,234

See accompanying notes to condensed consolidated interim financial statements

theScore, Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

(in thousands of Canadian dollars, except per share amounts)

(unaudited)

	Three months ended May 31,		Nine Months ended May 31,	
	2014	2013	2014	2013
Revenue (note 12)	$ 1,972	$ 1,368	$ 6,016	$ 3,984
Operating expenses:				
Personnel, net (note 8)	2,311	1,914	5,176	5,572
Content	316	298	916	1,244
Technology	245	459	794	1,690
Facilities, administrative and other	849	861	2,716	2,049
Marketing	389	199	1,522	331
Management fees (note 7)	-	-	-	48
Depreciation of property and equipment	132	95	390	151
Amortization of intangible assets, net (note 8)	499	687	1,327	1,915
Share of loss of equity accounted for investee	-	-	-	33
Investment loss (note 5)	-	-	-	111
	4,741	4,513	12,841	13,144
Operating loss	(2,769)	(3,145)	(6,825)	(9,160)
Finance costs (income), net (note 1)	(13)	(19)	(72)	77
Net and comprehensive loss	$ (2,756)	$ (3,126)	$ (6,753)	$ (9,237)
Loss per share - basic and diluted (note 13)	$ (0.01)	$ (0.03)	$ (0.03)	$ (0.09)

See accompanying notes to condensed consolidated interim financial statements

theScore, Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(in thousands of Canadian dollars, except share amounts)

(unaudited)

	Special Voting Shares		Class A Subordinate Voting Shares				
	Amount	Number of Shares	Amount	Number of Shares	Contributed Surplus	Retained Earnings (Deficit)	Total Shareholder's Equity
Nine months ended May 31, 2014:							
Balances, August 31, 2013	$ 15	5,566	$ 27,455	195,035,274	$ 153	$ 736	$ 28,359
Net and comprehensive loss for the period	-	-	-	-	-	(6,753)	(6,753)
Share-based compensation expense for the period	-	-	-	-	319	-	319
Shares issued on exercise of stock options	-	-	18	87,002	(6)	-	12
Shares issued on completion of private placement (note 14)			7,819	27,140,000	-	-	7,819
Shares issued on completion of public offering (note 14)	-	-	8,345	30,360,000	-	-	8,345
Balances, May 31, 2014	$ 15	5,566	$ 43,637	252,622,276	$ 466	$ (6,017)	$ 38,101
Nine months ended May 31, 2013:							
Balances, August 31, 2012 - Funded deficiency (note 1)	$ -	-	$ -	1	$ -	$ (22,636)	$ (22,636)
Net and comprehensive loss for the period	-	-	-	-	-	(9,237)	(9,237)
Share-based compensation expense for the period	-	-	-	-	119	-	119
Contributions by Former Parent and Remaining Group	-	-	-	-	-	104	104
Capitalization arising from the Arrangement (note 1):							
Amounts acquired - Due to Former Parent	-	-	-	-	-	25,198	25,198
Amounts acquired - Due to Remaining Group	-	-	-	-	-	9,371	9,371
Initial capitalization	15	5,566	11,579	95,015,275	-	-	11,594
Assets transferred at carrying value	-	-	-	-	-	94	94
Shares issued on completion of private placement	-	-	15,876	100,000,000	-	-	15,876
Shares issued on exercise of stock options	-	-	1	10,833	-	-	1
Balances, May 31, 2013	$ 15	5,566	$ 27,456	195,026,109	$ 119	$ 2,894	$ 30,484

See accompanying notes to condensed consolidated interim financial statements

theScore, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

	Nine months ended May 31, 2014	Nine months ended May 31, 2013
Cash flows from (used in) operating activities		
Net and comprehensive loss	$ (6,753)	$ (9,237)
Adjustments for:		
Depreciation and amortization	1,717	2,064
Share of loss of equity accounted investee	-	33
Share-based compensation (note 11)	319	119
Investment loss	-	111
Contributions by Former Parent and Remaining Group	-	104
	(4,717)	(6,806)
Change in non-cash operating working capital:		
Accounts receivable	(477)	(329)
Other receivables	230	(230)
Other assets	(2,150)	-
Prepaid expenses and deposits	(222)	(96)
Accounts payable and accrued liabilities	355	469
Deferred lease obligation	13	440
	(2,251)	254
Net cash used in operating activities	(6,968)	(6,552)
Cash flows from financing activities		
Exercise of stock options	12	-
Funding provided from Arrangement (note 1)	1,800	9,794
Issuance of shares, net of transaction costs	16,164	15,876
Due to Remaining Group (note 6)	-	531
Due to Former Parent (note 7)	-	1,624
Net cash from financing activities	17,976	27,825
Cash flows used in investing activities		
Additions of property and equipment	(280)	(1,773)
Additions of intangible assets	(1,458)	(1,916)
Net cash used in investing activities	(1,738)	(3,689)
Cash, beginning of period	14,524	-
Cash, end of period	$ 23,794	$ 17,584

See accompanying notes to condensed consolidated interim financial statements

1. Nature of operations:

(a) Business:

theScore Inc. (%theScore+ or %the Company+) creates mobile-first sports experiences, connecting fans to what they love through an addictive combination of real-time news, scores, fantasy information and alerts while creating and curating content that is mobile optimized, comprehensive, customizable and seamlessly shareable. theScore is headquartered at 500 King Street West, 4th floor, Toronto, Ontario, M5V 1L9. Common shares began trading on the TSX-V on October 25, 2012 under the symbol SCR.TO. The Company is organized and operates as one operating segment for purposes of making operating decisions and assessing performance. Substantially all of the Company's assets are located in Canada and a majority of the Company's expenses are incurred in Canada.

Prior to October 19, 2012, the digital media business (%Score Digital+) of theScore was a business of Score Media Inc. (the %Former Parent+). Score Digital represented a portion of the Former Parent¢s business and did not constitute a separate consolidated group.

On August 25, 2012, the Former Parent entered into a definitive arrangement agreement (the "Arrangement Agreement") with Rogers Media Inc. ("Rogers") pursuant to which, by way of a court-approved plan of arrangement (the "Arrangement"): (i) Rogers would acquire the television business of the Former Parent via an acquisition of all of the outstanding shares of the Former Parent for $1.62 per share; and (ii) Score Digital would be spun out to the Former Parent's shareholders as a new corporation, theScore, formed to acquire Score Digital and certain assets of the Former Parent and its subsidiaries.

The Arrangement was approved by the Board of Directors of the Former Parent, and by the Former Parent's shareholders, on October 17, 2012, and the Arrangement closed on October 19, 2012. Under the terms of the Arrangement Agreement, Rogers acquired all of the outstanding shares of the Former Parent and an interest in theScore.

Pursuant to the Business Separation Agreement, the Former Parent capitalized theScore for $11.6 million, inclusive of $1.8 million held in escrow until the first anniversary of the closing of the Arrangement being October 19, 2013. The amount held in escrow and

1. Nature of operations (continued):

presented as part of other receivables was released to the Company in full during the quarter ended November 30, 2013.

Also pursuant to the Business Separation Agreement, which provided for the separation of the television and digital media businesses of the Former Parent prior to closing of the Arrangement, certain indemnifications were included that primarily related to taxation matters in favour of the Former Parent, and its affiliates, directors, officers and employees which are limited to $3.0 million in the aggregate. The indemnity period is 24 months from the closing of the Arrangement (October 19, 2012) for all non-tax related matters, and 30 days following the expiry of the applicable limitation periods in the Canadian Income Tax Act for all tax related matters. No indemnification claims have been made as of May 31, 2014.

Prior to the amalgamation noted below, theScore previously consolidated the following entities, which up until October 19, 2012 were wholly owned subsidiaries of the Former Parent and were consolidated by and under the control of the Former Parent:

- Score Media Ventures Inc., together with its wholly owned consolidated subsidiaries, ScoreMobile Inc. and 2283546 Ontario Inc.;
- Hardcore Sports Radio Inc.;
- St. Clair Group Investments Inc.;
- Score Productions Inc.; and
- SMI International Holdings Inc., together with its wholly owned consolidated subsidiary, SMI International Ltd.

Together, the aforementioned subsidiaries are referred to as the "Combined Subsidiaries+ for the period prior to October 19, 2012.

On September 1, 2013, Score Media Ventures Inc., 2283546 Ontario Inc., Hardcore Sports Radio Inc., St. Clair Group Investments Inc., Score Productions Inc., and SMI International Holdings Inc. amalgamated, pursuant to the provisions of the Business Corporations Act (Ontario), and continues as one corporation, Score Media Ventures Inc.

Subsidiaries of the Former Parent that are not part of theScore and were related parties up until October 19, 2012 are referred to as the "Remaining Group" and include the following:

1. Nature of operations (continued):

- The Score Television Network Ltd., together with its wholly owned subsidiary, 1212895 Ontario Ltd.;
- Voice to Visual Inc.; and
- Score Fighting Inc.

For more information on the Arrangement Agreement, refer to the annual consolidated financial statements for the year ended August 31, 2013.

(b) Basis of presentation and statement of compliance:

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), and using the same accounting policies and methods of computation theScore applied in its consolidated financial statements as at and for the year ended August 31, 2013, except as described below.

These accounting policies are disclosed in note 2 of theScore's annual consolidated financial statements for the year ended August 31, 2013.

These interim financial statements are presented in Canadian dollars, which is theScore's functional currency, and have been prepared primarily using the historical cost basis.

These interim financial statements were approved by the Board of Directors of theScore on July 23, 2014.

theScore elected to present comparative condensed consolidated interim financial information before October 19, 2012 as if the acquisition of Score Digital had occurred before September 1, 2012 using the continuity of interest basis of accounting where book value accounting has been applied resulting in the acquired assets and liabilities of Score Digital being recorded at the carrying value of the Former Parent in its consolidated financial statements. Amounts included in the comparative interim financial statements with respect to the period before October 19, 2012 have been prepared on a combined consolidated carve-out basis from the books and records of the Former Parent and its subsidiaries and purport to represent the historical financial performance, financial position and cash flows of Score Digital as if it had existed as a separate stand-alone group of entities under the Former Parent's management, and applying International Accounting

1. Nature of operations (continued):

Standard "IAS") 27, Consolidated and Separate Financial Statements ("IAS 27"), to account for intergroup investments and transactions. Entities included in the comparative interim financial statements with respect to the period before October 19, 2012 are the subsidiaries that, upon completion of the Arrangement, ceased to be wholly owned subsidiaries of the Former Parent and became wholly owned subsidiaries of theScore pursuant to the Arrangement.

The financial performance, financial position and cash flows up to October 19, 2012 may not be indicative of what they would actually have been had Score Digital been a separate stand-alone entity. Costs directly related to Score Digital have been entirely attributed to Score Digital in the period prior to October 19, 2012. From September 1, 2012 to October 19, 2012, Score Digital received services and support functions from the Former Parent and certain subsidiaries of the Former Parent and the Remaining Group. Up until October 19, 2012 Score Digital's operations were dependent upon the Former Parent's ability to perform these services and support functions. In addition to amounts historically charged to Score Digital from the Former Parent and Remaining Group for such services (notes 6 and 7), certain additional costs were allocated to Score Digital for purposes of preparation of the comparative condensed consolidated interim financial statements and amounts included for the period prior to October 19, 2012. These allocated costs are as follows:

- Corporate administrative and other costs, including corporate costs used by Score Digital and paid by the Former Parent and Remaining Group. These costs have been allocated to Score Digital primarily based on proportionate revenue of theScore compared to consolidated revenue of the Former Parent. These allocated costs have been recorded in facilities, administrative and other costs.

- Technology costs paid by the Remaining Group but used by Score Digital. These costs have been allocated based primarily on relative usage or access by Score Digital.

- Finance costs representing interest incurred by the Former Parent prior to October 19, 2012 on its credit facility, allocated to Score Digital based on a pro rata share of accessed funding from the Former Parent's credit facility.

Costs prior to October 19, 2012 have been allocated to Score Digital from the Former Parent and Remaining Group that were not repayable have been recorded as contributions from the Former Parent and Remaining Group within the Funded Deficiency account. The Funded Deficiency account represents the cumulative net investment by the Former Parent and Remaining Group in Score Digital for the period up to October 19, 2012 and includes cumulative operating results, including other comprehensive loss. Upon the initial capitalization of theScore arising from the Arrangement Agreement and consideration of

1. Nature of operations (continued):

the related transactions steps, the amounts due to the Former Parent and Remaining Group, which were either settled or acquired, have been recorded as part of retained earnings of theScore.

Management believes the assumptions and allocations underlying the period before October 19, 2012 are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered to be a reasonable reflection of the utilization of services provided to or the benefit received by theScore during the period before October 19, 2012. However, these assumptions and allocations are not necessarily indicative of the costs theScore would have incurred if it had operated on a stand-alone basis or as an entity independent of the Former Parent.

2. Significant accounting policies:

Recently adopted accounting pronouncements:

(i) IAS 1, Presentation of Financial Statements:

In June 2011, the IASB published amendments to IAS 1, Presentation of Financial Statements ("IAS 1"). The amendments require that an entity present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. theScore has adopted the amendments to IAS 1 in its consolidated financial statements for the period beginning on September 1, 2013. The amendments to IAS 1 did not have an impact on the Company's consolidated financial statements.

(ii) IAS 28, Investments in Associates and Joint Ventures:

In May 2011, the IASB published amendments to IAS 28, Investments in Associates and Joint Ventures ("IAS 28"), which previously specified that the cessation of significant influence or joint control triggered re-measurement of any retained stake in all cases with gain recognition in profit or loss, even if significant influence was succeeded by joint control. IAS 28 now requires that in such scenarios the retained interest in the investment is not re-measured. The Company adopted the amendments in its consolidated financial statements for the period beginning on September 1, 2013. The amendments to IAS 28 did not have an impact on the Company's consolidated financial statements.

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2. Significant accounting policies (continued):

(iii) IFRS 10, Consolidated Financial Statements:

In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements ("IFRS 10"). IFRS 10, which replaces the consolidation requirements of SIC-12, Consolidation-Special Purpose Entities, and IAS 27, Consolidated and Separate Financial Statements, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Company adopted this new standard in its consolidated financial statements for the period beginning on September 1, 2013. IFRS 10 did not have an impact on the Company's consolidated financial statements.

(iv) IFRS 11, Joint Arrangements:

In May 2011, the IASB issued IFRS 11, Joint Arrangements ("IFRS 11"). IFRS 11, which replaces the guidance in IAS 31, Interests in Joint Ventures, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The Company adopted this new standard in its consolidated financial statements for the period beginning on September 1, 2013. IFRS 11 did not have an impact on the Company's consolidated financial statements.

(vi) IFRS 13, Fair Value Measurement:

In May 2010, the IASB issued IFRS 13, Fair Value Measurement ("IFRS 13"). IFRS 13 replaces the fair value guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. The Company adopted IFRS 13 prospectively in its condensed consolidated interim financial statements beginning on September 1, 2013. IFRS 13 is not expected to have a material impact on the Company's consolidated financial statements.

3. Property and equipment:

	Computer equipment	Leasehold improvements	Office equipment	Total
Cost				
Balance, August 31, 2013	$ 878	$ 1,516	$ 505	$ 2,899
Additions	88	31	161	280
Balance, May 31, 2014	$ 966	$ 1,547	$ 666	$ 3,179
Accumulated depreciation				
Balance, August 31, 2013	$ 413	$ 109	$ 64	$ 586
Depreciation	116	184	90	390
Balance, May 31, 2014	$ 529	$ 293	$ 154	$ 976
Carrying amounts				
Balance, August 31, 2013	$ 465	$ 1,407	$ 441	$ 2,313
Balance, May 31, 2014	$ 437	$ 1,254	$ 512	$ 2,203

4. Intangible assets:

	Product development	Trademarks	Computer software	Acquired technology	Acquired customer relationships	Total
Cost						
Balance, August 31, 2013	$ 12,454	$ 170	$ 1,128	$ 239	$ 485	$ 14,476
Additions- internally developed, net of tax credits	(66)	-	-	-	-	(66)
Additions- other	-	53	19	-	-	72
Balance, May 31, 2014	$ 12,388	$ 223	$ 1,147	$ 239	$ 485	$ 14,482
Accumulated amortization						
Balance, August 31, 2013	$ 6,262	$ 123	$ 1,116	$ 181	$ 271	$ 7,953
Amortization, net of tax credits	1,191	13	16	58	49	1,327
Balance, May 31, 2014	$ 7,453	$ 136	$ 1,132	$ 239	$ 320	$ 9,280
Carrying amounts						
Balance, August 31, 2013	$ 6,192	$ 47	$ 12	$ 58	$ 214	$ 6,523
Balance, May 31, 2014	4,935	87	15	-	165	5,202

5. Related party transactions:

a) During the three months ended February 28, 2013, the Company¢s equity investee completed a financing arrangement whereby theScore¢s ownership interest was diluted to 14% and it relinquished certain rights previously associated with the common shares held. As a consequence, theScore determined that it no longer had significant influence over the equity investee and, as a result, ceased using the equity method to account for its investment. theScore recorded a loss of $111 during the period representing the amount of the carrying value of its investment that exceeded the fair value at the date significant influence was lost. theScore commenced accounting for its investment as available-for-sale in January 2013.

During the nine months ended May 31, 2013, theScore incurred development fees under a development services agreement and incurred recruitment charges associated with hiring certain personnel previously employed by the equity investee. Total costs incurred in the three and nine months ended May 31, 2013 amounted to nil and $716, respectively, of which $466 were capitalized as part of product development intangible assets. As at May 31, 2013, theScore's accounts payable balance due to its equity accounted investee for such development costs was nil. On September 30, 2012 theScore¢s development services agreement with its former equity accounted investee expired. The related party transactions were in the normal course of operations.

b) The Company entered into a lease in October 2012 for a property partially owned by a director and officer of the Company. The aggregate rent paid by the Company during the three and nine months ended May 31, 2014 and 2013 both amounted to $8 and $23. The corresponding payable balance as at May 31, 2014 and 2013 was nil.

6. Transactions with Remaining Group:

Prior to October 19, 2012, the Remaining Group were related by virtue of common ownership by the Former Parent.

During the period from September 1, 2012 to October 19, 2012, the Remaining Group paid $531 for certain operating costs of Score Digital, including personnel costs and other operating costs.

The amounts due to/from Remaining Group were due on demand and non-interest bearing.

Prior to the closing of the Arrangement the balances due to and due from the Remaining Group were either settled or acquired by theScore.

7. Transactions with Former Parent:

Due to Former Parent and transactions with Former Parent:

(i) Until October 19, 2012, the Former Parent provided the Combined Subsidiaries access to, at its discretion, the Former Parent's revolving credit facility with a Canadian chartered bank. Any amounts accessed by the Combined Subsidiaries represented obligations to the Former Parent and were recorded as Due to Former Parent.

Until October 19, 2012, the Combined Subsidiaries were guarantors of the Former Parent's credit facility. Amounts drawn under the Former Parent's credit facility were secured by a pledge of substantially all the assets of the Combined Subsidiaries, a pledge of all the issued and outstanding shares of each of the Former Parent's operating subsidiaries (including the Combined Subsidiaries) and the subordination and pledge of intercompany loans.

(ii) Management fees until October 19, 2012 represent a charge for costs incurred by the Former Parent until October 19, 2012, consisting of professional fees and other public company-related costs, including corporate costs and management compensation associated with operating the Former Parent's consolidated business. For the three and nine months ended May 31, 2013, management fees recorded were nil and $48.

(iii) During the period from September 1, 2012 to October 19, 2012, the Former Parent paid $1,624 for certain operating costs of the Combined Subsidiaries, including personnel costs and other administrative costs.

The amounts due to Former Parent were due on demand and non-interest bearing.

Prior to the closing of the Arrangement (refer to note 1(a)) the due to Former Parent balances were either settled or acquired by theScore.

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8. Other assets:

Tax credits:

The Score has access to refundable credits that are available as part of the Ontario Interactive Digital Media Tax Credit (%OIDMTC+) legislation created by the Government of Ontario and managed by the Ontario Media Development Corporation (%OMDC+).

During the three and nine month periods ended May 31, 2014, theScore recorded refundable tax credit accruals related to digital media expenditures as described below. The impact of these accruals was to reduce personnel costs by $165 and $2,151 and to reduce amortization expense by nil and $459 for the three and nine month periods, respectively.

Accruals Related to Digital Media Expenditures Incurred During Fiscal 2014

During the nine months ended May 31, 2014, theScore accrued $900 of tax credits receivable for eligible expenditures incurred during this period. The Company is accruing tax credits for fiscal 2014 given acceptance of historical expenditures of a similar nature for refundable credit, which the Company deems to be representative of reasonable assurance of realization.

Accruals Related to Digital Media Expenditures Incurred During Fiscal 2012 and 2013

In the second quarter of fiscal 2014, based on the completion of the review by the OMDC of the Companyqs filing for fiscal 2010 and 2011, theScore recognized an additional $1,937 accrual related to expenditures incurred during fiscal 2012 and 2013.

Accruals Related to Digital Media Expenditures Incurred During Fiscal 2010 and 2011

In the second quarter of fiscal 2014, theScore increased its accrual by $765 based on correspondence received from OMDC relating to certificate of eligibility issued in respect of the fiscal 2010 and 2011 years. Based on the certificate of eligibility, theScore is entitled to refundable tax credits of $2,060.

9. Capital risk management:

theScore's objectives in managing capital are to maintain its liquidity to fund future development and growth of the business. The capital structure consists of shareholdersqequity and cash.

theScore manages and adjusts the capital structure in consideration of changes in economic conditions and the risk characteristics of the underlying assets. theScore is not subject to any externally imposed capital requirements.

10. Financial risk management:

theScore has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about theScore's exposure to each of these risks and theScore's objectives, policies and processes for measuring and managing these risks.

(a) Credit risk:

Credit risk is the risk of financial loss to theScore if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from theScore's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. theScore's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

theScore establishes an allowance for doubtful accounts that represents its estimate of potential credit losses in respect of accounts receivable but historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographical area. This allowance consists of a specific provision that relates to individually significant exposures. As at May 31, 2014 and May 31, 2013, theScore had an allowance for doubtful accounts of $16 and $28, respectively. theScore has customer concentration risk as three customers represented more than 10% of revenues for the three months ended May 31, 2014 (13%, 13% and 12%, respectively). The customer concentration risk for the nine months ended May 31, 2014 consisted of two customers (13% and 11%, respectively). theScore had customer concentration risk during the three and nine month period ended May 31, 2013 as one customer represented 18% and 15% of revenues, respectively. theScore does not believe that it is exposed to significant credit risk in respect of other assets, which consist of tax credits accrued and receivable as the counterparty is a government related agency.

(b) Liquidity risk:

Liquidity risk is the risk that theScore will not be able to meet its financial obligations as they fall due. theScore has the following firm commitments under agreements:

10. Financial risk management (continued):

	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Content	331	390	-	$ 721
Office lease	384	1,744	38	$ 2,166
Total	715	2,134	38	$ 2,887

As at May 31, 2014, theScore had cash and cash equivalents of $23,794 (August 31, 2013 - $14,524), receivables from customers of $2,098 (August 31, 2013 - $1,621), other receivables of nil (August 31, 2013 . $2,030) and accounts payable and accrued liabilities to third parties of $2,735 (August 31, 2013 - $2,380). Accounts payable and accrued liabilities have contracted maturities of less than three months.

Management prepares budgets and cash flow forecasts to assist in managing liquidity risk. theScore has a history of operating losses, and can be expected to generate continued operating losses and negative cash flows in the future while it carries out its current business plan to further develop and expand its digital media business. While theScore can utilize its cash and cash equivalents to fund its operating and development expenditures, it does not have access to committed credit facilities or other committed sources of funding, and depending upon the level of expenditures and whether profitable operations can be achieved, may be required to seek additional funding in the future.

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates, will affect theScore's income or the value of its holdings of financial instruments.

The Company does not engage in risk management practices such as hedging or use of derivative instruments.

10. Financial risk management (continued):

theScore's head office is located in Canada. Certain of theScore's customers and suppliers are based in Canada and, therefore, transact in Canadian dollars. Certain customers and suppliers are based outside of Canada and the associated financial assets and liabilities originate in U.S. dollars, Euros or Pounds Sterling, thereby exposing theScore to foreign exchange risk. theScore's exposure to foreign exchange risk is deemed to be low, as the net impact of U.S. denominated receivables and payables has not been significant historically. theScore's foreign exchange gain (loss), included as part of finance (costs) income, for the three and nine months ended May 31, 2014 was $8 and $2, respectively (three and nine months ended May 31, 2013 $(15) and $(23)).

(d) Fair values:

The fair values of theScore's financial assets and liabilities, including cash equivalents, accounts receivable and accounts payable and accrued liabilities were deemed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The Company provides disclosure of the three level hierarchy that reflects the significance of the inputs used in making the fair value measurement. The three levels of fair value hierarchy based on the reliability of inputs are as follows:

- Level 1 - inputs are quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs are based on observable market data, either directly or indirectly other than quoted prices; and
- Level 3 - inputs are not based on observable market data.

The Company has one financial asset measured on a fair value basis using Level 3 inputs being an available-for-sale financial asset, which has been determined by reference to the most recent external capital financing transaction and consideration of other indicators of fair value as the entity is not a public company and therefore there is no quoted market price at theScore's reporting date.

10. Financial risk management (continued):

The carrying values of cash and cash equivalents comprise:

	May 31, 2014	August 31, 2013
Cash	$ 2,827	$ 3,546
Cash equivalents:		
Government treasury bills	20,967	10,978
Total cash and cash equivalents	$ 23,794	$ 14,524

11. Share-based compensation:

(a) Stock Option Plan:

theScore has a stock option plan (the "Plan") under which the Board of Directors, or a committee appointed for such purpose, may, from time to time, grant to directors, officers and full-time employees of, or consultants to, theScore options to acquire Class A Subordinate Voting shares. Under the Plan, the exercise price of an option is based on the closing trading price on the day prior to the grant. An option's maximum term is 10 years and options generally vest in six month tranches over a period of three years. Certain of theScore's employees and consultants participate in the Plan in exchange for services provided to theScore.

11. Share-based compensation (continued):

The following table summarizes the status of options granted to employees of theScore under the Plan

	Number	Exercise price	Weighted average exercise price
Outstanding options, August 31, 2013	4,180,000	$ 0.13	$ 0.13
Granted October 23, 2013	5,145,000	0.18	0.18
Cancelled	(221,665)	0.13 - 0.18	0.16
Exercised	(87,002)	0.13 - 0.18	0.14
Outstanding options, May 31, 2014	9,016,333		$ 0.16
Options exercisable, May 31, 2014			2,832,167

As at May 31, 2014, the weighted average remaining contractual life of the options exercisable and outstanding was 5.35 and 5.37 years, respectively.

The estimated fair value of options granted during the period ended May 31, 2014 was determined on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1%-2%
Dividend yield	-
Volatility factor of the future expected market price of common shares	71%
Weighted average expected life of the options	3-10 years

During the three and nine months ended May 31, 2014 share-based compensation recorded in connection with stock options issued by theScore included as part of personnel expenses within profit and loss was $110 and $319 for the three and nine months ended May 31, 2014, respectively (three and nine months ended May 31, 2013 - $59 and $119).

(b) Share Purchase Plan:

The Company has a share purchase plan (the "SPP") in order to facilitate the acquisition and the retention of Class A Subordinate Voting shares by eligible participants. The SPP allows eligible participants to voluntarily join in a share purchase program. Under the terms of the SPP, eligible participants can have up to 5% of their compensation deducted from their pay to contribute towards the purchase of Class A Subordinate Voting shares of the Company.

11. Share-based compensation (continued):

The Company makes a contribution equal to the amount of the compensation contributed by each participant. The Class A Subordinate Voting shares are purchased by an independent broker through the facilities ofthe TSX-V and are held by a custodian on behalf of the SPP participants. During the three and nine months ended May 31, 2014, theScore recorded an expense of $68 and $177 as part of personnel expenses within profit or loss, respectively, relating to its participating employees in the SPP (three and nine months ended May 31, 2013 - $35).

12. Revenue:

theScore has two principal sources of revenue . advertising on its digital media products and licensing of its mobile applications. The revenue earned in the period from each of these revenue sources is as follows:

	Three months ended May 31,		Nine months ended May 31,	
	2014	2013	2014	2013
Advertising	$ 1,722	$ 1,118	$ 5,266	$ 3,373
Licensing	250	250	750	611
Total	$ 1,972	$ 1,368	$ 6,016	$ 3,984

Revenue from Canadian sources for the three and nine months ended May 31, 2014 was $1,013 and $2,882, respectively (three and nine months ended May 31, 2013 . $703 and $2,274) while revenue from non-Canadian sources (predominantly USA) for the same period was $959 and $3,134, respectively (three and nine months ended May 31, 2013 . $665 and $1,710).

13. Basic and diluted loss per share:

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended May 31,		Nine months ended May 31,	
	2014	2013	2014	2013
Net loss available to shareholders - basic and diluted	$ (2,756)	$ (3,126)	$ (6,753)	$ (9,237)
Weighted average shares outstanding . basic and diluted	210,053,808	122,189,841	200,099,626	104,173,005
Loss per share - basic and diluted	$ (0.01)	$ (0.03)	$ (0.03)	$ (0.09)

During the three and nine months ended May 31, 2014 and 2013 there were no outstanding stock options to purchase Class A Subordinate Voting shares included in the computation of diluted loss per share as the impact would have been anti-dilutive.

14. Shareholders' equity:

On May 6, 2014, theScore announced that it had closed public offering of 30,360,000 Class A Subordinate Voting Shares concurrent with the full exercise of the over-allotment option, for gross proceeds of $9,108. theScore also announced it had closed a concurrent private placement of 27,140,000 Class A Subordinate Voting Shares for gross proceeds of $8,142. The aggregate proceeds were $17,250 and the proceeds net of commissions, legal costs and listing fees was $16,164.