theScore, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year Ended August 31, 2015

The following is Management's Discussion and Analysis ("MD&A") of the financial condition of theScore, Inc. ("theScore" or the "Company") and our financial performance for the year ended August 31, 2015. This MD&A should be read in conjunction with theScore's consolidated financial statements as at and for the years ended August 31, 2015 and 2014 ("financial statements") and notes thereto. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars unless otherwise stated. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear.

Except for the historical information contained herein, this MD&A may contain forward-looking information based on the best estimates of theScore of the current operating environment. These forward-looking statements are related to, but not limited to, theScore's operations, anticipated financial performance, business prospects and strategies. Forward looking information typically contains statements with words such as ''anticipate'', ''believe'', ''expect'', ''plan'', ''estimate'', 'intend'', ''will'', ''may'', ''should'' or similar words suggesting future outcomes. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this MD&A, November 16, 2015. There is significant risk that theScore's predictions and other forward-looking statements will not prove to be accurate. Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such factors include, but are not limited to, economic, competitive and media industry conditions. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by theScore. By its nature, theScore's forward-looking information involves numerous assumptions, inherent risks and uncertainties including, but not limited to, the following factors: a new and developing industry, historical losses associated with theScore, negative operating cash flows, competition, dependence on key suppliers, mobile device users choosing not to allow advertising, limited long-term agreements with advertisers, substantial capital requirements, protection of intellectual property, infringement on intellectual property, brand development, dependence on key personnel and employees, rapid technology developments, defects in products and services, user data, reliance on collaborative partners, new business areas and geographic markets, operational and financial infrastructure, information technology defects, indemnified liability risk, reliance on third-party owned communication networks, uncertain economic health of the wider economy, governmental regulation of the Internet, currency fluctuations, changes in taxation, exposure to taxable presences, risk of litigation, internal

controls, credit risk, liquidity risk, free and open source software utilization, potential need for additional financing, major shareholder with 100% of the special voting shares, market price and trading volume of Class A Subordinate Voting shares ("Class A shares"), dividend policy, future sale of class A shares by existing shareholders which are all discussed in the Company's Annual Information Form dated November 28, 2014 and risks associated with the Swoopt Acquisition which are discussed in the Company's Short Form Prospectus dated February 26, 2015. Additional information relating to theScore is available on SEDAR at www.sedar.com.

Fiscal 2015 Operational Highlights

- Achieved revenue of $2.9 million in Q4 F2015, an increase of 63% compared to the same period in F2014.
    - Advertising revenue for Q4 F2015 also increased by 89% compared to the same period in F2014.
- Audience for the Company's mobile platforms reached 10.5 million average monthly active users in Q4 F2015, comprised of 3.7 million mobile app users and 6.8 million mobile web users, an increase of 21% compared to the same period in F2014.
    - Mobile app user engagement grew by 50% over the same period in F2014, with over 210 million average monthly user sessions in Q4 F2015.
- Audience for the Company's eSports platforms, which launched in March 2015, reached a milestone of more than 500,000 monthly active users for the first time in Q4 F2015.
- In October 2014, theScore was named "one of the world's greatest" apps by Business Insider as part of the influential media outlet's annual 'App 100' list.
- In December 2014, theScore announced that it had closed a deal to acquire the fantasy sports game "Swoopt". The acquisition provides theScore with a strategic entry point into the daily fantasy sports space.
- In February 2015, theScore announced that it was the first major sports media company to launch a dedicated mobile app for eSports. theScore eSports seamlessly combines mobile-first breaking news, live scores, stats, push alerts and link to video highlights and streams from across the world of eSports and competitive video gaming.
- In February 2015, theScore was included within the 2015 TSX Venture 50, a list of the top 50 companies listed on the TSX Venture Exchange.

- In March 2015, theScore announced that it closed an offering whereby it sold 39.56 million Units for gross proceeds of $26.5 million. Each Unit consists of one Class A share and one-half of one Class A share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A share at an exercise price of $1 at any time up to March 5, 2018.

- In March 2015, theScore announced availability of theScore for Apple Watch, delivering real-time scores, stats and breaking news notifications on users' favorite leagues, teams and players right on their wrist.

Overview

theScore is an independent creator of mobile-first sports experiences, connecting fans to a combination of comprehensive and personalized real-time news, scores, stats, alerts and daily fantasy contests via its mobile sports platforms 'theScore', 'theScore eSports', and 'Swoopt'. theScore is headquartered at 500 King Street West, 4th floor, Toronto, Ontario, M5V 1L9. Class A shares are trading on the TSX-V under the symbol SCR.TO and the Class A Share Purchase Warrants ("the Warrants") are trading under the symbol SCR.WT. At August 31, 2015 theScore had 5,566 special voting shares and 294,807,771 Class A shares and 19,780,000 Warrants outstanding.

In March 2015, theScore announced that it closed an offering whereby it sold 39.56 million Units, each unit consisting of one Class A share and one-half of one Warrant, for gross proceeds of $26.5 million. Each whole Warrant is exercisable into one Class A share for $1.00 on or before March 5, 2018. Proceeds net of commissions, legal costs and listing fees were $24.9 million. As part of the offering, theScore issued to the underwriters 700,000 broker warrants (the "Broker Warrants"). Each Broker Warrant is exercisable into one Unit at $0.67 per Unit on or before March 5, 2017. The Units have the same terms and conditions as the Units issued in the offering. A company controlled by John Levy, theScore's Chairman and CEO participated in the public offering, purchasing 2,984,000 Units.

In May 2014, theScore completed a public offering of Class A shares of theScore, concurrently with the full exercise of the over-allotment option, for gross proceeds of $9.1 million (the "Bought Deal Offering"). theScore also completed a private placement of Class A Shares for gross proceeds of $8.1 million which together with the Bought Deal Offering raised aggregate gross proceeds of approximately $17.25 million. Proceeds net of commissions, legal costs and listing fees were $16.2 million. The shares issued pursuant to the private placement were subject to a hold period that expired on September 8, 2014. A company controlled by John Levy, theScore's Chairman and CEO participated in the private placement, purchasing 16,560,000 shares.

Selected Annual Financial Data

The following is selected financial data of theScore as it relates to each of the years in the three year period ended August 31, 2015. theScore utilizes the non-IFRS measure of earnings before interest, taxes, depreciation, amortization and acquisition costs ("Adjusted EBITDA") to measure operating performance (see "Adjusted EBITDA loss" below).

(in thousands of Canadian dollars, except share amounts)

	Year ended August 31,		
	2015	2014	2013
Statements of comprehensive loss data			
Revenue	$12,359	$7,820	$5,269
Adjusted EBITDA loss	(10,668)	(8,354)	(8,273)
Net and comprehensive loss	(13,469)	(10,686)	(11,395)
Loss per share - basic and diluted	$(0.05)	$(0.05)	$(0.11)
Statements of financial position data			
Total assets	$52,479	$37,813	$31,234
Dividends paid	nil	nil	nil

Year over year revenue increases were a result of growth in overall users and user engagement levels and higher per unit advertising rates.

Year over year increases in Adjusted EBITDA loss and Net and comprehensive losses were primarily due to increases in professional fees, personnel costs, particularly in the area of product development and content, and other infrastructure costs required to support expansion of product lines and rapid user growth, partially offset by continued revenue growth and Ontario Interactive Digital Media Tax Credit ("OIDMTC") accruals.

Revenue
(in thousands of Canadian dollars)

	Three months ended August 31,		Year ended August 31,	
	2015	2014	2015	2014
Advertising	$ 2,933	$ 1,554	$ 11,682	$ 6,820
Licensing	-	250	677	1,000
Total	$ 2,933	$ 1,804	$ 12,359	$ 7,820

Revenues for the three months ended August 31, 2015 and 2014 were $2.9 million and $1.8 million, respectively, an increase of $1.1 million, or 63%. Revenues for the year ended August 31, 2015 and 2014 were $12.4 million and $7.8 million, respectively, an increase of $4.6 million, or 58%.

Advertising revenues for the three months ended August 31, 2015 and 2014 were $2.9 million and $1.6 million, an increase of $1.3 million, or 89%. Advertising revenues for the year ended August 31, 2015 and 2014 were $11.7 million and $6.8 million respectively, an increase of $4.9 million or 71%.

Increases in advertising revenues were driven by continued growth in users and user engagement levels, combined with higher per unit advertising rates.

Licensing revenues for the three months ended August 31, 2015 and 2014 were nil and $0.25 million, respectively. Licensing revenues for the year ended August 31, 2015 and 2014 were $0.68 million and $1.0 million, respectively. The contract related to the licensing revenues for the development of mobile applications ended on May 4, 2015. The Company does not anticipate any further licensing revenues.

theScore recognizes advertising revenue based on the sale and delivery of advertising impressions on its digital media platforms. theScore is currently expanding its direct sales, programmatic sales and sales operations teams to drive further revenue growth associated with growth in users and user engagement. For the three months ended August 31, 2015 revenue from Canadian sources was $0.9 million (2014 - $0.8 million), while revenue from non-Canadian sources (predominately USA) for the same period was $2.0 million (2014 - $1.0 million). For the year ended August 31, 2015 revenue from Canadian sources was $4.3 million (2014 - $3.7 million), while revenue from non-Canadian sources (predominately USA) for the same period was $8.1 million (2014 - $4.1 million).

Operating Expenses
(in thousands of Canadian dollars)

	Three months ended August 31,		Year ended August 31	
	2015	2014	2015	2014
Personnel	$ 3,668	$ 2,742	$ 12,075	$ 7,918
Content	417	299	1,401	1,215
Technology	589	455	2,058	1,249
Facilities, administrative, and other	1,319	1,142	4,706	3,858
Marketing	960	412	2,787	1,934
Depreciation of equipment	143	137	553	527
Amortization of intangible assets	524	592	2,180	1,919
Acquisition costs	-	-	397	-
	$ 7,620	$ 5,779	$ 26,157	$ 18,620

Operating expenses for the three months ended August 31, 2015 were $7.6 million compared to $5.8 million, an increase of $1.8 million over the same period in the prior year. Operating expenses for the year ended August 31, 2015 were $26.1 million compared to $18.6 million in the prior year, an increase of $7.5 million. Excluding the impact of certain reductions to personnel costs of $0.1 million and $1.1 million in the current and prior years respectively, related to previously accrued tax credits, operating expenses for the year ended August 31, 2015 were $26.2 million compared to $19.7 million in the same period of the prior year, an increase of $6.5 million.

Personnel expenses for the three months ended August 31, 2015 were $3.6 million compared to $2.7 million, an increase of $0.9 million over the same period in the prior year. Personnel expenses for the year ended August 31, 2015 were $12.1 million compared to $7.9 million in the prior year, an increase of $4.2 million. Excluding the impact of certain reductions to personnel costs of $0.1 million and $1.1 million in the current and prior year respectively, related to previously accrued tax credits, personnel expenses for the year ended August 31, 2015 were $12.2 million compared to $9.0 million in the same period of the prior year, an increase of $3.2 million. Increases in both periods, excluding the impact of the adjustments to tax credits, were due to hiring of additional staff in the product development, marketing and content teams.

Full time personnel for the year ended August 31, 2015 were 176 compared to 124 in the same period in the prior year.

Content expenses for the three months ended August 31, 2015 were $0.4 million compared to $0.3 million, an increase of $0.1 million over the same period in the prior year. Content expenses for the year ended August 31, 2015 were $1.4 million compared to $1.2 million in the prior year, an increase of $0.2 million. Increases were primarily due to additional product costs related to the launch of the new eSports app.

Technology expenses for the three months ended August 31, 2015 were $0.6 million compared to $0.5 million, an increase of $0.1 million over the same period in the prior year. Technology expenses for the year ended August 31, 2015 were $2.0 million

compared to $1.2 million in the prior year, an increase of $0.8 million. Increases were due to higher hosting and mobile infrastructure costs related to the increasing size and engagement level of the user base, partially offset by an impairment charge recorded in the prior year in the amount of $0.2 million.

Facilities, administrative and other expenses for the three months ended August 31, 2015 were $1.3 million compared to $1.1 million, an increase of $0.2 million over the same period of the prior year. Facilities, administrative and other expenses for the year ended August 31, 2015 were $4.7 million compared to $3.9 million in the prior year, an increase of $0.8 million. Increases were due to higher legal fees, facilities costs, and recruitment expenses in the current period.

Marketing expenses for the three months ended August 31, 2015 were $1.0 million compared to $0.4 million, an increase of $0.6 million over the same period in the prior year. Marketing expenses for the year ended August 31, 2015 were $2.8 million compared to $1.9 million in the prior year, an increase of $0.9 million. Increases were due to higher marketing spend in the current periods in addition to promotional costs related to the new eSports app.

Acquisition costs incurred during the year ended August 31, 2015 totaled $0.4 million compared to nil in the prior year. These costs were comprised of legal and other professional fees related to the acquisition of Swoopt.

Depreciation of property and equipment for both the three months ended August 31, 2015 and 2014 were $0.1 million. Depreciation of property and equipment for the year ended August 31, 2015 was $0.6 million compared to $0.5 million in the prior year, an increase of $0.1 million.

Amortization expense for the three months ended August 31, 2015 was $0.5 million compared to $0.6 million in the same period of the prior year, a decrease of $0.1 million. Amortization expense for the year ended August 31, 2015 was $2.2 million compared to $1.9 million in the prior year, an increase of $0.3 million, which is consistent with the increases in intangible assets. Amortization expense for the year ended August 31, 2015 and 2014 included reductions to amortization expense of $0.1 million and $0.4 million, respectively, related to one time tax credit adjustments.

Impact of OIDMTCs

No tax credits were accrued during the three months ended August 31, 2015. During the same period of the prior year, theScore accrued $0.7 million of tax credits recoverable. An amount of $0.4 million of the accrual was recorded as a reduction of personnel expenses while $0.3 million of the accrual was recorded as a reduction of related internal development costs capitalized as intangible assets.

During the year ended August 31, 2015, theScore accrued $1.4 million (2014 – $1.6 million) of tax credits recoverable for eligible expenditures incurred during the year. An

amount of $0.8 million (2014 – $0.9 million) of the accrual was recorded as a reduction of related personnel expenses in the consolidated statement of comprehensive loss for the year ended August 31, 2015 while $0.6 million (2014 – $0.7 million) of the accrual was recorded as a reduction of related internal development costs capitalized as intangible assets. During the years ended August 31, 2015 and 2014, theScore recognized additional accruals related to prior period claims of $0.3 million and $1.9 million, respectively as a result of changes in estimates of the tax credits recoverable. The impact of these accruals was to reduce personnel costs by $0.1 million and $1.1 million, amortization expense by $0.1 million and $0.4 million, and intangible assets by $0.2 million and $0.8 million, respectively.

Due to recently proposed amendments to eligibility rules for these tax credits, the corresponding accruals and reductions to personnel expenses and intangible assets are not expected to continue past April 23, 2015, the date the 2015 Ontario budget was tabled.

Adjusted EBITDA and Net and Comprehensive losses

theScore utilizes earnings before interest, taxes, depreciation, amortization and acquisition costs ("Adjusted EBITDA") to measure operating performance. theScore's definition of Adjusted EBITDA excludes depreciation and amortization, finance income, income taxes, and acquisition costs which in theScore's view do not adequately reflect its core operating results. Adjusted EBITDA is used in the determination of short-term incentive compensation for all senior management personnel. The Company revised the non-GAAP measure in 2015 from EBITDA to adjusted EBITDA, as a result of the acquisition costs incurred related to Swoopt.

Adjusted EBITDA is not a measure of performance under IFRS and should not be considered in isolation or as a substitute for net and comprehensive income or loss prepared in accordance with IFRS or as a measure of operating performance or profitability. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies.

The following table reconciles net and comprehensive loss to Adjusted EBITDA:
(in thousands of Canadian dollars)

	Year ended August 31, 2015	Year ended August 31, 2014
Net and comprehensive loss for the period	$ (13,469)	$ (10,686)
Adjustments:		
Depreciation and amortization	2,733	2,446
Finance income	(329)	(114)
Acquisition expenses	397	-
Adjusted EBITDA loss	$ (10,668)	$ (8,354)

Adjusted EBITDA loss for the year ended August 31, 2015 was $10.7 million compared to $8.4 million for the year ended August 31, 2014. Net and comprehensive loss for the year ended August 31, 2015 was $13.5 million compared to $10.7 million for the year ended August 31, 2014.

The increases in Adjusted EBITDA loss and net and comprehensive losses were primarily due to higher personnel, facilities, marketing and other costs as previously discussed, partially offset by continued revenue growth.

Loss per share for the year ended August 31, 2015 was $(0.05) compared to $(0.05) for the year ended August 31, 2014. There was no change in loss per share for the year ended August 31, 2015 as compared to the prior year due the combination of a higher net loss and higher number of shares outstanding in the current year.

In fiscal 2014 theScore issued 57,500,000 Class A shares in connection with a public offering and concurrent private placement financing which closed May, 2014. In fiscal 2015 theScore issued 39,560,000 Units, each consisting of one Class A share and one-half of one Class A share purchase warrant.

Additions to Intangible Assets

During the year ended August 31, 2015, the Company capitalized internal product development costs of approximately $3.4 million (2014 - $1.9 million), which was offset by tax credits recoverable of $0.8 million (2014 - $1.5 million). The significant development projects in fiscal 2015 included the creation of user accounts, the creation of data visualizations for NHL and international soccer, the creation of a new website and mobile apps covering eSports, and the creation of a new website and mobile apps related to fantasy sports.

The Company capitalized internal product development costs during the years ended August 31, 2015 and 2014 for both new development projects and projects that, in

management's judgement, represent substantial improvements to existing products. In assessing whether costs can be capitalized for improvements, management exercises significant judgement when considering the extent of the improvement and whether it is substantial, whether it is sufficiently separable and whether expected future economic benefits are derived from the improvement itself. Factors considered in assessing the extent of the improvement include, but are not limited to, the degree of change in functionality and the impact of the project on the ability of the Company to attract users to its products and increase user engagement with its products. Costs, which do not meet these criteria, such as enhancements and routine maintenance, are expensed when incurred. Future economic benefits from these capitalized projects include net cash flows from future advertising sales, which are dependent upon the ability of the Company to attract users to its products and increase user engagement with its products, and may also include anticipated cost savings, depending upon the nature of the development project. The Company also acquired technology with a value of $1.8 million as part of the Swoopt acquisition.

Consolidated Quarterly Results

The following selected consolidated quarterly financial data of the Company relates to the preceding eight quarters.

Quarterly Results	**Revenue**	**Adjusted EBITDA loss**	**Net and comprehensive loss**	**Loss per share – basic and diluted**
	($000's)	**($000's)**	**($000's)**	**($)**
August 31, 2015	2,933	(4,020)	(4,622)	(0.02)
May 31, 2015	3,161	(3,228)	(3,987)	(0.01)
February 28, 2015	3,219	(1,924)	(2,845)	(0.01)
November 30, 2014	3,046	(1,496)	(2,015)	(0.02)
August 31, 2014	1,804	(3,246)	(3,933)	(0.02)
May 31, 2014	1,972	(2,138)	(2,756)	(0.01)
February 28, 2014	1,914	(686)	(949)	(0.00)
November 30, 2013	2,130	(2,284)	(3,048)	(0.02)

Use of the Company's applications has historically reflected the general trends for sports schedules of the major North American sports leagues. As a result, the Company's second and third fiscal quarters are typically the strongest from a revenue perspective.

Quarterly revenue fluctuations are a combination of the seasonality trend of usage described above and year over year revenue growth.

Adjusted EBITDA loss and net and comprehensive loss fluctuations were due to increases in personnel and infrastructure costs required to sustain periods of rapid growth and expansion, partially offset by seasonal revenue fluctuations and OIDMTC accruals.

Liquidity Risk and Capital Resources

Cash and cash equivalents as of August 31, 2015 was $31.8 million compared to $21.4 million as of August 31, 2014.

Liquidity

As of August 31, 2015 cash and cash equivalents were $31.8 million. 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.

theScore does not have any financial instruments, other than its accounts receivable, accounts payable and an available-for-sale investment. Refer to note 9 of theScore's financial statements for additional details.

Operations

Cash flows used in operating activities for the year ended August 31, 2015 were $10.0 million compared to $8.7 million in the prior year, an increase of $1.3 million. This increase was due to increases in net and comprehensive losses partially offset by changes in non-cash operating working capital.

Financing

Cash flows provided by financing activities for the year ended August 31, 2015 were $24.9 million compared to $18.0 million in the same period of the prior year, representing an increase of $6.9 million. This increase was primarily due to larger share issuance proceeds in the current year compared to the prior year, partially offset by the collection in the prior year of $1.8 million previously held in escrow in relation to the arrangement agreement that resulted in the acquisition of the Company's digital media business.

Investing

Cash flows used in investing activities for the year ended August 31, 2015 were $4.4 million compared to $2.4 million for the prior year; representing an increase of $2.0 million. This increase was due to $1.8 million related to the acquisition of Swoopt and higher capitalized internal development costs compared to the prior year.

Use of Proceeds – 2014 Offering

The following is a tabular comparison of the use of proceeds disclosed in the Company's short form prospectus dated April 25, 2014 (the "2014 Offering Prospectus") qualifying the distribution of 26.4 million Class A Shares of the Company (the "2014 Offering") and the estimated use of the net proceeds by the Company subsequent to the 2014 Offering. The $8.0 million of actual net proceeds shown below includes the net proceeds from the full exercise of the over-allotment option by the underwriters of the 2014 Offering.

Use of Proceeds	**Disclosed in the 2014 Offering Prospectus**	**Net Proceeds and estimated use of 2014 Offering**	**Variance**
Sources:	**(Cdn$)**		
Net proceeds of the Offering	$6,865,600	$8,028,000	$1,162,400
Total:	$6,865,600	$8,028,000	$1,162,400
Uses:			
Use of cash for product development and content	$2,200,000	$2,200,000	-
Use of cash for sales and marketing	$1,900,000	$1,900,000	–
Balance for working capital and general corporate purposes	$2,765,600	$3,928,000	$1,162,400
Total:	$6,865,600	$8,028,000	$1,162,400

Consistent with the disclosures made in the 2014 Offering Prospectus, the increase in net proceeds resulting from the exercise of the over-allotment option was allocated to working capital and general corporate purposes.

Other than the increased funds for working capital and general corporate purposes disclosed above, to date, there have been no material variances in the estimated use of proceeds from the disclosures made in the 2014 Offering Prospectus.

Use of Proceeds – 2015 Offering

The following is a tabular comparison of the use of proceeds disclosed in the Company's short form prospectus dated February 26, 2015 (the "2015 Offering Prospectus") qualifying the distribution of 34.4 million Units (the "2015 Offering") and the estimated

use of the net proceeds by the Company subsequent to the 2015 Offering. The $24.9 million of actual net proceeds shown below includes the net proceeds from the full exercise of the over-allotment option by the underwriters of the 2015 Offering.

Use of Proceeds	**Disclosed in the 2015 Offering Prospectus**	**Net Proceeds and estimated use of 2015 Offering**	**Variance**
Sources:	**(Cdn$)**		
Net proceeds of the Offering	$21,549,000	$24,866,000	$3,317,000
Total:	$21,549,000	$24,866,000	$3,317,000
Uses:			
Use of cash for product development and content	$7,700,000	$7,700,000	-
Use of cash for sales and marketing	$7,100,000	$7,100,000	–
Balance for working capital and general corporate purposes	$6,749,000	$10,066,000	$3,317,000
Total:	$21,549,000	$24,866,000	$3,317,000

Consistent with the disclosures made in the 2015 Offering Prospectus, the increase in net proceeds resulting from the exercise of the over-allotment option was allocated to working capital and general corporate purposes.

Other than the increased funds for working capital and general corporate purposes disclosed above, to date, there have been no material variances in the estimated use of proceeds from the disclosures made in the 2015 Offering Prospectus.

Commitments

The Company has no debt guarantees, off-balance sheet arrangements or long term obligations other than the office lease agreement noted below.

theScore has the following firm commitments under agreements:

(in thousands of Canadian dollars)

	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Content	$ 312	-	-	$ 312
Office lease	886	3,665	2,027	6,578
Total	$ 1,198	$ 3,665	$ 2,027	$ 6,890

Office lease:

theScore's current lease agreement is for a 15,341 square foot space at its head office in Toronto, Ontario, and runs until September 30, 2022.

In May 2015, theScore signed an offer to lease an additional 15,540 square feet of space at its head office, for a period of 7 years starting October 1, 2015.

Related Party Transactions

In Fiscal 2013, theScore entered into a lease for a property partially owned by John Levy, the Chairman and Chief Executive Officer of the Company. The aggregate rent paid during the years ended August 31, 2015 and 2014 amounted to $30,000 and $31,000, respectively.

The corresponding payable balances as at August 31, 2015 and 2014 were nil.

These transactions are recorded at the exchange amount, being the amount agreed upon between the parties. Management believes that the terms of the agreement are at fair market value.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those estimates. Key areas of estimation and judgment are as follows:

(i) Intangible assets:

Management's judgement is applied, and estimates are used, in determining whether costs qualify for recognition as internally developed intangible assets.

To be able to recognize an intangible asset, management must demonstrate the item meets the definition of an intangible asset in IAS 38, Intangible Assets ("IAS 38"). Management exercises significant judgement in determining whether an item meets the identifiability criteria in the definition of an intangible asset which, in part, requires that the item is capable of being separated or divided from the Company and sold, transferred or licensed either individually or together with a related contract or asset, whether or not the Company intends to do so. Judgement is required to distinguish those expenditures that develop the business as a whole, which cannot be capitalized as intangible assets and are expensed in the period incurred.

Also, to recognize an intangible asset, management, in its judgement, must demonstrate that it is probable that expected future economic benefits will flow to the Company and that the cost of the asset can be measured reliably. Estimates are used to determine the probability of expected future economic benefits that will flow to the Company. Future economic benefits include net cash flows from future advertising sales, which are dependent upon the ability of the Company to attract users to its products and increase user engagement with its products, and may also include anticipated cost savings, depending upon the nature of the development project.

The Company capitalized internal product development costs during the years ended August 31, 2015 and 2014 for both new development projects and projects that, in management's judgement, represent substantial improvements to existing products. In assessing whether costs can be capitalized for improvements, management exercises significant judgement when considering the extent of the improvement and whether it is substantial, whether it is sufficiently separable and whether expected future economic benefits are derived from the improvement itself. Factors considered in assessing the extent of the improvement include, but are not limited to, the degree of change in functionality and the impact of the project on the ability of the Company to attract users to its products and increase user engagement with its products. Costs which do not meet these criteria, such as enhancements and routine maintenance, are expensed when incurred.

In addition, the Company uses estimation in determining the measurement of internal labour costs capitalized to intangible assets. The capitalization estimates are based upon the nature of the activities the developer performs.

Management's judgement is also used in determining appropriate amortization methods for intangible assets, and estimates are used in determining the expected useful lives of amortizable intangible assets.

(ii) Tax credits:

Refundable tax credits related to expenditures to develop digital media products are recognized when there is reasonable assurance that they will be received and theScore has and will comply with the conditions associated with the relevant government program. Management's judgment is required in determining which expenditures and

projects are reasonably assured of compliance with the relevant conditions and criteria and have, accordingly, met the recognition criteria.

(iii) Impairment of non-financial assets:

An impairment test is carried out whenever events or changes in circumstances indicate that carrying amounts may not be recoverable and is performed by comparing the carrying amount of an asset or CGU and their recoverable amount. Management's judgment is required in determining whether an impairment indicator exists. The recoverable amount is the higher of fair value, less costs to sell and its value in use over its remaining useful life.

This valuation process involves the use of methods which uses assumptions to estimate future cash flows. The recoverable amount depends significantly on the discount rate used, as well as the expected future cash flows and the terminal growth rate used for extrapolation.

(iv) Allowance for doubtful accounts:

The valuation of accounts receivable requires valuation estimates to be made by management. These accounts receivable comprise a large and diverse base of advertisers dispersed across varying industries and locations that purchase advertising on theScore's digital media platforms.

theScore determines an allowance for doubtful accounts based on knowledge of the financial conditions of its customers, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience. A change in any of the factors impacting the estimate of the allowance for doubtful accounts will directly impact the amount of bad debt expense recorded in facilities, administrative and other expenses.

(v) Fair value allocations recorded as a result of business acquisitions:

The determination of fair values to the net identifiable assets acquired in business acquisitions often requires management to make assumptions and estimates about future events.

The Company uses estimates and judgments to determine the fair values of assets acquired using the best available information, including information from financial markets. The estimates and judgments include key assumptions such as discount rates, growth and attrition rates, and terminal growth rates for performing discounted cash flow analyses. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amount assigned to assets and liabilities in the purchase price allocation.

Recently adopted Accounting Pronouncements

IAS 32, Offsetting Financial Assets and Financial Liabilities ("IAS 32"):

In December 2011, the IASB published IAS 32. The effective date for the amendments to IAS 32 is annual periods beginning on or after January 1, 2014. These amendments are to be applied retrospectively. The amendments to IAS 32 clarify that an entity currently has a legally enforceable right to set-off if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The Company adopted the amendments to IAS 32 in its financial statements beginning on September 1, 2014. IAS 32 did not have an impact on the Company's consolidated financial statements.

IFRIC 21, Levies ("IFRIC 21"):

In May 2013, the IASB issued IFRIC 21. This IFRIC is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively. The IFRIC provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executory contracts or other contractual arrangements. The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The Company adopted IFRIC 21 in its financial statements beginning on September 1, 2014. IFRIC 21 did not have a material impact on the Company's consolidated financial statements.

New standards, interpretations and amendments not yet effective:

The following new standards, interpretations and amendments, which are not yet mandatorily effective and have not been adopted early in these consolidated financial statements, will or may have an effect on the Company's future financial statements:

IAS 1, Presentation of Financial Statements ("IAS 1"):

In December 2014, the IASB issued amendments to IAS 1 as part of its major initiative to improve presentation and disclosure in financial reports. The amendments relate to materiality, order of the notes, subtotals, accounting policies, and disaggregation. The amendments are to be applied prospectively and are effective for periods beginning on or after January 1, 2016. The Company does not expect the amendments to have a material impact on its financial statements.

IFRS 9, Financial Instruments ("IFRS 9"):

IFRS 9 replaces the guidance in International Accounting Standard ("IAS") 39, Financial Instruments - Recognition and Measurement ("IAS 39"), on the classification and measurement of financial assets. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivable.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortised cost; or
- financial assets measured at fair value.

Gains and losses on re-measurement of financial assets measured at fair value will be recognised in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income ("OCI"). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date. IFRS 9 also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management.

The standard has a mandatory effective date for annual periods beginning on or after January 1, 2018 with early adoption permitted. The extent of the impact of adoption of the amendments has not yet been determined.

Annual Improvements to IFRS:

On September 25, 2014, the International Accounting Standards Board ("IASB") issued narrow-scope amendments to a total of four standards as part of its annual improvement process. The amendments will apply for annual periods beginning on or after January 1, 2016. Earlier application is permitted, in which case, the related consequential amendments to other IFRSs would also apply. The extent of the impact of adoption of the amendments has not yet been determined.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"):

In May 2014, the IASB issued IFRS 15, which supersedes existing standards and interpretations including IAS 18, Revenue, and IFRIC 13, Customer Loyalty Programmes. IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under other IFRSs. The standard requires revenue to be recognised in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfilment costs.

The standard is currently effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of this standard on the consolidated financial statements.

Financial Instruments and other instruments:

The Company's financial instruments were comprised of the following as at August 31, 2015: cash and cash equivalents of $31.8 million; accounts receivable of $3.4 million; and accounts payable and accrued liabilities $4.6 million. The Company invested its cash equivalents in government treasury bills. Accounts receivable are being carried at amortized cost. Accounts payable and accrued liabilities are carried at amortized cost, and are comprised of short-term obligations owing to suppliers relative to the Company's operations.

Fair Value

Fair value is the estimated amount that the Company would pay or receive to dispose of financial instruments in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques that are recognized by market participants. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

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

The Company has one financial asset measured on a fair value basis using Level 3 inputs being an available-for-sale financial asset with a fair value of $760,000 at August 31, 2015 (2014 - $760,000), 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.

Concentration of Accounts Receivable

As at August 31, 2015, two customers had accounts receivable balances exceeding 10% of total accounts receivable (August 31, 2014 – two customers). Concentration of these customers comprised 24% of total accounts receivable as at August 31, 2015 (August 31, 2014 – 24%).

For the year ended August 31, 2015, there were sales to two customers that exceeded 10% of total revenue (year ended August 31, 2014 – two customers). For the year ended August 31, 2015, concentration of the two customers comprised 24% of total revenue (year ended August 31, 2014 – 24%).