Q3 – 2019
Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended
May 31, 2019 and 2018
(Unaudited)

theScore, Inc.

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)

(unaudited)

	As at	
	May 31, 2019	August 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents (note 8)	$ 6,482	$ 6,347
Accounts receivable	8,533	5,839
Prepaid expenses and deposits	921	1,078
	15,936	13,264
Non-current assets:		
Property and equipment (note 3)	1,444	1,453
Intangible and other assets (note 4)	8,710	6,074
Tax credits recoverable (note 6)	1,616	1,616
	11,770	9,143
Total assets	$ 27,706	$ 22,407
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,583	$ 3,710
Non-current liabilities:		
Deferred lease obligation	337	415
Shareholders' equity	22,786	18,282
Commitments (note 9)		
Total liabilities and shareholders' equity	$ 27,706	$ 22,407

See accompanying notes to condensed consolidated interim financial statements.

theScore, Inc.
Condensed Consolidated Interim Statements of Comprehensive Loss
Three and nine months ended May 31, 2019 and 2018
(in thousands of Canadian dollars, except per share amounts)
(unaudited)

	Three months ended,		Nine months ended,	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Revenue from contracts with customers (note 11)	$ 8,463	$ 7,194	$ 24,714	$ 22,645
Operating expenses:				
Personnel	4,898	4,044	14,171	12,649
Content	456	366	1,465	1,292
Technology	777	796	2,246	2,237
Facilities, administrative and other	2,546	1,308	6,940	4,158
Marketing	690	560	1,773	1,927
Depreciation of property and equipment (note 3)	101	105	292	311
Amortization of intangible assets (note 4)	674	854	2,101	2,643
Stock based compensation (note 10)	216	165	461	412
	10,358	8,198	29,449	25,629
Operating loss	(1,895)	(1,004)	(4,735)	(2,984)
Finance income (expense), net	168	110	169	206
Net and comprehensive loss	$ (1,727)	$ (894)	$ (4,566)	$ (2,778)
Loss per share - basic and diluted (note 12)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)

See accompanying notes to condensed consolidated interim financial statements

theScore, Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
Nine months ended May 31, 2019 and 2018
(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	Warrants	Deficit	Total Shareholders' Equity
Balance August 31, 2017	$ 15	5,566	$ 68,431	295,725,284	$ 3,880	$ 529	$ (49,519)	$ 23,336
Net and comprehensive loss	-	-	-	-	-	-	(2,778)	$ (2,778)
Stock based compensation expense (note 10)	-	-	-	-	412	-	-	$ 412
Shares issued on exercise of stock options	-	-	175	490,416	(63)	-	-	$ 112
Balance May 31, 2018	$ 15	5,566	$ 68,606	296,215,700	$ 4,229	$ 529	$ (52,297)	$ 21,082
Balance August 31, 2018	$ 15	5,566	$ 68,923	297,055,284	$ 4,777	$ -	$ (55,433)	$ 18,282
Net and comprehensive loss	-	-	-	-	-	-	(4,566)	$ (4,566)
Stock based compensation expense (note 10)	-	-	-	-	461	-	-	$ 461
Shares issued on exercise of stock options (note 10)	-	-	163	564,170	(54)	-	-	$ 109
Shares issued on completion of private placement (note 13)	-	-	8,500	36,956,522	-	-	-	$ 8,500
Balance May 31, 2019	$ 15	5,566	$ 77,586	334,575,976	$ 5,184	$ -	$ (59,999)	$ 22,786

See accompanying notes to condensed consolidated interim financial statements

theScore, Inc.

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

	Nine months ended May 31,	
	2019	2018
Cash flows from (used) in operating activities		
Net and comprehensive loss	$ (4,566)	$ (2,778)
Adjustments for:		
Depreciation and amortization	2,393	2,954
Stock based compensation (note 10)	461	412
	(1,712)	588
Change in non-cash operating assets and liabilities:		
Accounts receivable	(2,694)	(1,690)
Prepaid expenses and deposits	157	352
Accounts payable and accrued liabilities	873	832
Deferred lease obligation	(78)	(54)
	(1,742)	(560)
Net cash from (used) in operating activities	(3,454)	28
Cash flows from financing activities		
Exercise of stock options	109	112
Issuance of shares, net of transaction costs (note 13)	8,500	-
Net cash from financing activities	8,609	112
Cash flows used in investing activities		
Additions to property and equipment (note 3)	(283)	(51)
Additions to intangible and other assets (note 4)	(4,737)	(2,307)
Net cash used in investing activities	(5,020)	(2,358)
Increase (decrease) in cash and cash equivalents	135	(2,218)
Cash and cash equivalents, beginning of period	6,347	10,114
Cash and cash equivalents, end of period	$ 6,482	$ 7,896

See accompanying notes to consolidated interim financial statements

1. Nature of operations:

Business:

theScore's Inc. ("theScore" or the "Company") creates highly-engaging digital products and content that empower sports fans. Its flagship mobile app 'theScore' is one of the most popular multi-sport news and data apps in North America, serving millions of fans a month. The Company also creates innovative digital sports experiences through its web, social and esports platforms, and in December 2018 announced plans to launch a mobile sportsbook in the United States. theScore's head office is in Toronto, Canada. Class A subordinate voting shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol SCR.TO. The Company is organized and operates as one operating segment for the purpose of making operating decisions and assessing performance.

2. Significant accounting policies:

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 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, 2018. These accounting policies are disclosed in note 2 of theScore's annual consolidated financial statements for the year ended August 31, 2018 as well as in note 2 (a) and (b) below.

The notes presented in these interim financial statements include only significant changes and transactions occurring since August 31, 2018, and do not include all disclosures required by IFRS for annual financial statements. These interim financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended August 31, 2018.

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 24, 2019.

2. Significant accounting policies (continued):

Recent standards and amendments effective September 1, 2018:

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

In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company adopted IFRS 9 on September 1, 2018, which replaces IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”).

(i) Classification of financial assets and liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVOCI”), and fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard replaces the previous classification categories of held to maturity, loans and receivables, and available for sale under IAS 39. The two principal classification categories for financial liabilities under IFRS 9 are amortized cost, and FVTPL.

For the Company’s classification and measurement of financial assets and liabilities refer to note 8.

The adoption of the IFRS 9 has not had a significant impact on the Company’s accounting policies for financial assets and financial liabilities.

(ii) Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an expected credit loss (“ECL”) model. The new impairment model applies to financial assets carried at amortized cost and contract assets. The adoption of the new ECL impairment model has not had a significant impact on the Company’s measurement of impairment losses on its financial assets carried at amortized cost and contract assets.

(In thousands of Canadian dollars, unless otherwise stated)

2. Significant accounting policies (continued):

(iii) Transition

As a result of the adoption of IFRS 9, there was no impact on deficit as at the date of adoption of September 1, 2018. In making this determination, we note that changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

(iv) Classification of financial assets and liabilities on the date of initial application of IFRS 9.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and liabilities as at September 1, 2018.

			Carrying amount at adoption date	
	Original classification under IAS 39	New classification under IFRS 9	Under IAS 39	Under IFRS 9
Financial assets:				
Cash and cash equivalents	Designated as FVTPL	Amortized cost	6,347	6,347
Trade and other receivables	Loans and receivables	Amortized cost	5,839	5,839
Financial liabilities:				
Accounts Payable and accrued liabilities	Amortized cost	Amortized cost	3,710	3,710

The application of IFRS 9 resulted in the classifications as set out in the table above and explained below.

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified as measured at amortized cost. There was no change in the carrying amount of trade and other receivables on the date of adoption of IFRS 9 as a result of the change in classification. (See Note 8)

2. Significant accounting policies (continued):

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

IFRS 15 supersedes previous accounting standards for revenue, including IAS 18, Revenue (IAS 18) and IFRIC 13, Customer loyalty programme (IFRIC 13). IFRS 15 introduced a single model for recognizing revenue from contracts with customers.

This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs.

The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received 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. recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs. The Company has adopted IFRS 15 in its consolidated financial statements for the annual period beginning on September 1, 2018. The application of this new standard has no significant impact on the Company's reported results with regards to the timing of recognition and classification of revenue, and the treatment of costs incurred in acquiring customer contracts. Further, the application of IFRS 15 does not affect the Company's cash flows from operations or the methods and underlying economics through which it transacts with its customers.

(In thousands of Canadian dollars, unless otherwise stated)

2. Significant accounting policies (continued):

Recent standards and amendments not yet effective:

(c) IFRS 16, Leases ("IFRS 16"):

IFRS 16 will supersede the current IAS 17, Leases ("IAS 17") standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the entity is also applying IFRS 15. The Company has the option to either apply IFRS 16 with full retrospective effect or recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

The Company is assessing the impact of this standard on the consolidated financial statements.

3. Property and equipment:

	Computer equipment	Office equipment	Leasehold improvements	Total
Cost				
Balance, August 31, 2018	$ 1,840	$ 935	$ 1,982	$ 4,757
Additions	237	33	13	283
Balance, May 31, 2019	$ 2,077	$ 968	$ 1,995	$ 5,040
Accumulated depreciation				
Balance, August 31, 2018	$ 1,431	$ 595	$ 1,278	$ 3,304
Depreciation	105	54	133	292
Balance, May 31, 2019	$ 1,536	$ 649	$ 1,411	$ 3,596
Carrying amounts				
Balance, August 31, 2018	$ 409	$ 340	$ 704	$ 1,453
Balance, May 31, 2019	$ 541	$ 319	$ 584	$ 1,444

(In thousands of Canadian dollars, unless otherwise stated)

4. Intangible and other assets:

	Product development	Trademarks & domain	Computer software	Other Assets	Total
Cost					
Balance, August 31, 2018	$ 22,232	$ 358	$ 1,256	$ -	$ 23,846
Additions	$ 2,636	$ -	$ -	$ 2,101	$ 4,737
Disposals	$ (1,580)	$ -	$ -	$ -	$ (1,580)
Balance, May 31, 2019	$ 23,288	$ 358	$ 1,256	$ 2,101	$ 27,003
Accumulated amortization					
Balance, August 31, 2018	$ 16,348	$ 188	$ 1,236	$ -	$ 17,772
Amortization	$ 2,059	$ 27	$ 15	$ -	$ 2,101
Disposals	$ (1,580)	$ -	$ -	$ -	$ (1,580)
Balance, May 31, 2019	$ 16,827	$ 215	$ 1,251	$ -	$ 18,293
Carrying amounts					
Balance, August 31, 2018	$ 5,884	$ 170	$ 20	$ -	$ 6,074
Balance, May 31, 2019	$ 6,461	$ 143	$ 5	$ 2,101	$ 8,710

During the three and nine months ended May 31, 2019, the Company capitalized internal product development costs of approximately $1,040 and $2,636 (2018 - $813 and $2,266). The significant development projects for the nine month period ended May 31, 2019 consisted of new social features in theScore's flagship app including public and private chat, Follow Together, as well as new features including a betting data section and a new website widget. The Company has also continued developing significant new enhancements to its core technology infrastructure as well as development of its sports betting app, website and related systems and services. Other assets include payments in respect of rights and licenses under development and certain capitalized expenses in connection with the Company's sports betting business.

During the nine months ended May 31, 2019, the Company discontinued the operation of its esports mobile application due to a change in strategy for the product. The capitalized cost of the esports mobile platform was $1,545 which has been fully amortized. The esports mobile platform had a nil net book value as at May 31, 2019.

5. Related party transactions:

In fiscal 2013, theScore entered into a lease for a property partially owned by the Chairman and Chief Executive Officer of the Company. The aggregate rent paid during the three and nine months ended May 31, 2019 amounted to $10 and $30 (2018 - $10 and $30). The payable balances as at May 31, 2019 and August 31, 2018 were $5 and nil. These transactions are recorded at the exchange amount, being the amount agreed upon between the parties.

6. Tax credits:

As at May 31, 2019, tax credits recoverable of $1,616 are included in tax credits recoverable, non-current, in the consolidated statements of financial position (August 31, 2018 –$1,616). Tax credits recoverable reflect management's best estimate of credits for which realization is reasonably assured based on consideration of both certificates of eligibility received from the Ontario Media Development Corporation (“OMDC”) for specific claims and the OMDC's historical acceptance of expenditures of a similar nature for refundable credit. No tax credits were accrued during the three and nine month periods ended May 31, 2019 and 2018.

7. Capital risk management:

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

theScore manages and adjusts its capital structure in consideration of changes in economic conditions and the risk characteristics of the underlying assets.

8. 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.

8. Financial risk management (continued):

Under IFRS 9, the loss allowance for trade receivables must be calculated using the expected lifetime credit loss and recorded at the time of initial recognition. The application of this new standard has no significant impact on the Company's reported results with regards to the loss allowance for trade receivables as at May 31, 2019. There is no significant effect on the carrying value of our other financial instruments under IFRS 9 related to this new requirement. As at May 31, 2019 and August 31, 2018, theScore had a loss allowance for trade receivables of $54 and $54, respectively.

At May 31, 2019 and August 31, 2018, $368 and $379, respectively, of accounts receivable were considered past due, which is defined as amounts outstanding beyond normal credit terms and conditions for respective customers that can extend up to 150 days from the date of initial invoicing. theScore believes that its allowance for doubtful accounts sufficiently reflects the related credit risk based on the nature of theScore's customers and consideration of past performance.

theScore has customer concentration risk as one customer, a media agency, represented 10% of revenue for the three months ended May 31, 2019 (May 31, 2018 – one customer, a programmatic network, represented 11% revenue). During the nine months ended May 31, 2019 two programmatic networks, represented 11% and 11% of revenue, respectively (May 31, 2018 – two programmatic networks, represented 11% and 12% of revenue respectively).

As at May 31, 2019 one customer, a media agency, represented 14% of the accounts receivable balance (August 31, 2018 – two customers - 18% and 12%, one agency and one programmatic network, respectively).

(b) Liquidity risk:

Liquidity risk is the risk that theScore will not be able to meet its financial obligations as they fall due. As at May 31, 2019, theScore had cash and cash equivalents of $6,482 (August 31, 2018 - $6,347), accounts receivable of $8,533 (August 31, 2018 - $5,839, non-current tax credits recoverable of $1,616 (August 31, 2018 - $1,616) and accounts payable and accrued liabilities to third parties of $4,583 (August 31, 2018 - $3,710). Accounts payable and accrued liabilities have contracted maturities of less than twelve months.

8. Financial risk management (continued):

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.

During the period the Company entered into a $5,000 demand credit facility with a Canadian chartered bank. The credit facility is available for working capital purposes and the amount available is based on a percentage of the Company’s accounts receivable and those of certain of its subsidiaries. The facility is secured by substantially all of the assets of the Company and certain of its subsidiaries.

The credit facility bears an interest rate at the lenders Prime rate plus 1.00% per annum. The credit facility is repayable on demand and is subject to certain financial covenants.

While theScore can utilize its cash, cash equivalents and demand credit facility to fund its operating and development expenditures, it does not have access to 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 interest rates, foreign exchange rates and equity prices, 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.

8. Financial risk management (continued):

theScore's head office is located in Canada. Some 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. Total U.S. dollar denominated receivables as at May 31, 2019 and August 31, 2018 were $3,547 and $2,363, respectively. The Score's foreign exchange gain is included in finance income (expense) in the condensed consolidated interim statement of comprehensive income (loss), and for the three and nine months ended May 31, 2019 was $166 and $140 (2018 - $100 and $187).

(d) Fair values:

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 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.

(In thousands of Canadian dollars, unless otherwise stated)

8. Financial risk management (continued):

(e) Cash and cash equivalents:

	May 31, 2019	August 31, 2018
Cash	$ 5,255	$ 4,815
Cash equivalents:		
Government treasury bills and Guaranteed Investment Certificates	$ 1,227	1,532
Total cash and cash equivalents	$ 6,482	$ 6,347

9. Commitments:

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

theScore has the following firm commitments under agreements:

	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Leases	$ 967	$ 2,270	$ -	$ 3,237
Other Contractual Agreements	5,359	9,859	1,300	16,518
Total	$ 6,326	$ 12,129	$ 1,300	$ 19,755

Office lease:

theScore's current lease agreement is for a 30,881 square foot space at its head office in Toronto, Ontario, and runs until September 30, 2022.

The Company has entered into several new agreements relating to its sports betting business which has increased future contractual commitments.

(In thousands of Canadian dollars, unless otherwise stated)

10. Stock 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 to five years. Certain of theScore's employees and consultants participate in the Plan in exchange for services provided to theScore.

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, 2018	25,916,250	$ 0.13 - 0.385	$ 0.21
Granted	5,530,000	0.30	0.30
Cancelled	(2,827,915)	0.145 - 0.35	0.35
Exercised	(564,170)	0.145 - 0.31	0.28
Outstanding options, May 31, 2019	28,054,165	$ 0.13 - 0.385	$ 0.21
Options exercisable, May 31, 2019	17,055,765	$ 0.13 - 0.385	$ 0.23

The following table summarizes the range of exercise prices and the weighted average prices of outstanding and exercisable options as at May 31, 2019.

Exercise price	Options outstanding	Options exercisable	Weighted average exercise
$ 0.13	2,615,000	2,615,000	$ 0.13
0.145	6,697,500	1,621,192	0.145
0.18	2,686,665	2,686,665	0.18
0.21	2,830,833	2,351,241	0.21
0.29	3,123,333	3,123,333	0.29
0.30	5,442,500	-	0.30
0.31	4,458,334	4,458,334	0.31
0.385	200,000	200,000	0.385
	28,054,165	17,055,765	$ 0.23

(In thousands of Canadian dollars, unless otherwise stated)

10. Stock based compensation (continued):

As at May 31, 2019, the weighted average remaining contractual life of the options exercisable and outstanding is estimated to be 2.13 and 2.54 years, respectively. The estimated fair value of options granted during the nine months ended May 31, 2019 and May 31, 2018 was determined on the date of grant using the Black-Scholes option pricing model with the following assumptions

	Nine Months Ended, May 31, 2019	May 31, 2018
Fair value of options	$0.14-0.25	$0.06-0.11
Exercise price	$0.30	$0.145
Risk-free interest rate	1% - 2%	3% - 4%
Dividend yield	–	–
Volatility factor of the future expected market price of shares	81%	68%
Weighted average expected life of the options	3 - 10 years	3 - 10 years

During the three and nine months ended May 31, 2019, share-based compensation recorded in connection with stock options issued by theScore was $216 and $461, respectively (2018 - $165 and $412).

(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. 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 of the TSX Venture Exchange and are held by a custodian on behalf of the SPP participants. During the three and nine months ended May 31, 2019, theScore recorded an expense of $141 and $434, as part of personnel expenses, relating to its participating employees in the SPP (2018 - $113 and $342).

(In thousands of Canadian dollars, unless otherwise stated)

11. Revenue:

Revenue from Canadian sources for the three and nine months ended May 31, 2019 was $4,304 and $10,402, respectively (2018 - $3,156 and $8,220), while revenue from non-Canadian sources (predominantly USA) for the same period was $4,159 and $14,312, respectively (2018 - $4,038 and $14,425).

12. Basic and diluted loss per share:

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

	Three months ended,		Nine months ended,	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Net loss attributable to shareholders - basic and diluted	$ (1,727)	$ (894)	$ (4,566)	$ (2,777)
Weighted average shares outstanding – basic and diluted	334,561,013	295,912,014	325,315,281	295,852,131
Loss per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)

During the three and nine months ended May 31, 2019 and 2018 there were no outstanding stock options or warrants included in the computation of diluted loss per share as the impact would have been anti-dilutive.

13. Capital:

Private placement offering:

On November 6, 2018 theScore announced that it closed a non-brokered private placement offering whereby it issued 36,956,522 million Class A Subordinate Voting shares at a price per share of $0.23 for net proceeds of $8,500. Entities controlled and directed by theScore's Chairman and Chief Executive Officer and a director of theScore participated in the private placement, purchasing 13,043,481 and 13,043,478 shares respectively.