theScore, Inc.

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

For the Three months ended November 30, 2018 and 2017

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 three months ended November 30, 2018. The MD&A should be read in conjunction with theScore's unaudited Condensed Consolidated Interim Financial Statements for the three months ended November 30, 2018 ("Interim Financial Statements") and Notes thereto. The financial information presented herein has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The interim MD&A should be read in conjunction with theScore's MD&A for the year ended August 31, 2018. 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.

Certain statements in this MD&A constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of theScore, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. Forward looking information typically contains statements with words such as ''anticipate'', ''believe'', ''expect'', ''plan'', ''estimate'', "intend'', ''will'', ''may'', ''should", "would", "could" 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. These statements reflect theScore's current views regarding future events and operating performance, are based on information currently available to theScore, and speak only as of the date of this MD&A. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance, objectives or achievements of theScore to be materially different from any future results, performance, objectives or achievements that may be expressed or implied by such forward-looking statements.

The principal factors, assumptions and risks that theScore made or took into account in the preparation of these forward-looking statements include: risks associated with obtaining all required approvals and licenses in connection with the proposed launch of a mobile sportsbook in New Jersey, operating in a new and developing industry reliant on mobile advertising, the history of operating losses and negative cash flows, the rapidly evolving and intensely competitive sports media industry, dependence on key suppliers and/or sources of content, users electing not to allow data sharing for targeted advertising, limited long-term agreements with advertisers that could affect future revenue streams, substantial capital requirements to carry out business objectives, the ability to protect intellectual property rights, the risk of infringement of intellectual property rights owned by others, maintenance and enhancement of “theScore” brand, dependence on key personnel and employees, the ability to adapt to rapid technology development, defects in products, real or perceived inaccuracies in key performance metrics, restrictions on the collection, storage, retention, transmission and use of use of user data, reliance on collaborative partners to develop and commercialize products or services, the ability to expand products into new business areas or new geographic markets, risks associated with the fantasy sports business, growth-related risks, capacity constraints and pressure on our internal systems and controls, information technology defects, indemnified liability risk, reliance on third-party owned communication networks, uncertain economic health of the wider economy, government regulation of the internet, currency fluctuations, changes in taxation, exposure to taxable presences, risk of litigation, internal controls, credit risk, the use of free and open source software, the control exerted by Mr. John Levy over voting shares of theScore, variability in the market price and trading of theScore’s Class A subordinate voting shares, the failure to pay dividends and the impact of a sale of a large number of Class A subordinate voting shares in the public markets.

Additional factors are discussed under the heading "Risk Factors" in theScore’s Annual Information Form as filed with securities regulatory authorities in Canada and available on SEDAR at www.sedar.com and elsewhere in documents that theScore files from time to time with securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results could differ materially from the expectations expressed in these forward-looking statements. theScore does not intend, and does not assume any obligation, to update these forward-looking statements except as required by applicable law or regulatory requirements.

The Company

theScore’s mission is to create highly-engaging digital products and content that empower the sports fan’s experience. 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. theScore’s head office is in Toronto, Canada. Class A 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. At November 30, 2018 theScore had 5,566 special voting shares, 334,343,474 Class A shares and 22,998,332 options outstanding.

Revenue

Revenues for the three months ended November 30, 2018 and 2017 were $9.5 million and $8.4 million, respectively. Growth in Programmatic and Canadian direct sales were partially offset by lower U.S. direct sales. theScore recognizes advertising revenue based on the sale and delivery of advertising impressions on its digital media platforms.

For the three months ended November 30, 2018 and 2017 revenue from Canadian sources was $3.6 million and $2.6 million, respectively, while revenue from non-Canadian sources (predominately the U.S.) for the same period was $5.9 million and $5.8 million, respectively.

Total average monthly user sessions of theScore mobile app on iOS and Android reached a new quarterly record of 469 million in Q1 F2019, or 111 sessions-per-user per-month on a base of 4.2 million average monthly app users.

Operating Expenses

(in thousands of Canadian dollars)

	Three months ended	
	November 30, 2018	November 30, 2017
Personnel	$ 4,674	$ 4,418
Content	500	462
Technology	712	668
Facilities, administrative, and other	1,971	1,353
Marketing	535	806
Depreciation of equipment	93	103
Amortization of intangible assets	735	864
Stock based compensation	119	113
	$ 9,339	$ 8,787

Operating expenses for the three month period ended November30, 2018 were $9.3 million compared to $8.8 million in the same period of the prior year, an increase of $0.5 million.

* User metrics for theScore app do not include audience or engagement numbers from theScore esports platforms, Squad Up, or products from its Emerging Platforms team, including theScore Bot for Facebook Messenger.

Personnel expenses for the three month period ended November 30, 2018 were $4.7 million compared to $4.4 million in the same period of the prior year, an increase of $0.3 million. The increase for the three month period ended November 30, 2018 was due to growth in the number of full time employees and employee severance costs. Full time personnel as at November 30, 2018 were 201 compared to 189 as at November 30, 2017.

Content expenses for the three month period ended November 30, 2018 were $0.5 million compared to $0.5 million in the same period of the prior year.

Technology expenses for the three month period ended November 30, 2018 were $0.7 million compared to $0.7 million in the same period of the prior year.

Facilities, administrative and other expenses for the three month period ended November 30, 2018 were $2.0 million compared to $1.4 million in the same period of the prior year, an increase of $0.6 million. Increases were principally a result of higher professional fees and gaming-related business development expenses compared to the prior year and a change in the nature of expenses of $0.1 million in sales analytics expenses from marketing to facilities, administrative and other expenses as a result of a reallocation of internal resources.

Marketing expenses for the three month period ended November 30, 2018 were $0.5 million compared to $0.8 million in the same period of the prior year, a decrease of $0.3 million. This decrease was a result of reduced discretionary marketing spending and a change in the nature of expenses of $0.1 million in sales analytics expenses from marketing to facilities, administrative and other expenses as a result of a reallocation of internal resources.

Depreciation of property and equipment for the three month period ended November 30, 2018 was $0.1 million, consistent with the same period of the prior year.

Amortization expense for the three month period ended November 30, 2018 was $0.7 million compared to $0.9 million in the same period of the prior year, a decrease of $0.2 million. Decreases were mainly due to accelerated amortization of certain non-core intangibles in the prior year.

Stock based compensation expense for the three month period ended November 30, 2018 was $0.1 million consistent with the same period in the prior year.

Impact of Ontario Interactive Digital Media Tax Credits (“OIDMTC”)

As at November 30, 2018, tax credits recoverable of $1.6 million are included in tax credits recoverable non-current, in the consolidated statements of financial position (August 31, 2018 - $1.6 million non-current). Tax credits recoverable reflect management's best estimate of credits that are reasonably assured of realization considering 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 months ended November 30, 2018 and 2017.

EBITDA and Net and Comprehensive losses

theScore utilizes earnings before interest, taxes, depreciation and amortization ("EBITDA") to measure operating performance. theScore's definition of EBITDA excludes depreciation and amortization, finance income and income taxes which in theScore's view do not adequately reflect its core operating results. EBITDA is used in the determination of short-term incentive compensation for all senior management personnel.

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. 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 income/(loss) to EBITDA:
(in thousands of Canadian dollars)

	Three months ended	
	November 30, 2018	November 30, 2017
Net and comprehensive income (loss) for the period	$ 163	$ (260)
Adjustments:		
Depreciation and amortization	828	967
Finance income, net	(27)	(176)
EBITDA	$ 964	$ 531

EBITDA for the three month period ended November 30, 2018 was $1.0 million compared to $0.5 million in the same period in the prior year, an increase of $0.5 million.

Net and comprehensive income for the three month period ended November 30, 2018 was $0.2 million compared to a loss of $0.3 million in the same period in the prior year, an increase of $0.5 million.

Income per share for the three month period ended November 30, 2018 was $0.00 compared to loss per share of $(0.00) in the same period in the prior year.

Additions to Intangible Assets

During the three months ended November 30, 2018, the Company capitalized internal product development costs of $0.8 million (November 30, 2017 - $0.7 million). The significant development projects for the three month period ended November 30, 2018 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 website widget. The Company has also began developing significant new enhancements to its core technology infrastructure.

The Company capitalized internal product development costs during the three months ended November 30, 2018 and 2017 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.

Consolidated Quarterly Results

The following selected consolidated quarterly financial data of the Company relates to the preceding eight quarters, inclusive of the quarter ended November 30, 2018.

Quarterly Results	**Revenue**	**EBITDA**	**Net and comprehensive income (loss)**	**Income (loss) per share – basic and diluted**
	($000's)	**($000's)**	**($000's)**	**($)**
November 30, 2018	9,475	964	163	0.00
August 31, 2018	5,099	(2,351)	(3,137)	(0.01)
May 31, 2018	7,194	(44)	(894)	(0.00)
February 28, 2018	7,099	(518)	(1,623)	(0.01)
November 30, 2017	8,351	531	(260)	(0.00)
August 31, 2017	4,752	(1,896)	(3,418)	(0.01)
May 31, 2017	6,357	(2,246)	(2,927)	(0.01)
February 28, 2017	6,691	(1,418)	(2,138)	(0.01)
November 30, 2016	8,548	(355)	(753)	(0.00)
August 31, 2016	4,986	(3,821)	(5,165)	(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 first fiscal quarter ended November 30 is typically the strongest from a revenue perspective.

Quarterly revenue fluctuations are a combination of the seasonality trend of usage described above and the market for digital media advertising in Canada and the United States.

EBITDA income (loss) and net and comprehensive income (loss) fluctuations are due to changes in discretionary marketing spend, personnel and infrastructure costs, and seasonal revenue fluctuations.

Liquidity Risk and Capital Resources

Cash and cash equivalents as of November 30, 2018 were $11.7 million compared to $6.3 million as of fiscal year ended August 31, 2018.

Liquidity

Liquidity risk is the risk that theScore will not be able to meet its financial obligations as they fall due. As at November 30, 2018, theScore had cash and cash equivalents of $11.7 million (August 31, 2018 - $6.3 million), accounts receivable of $9.3 million (August 31, 2018 - $5.8 million), non-current tax credits recoverable of $1.6 million (August 31, 2018 - $1.6 million) and accounts payable and accrued liabilities to third parties of $4.1 million (August 31, 2018 - $3.7 million). 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. .

During the period the Company entered into a $5 million 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.

Operations

Cash flows used in operating activities for the three months ended November 30, 2018 were $2.3 million compared to cash use of $2.0 million in the same period of the prior year. The increase in cash flows used in operations was a result of increases in accounts receivable due to revenue growth offset by an increase in cash generated from increases in operating income.

Financing

Cash flows provided by financing activities for the three months ended November 30, 2018 was $8.6 million compared to $0.1 million in the same period in the prior year, resulting from the exercise of stock options. The increase in cash flows provided by financing activities was due to the completion of a $8.5 million non-brokered private placement in the quarter ended November 30, 2018.

Investing

Cash used in investing activities for the three months ended November 30, 2018 was $0.8 million compared to $0.7 million in the same period in the prior year. The increase in cash used in investing activities was due to higher capitalized internal salaries.

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:

(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 and other	$ 1,803	$ 732	$ -	$ 2,535
Office lease	936	2,756	-	3,692
Total	$ 2,739	$ 3,488	$ -	$ 6,227

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.

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 three months ended November 30, 2018 amounted to $10,000 (2018 - $10,000).

The corresponding payable balances as at November 30, 2018 and August 31, 2018 were nil.

These transactions are recorded at the exchange amount, being the amount agreed upon between the parties.

On November 6, 2018 theScore announced that it closed 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 $8.5 million. 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.

Financial Instruments and other instruments:

theScore does not have any financial instruments, other than its cash and cash-equivalents, accounts receivable and accounts payable.

The Company's financial instruments were comprised of the following as at November 30, 2018; cash and cash equivalents of $11.7 million; accounts receivable of $9.3 million; and accounts payable and accrued liabilities $4.1 million. The Company invested its cash equivalents in government treasury bills and guaranteed investment certificates. Accounts receivable are carried at amortized cost. Accounts payable and accrued liabilities are carried at amortized cost, and are primarily comprised of short-term obligations owing to suppliers related 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 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.

Customer concentration

As at November 30, 2018, a programmatic network, had an accounts receivable balances exceeding 10% of total accounts receivable (August 31, 2018 – two customers). Concentration of this customer represented 16% of the accounts receivable balance (August 31, 2018 – represented 30%).

For the three months ended November 30, 2018, sales to two customers both programmatic networks exceeded 10% of total revenue (three months ended November 30, 2017 – two customers, both programmatic networks). For the three months ended November 30, 2018, concentration of these customers comprised 13% and 14% of total revenue, respectively (three months ended November 30, 2017 – 11% and 14% respectively).

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.

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.

(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.

(in thousands of Canadian dollars)

	Original classification under IAS 39	New classification under IFRS 9	Carrying amount at adoption date 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.

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

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.

Subsequent events

On December 18, 2018, Score Digital Sports Ventures Inc. (SDSV) an indirect wholly-owned subsidiary of the Company entered into an agreement with Darby Development LLC (Darby), the operator of Monmouth Park Racetrack in New Jersey and the New Jersey Thoroughbred Horsemen's Association (NJTHA) which provided the Company with market access to launch an online and mobile sportsbook in New Jersey following receipt of all necessary regulatory approvals and licenses. Pursuant to the agreement, Darby is entitled to a certain percentage of the revenue derived from SDSV's operation of the sportsbook, subject to certain annual minimum guaranteed amounts as well as certain upfront fees and renewal fees, if applicable. The agreement has a term of up to fifteen years, consisting of an initial term of five years, which is extendable for two successive five-year terms at the option of SDSV. Concurrently, SDSV also entered into a binding agreement with Bet.Works (US) LLC who will be providing sports betting technology and certain operational services to SDSV in exchange for certain monthly fees.