

BREAKING DATA CORP.

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

For the 6-month periods ended September 30, 2017 AND 2016 as at November 29, 2017

Introduction

The following Management's Discussion and Analysis ("MD&A") covers the operations, financial position and operating results of Breaking Data Corp. (the "Company") for the 6-month periods ended September 30, 2017 and 2016, updates information from the Company's old fiscal January 31, 2017 year end MD&A, and is intended to help readers better understand operations and key financial results, as they are, in our opinion, at the date of this report (see "Consolidation, Presentation, and New Fiscal Year End" below). The MD&A has been prepared in accordance with National Instrument 51-102F1, Continuous Disclosure Obligations – Management's Discussion & Analysis, and should be read in conjunction with the interim unaudited consolidated condensed financial statements of the Company for the 6-month periods ended September 30, 2017 and September 30, 2016 and the accompanying notes which have been prepared under IFRS. These interim unaudited consolidated condensed financial statements have been reviewed by the Audit Committee of the Company and have been approved by its Board of Directors. Additional information relating to the Company is available on SEDAR at www.sedar.com as well as the Company's Web site at www.breakingdatacorp.com.

These statements are essentially forward-looking and are subject to risks and uncertainties, as described in the "Risks and Uncertainties" section, below. Actual results, levels of activity, performance or achievements could differ materially from those projected, discussed or contemplated herein and are dependent upon a number of factors, including the successful and timely completion of research and development initiatives, the uncertainties related to the market acceptance, and the commercialization of our products thereafter.

Consolidation, Presentation, and New Fiscal Year End

On April 11, 2017, the Company completed the RTO Transaction with Sport News Media ("SNM"). The RTO Transaction was effected by way of a securities exchange between the Company and SNM. Because of the RTO, SNM becomes the legacy reporting entity, with all historical comparative numbers for this 6-month period being those of SNM. In addition, the Company adopted the SNM fiscal year end of March 31. Consequently, the Company filed its first post-RTO unaudited consolidated condensed financial statements for the 3-month period ending June 30, 2017 on August 29, 2017 and is currently filing its second quarter ended September 30, 2017.

These interim unaudited consolidated condensed financial statements include the accounts of the Company and its wholly-owned subsidiaries, Breaking Data Inc., Poynt Inc., Unomobi Inc., Innovation Fund III LLC, Devesys Technologies Inc. ("DTI"), Sports New Media Holdings Limited, Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc. ("DSMIC"), from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation.

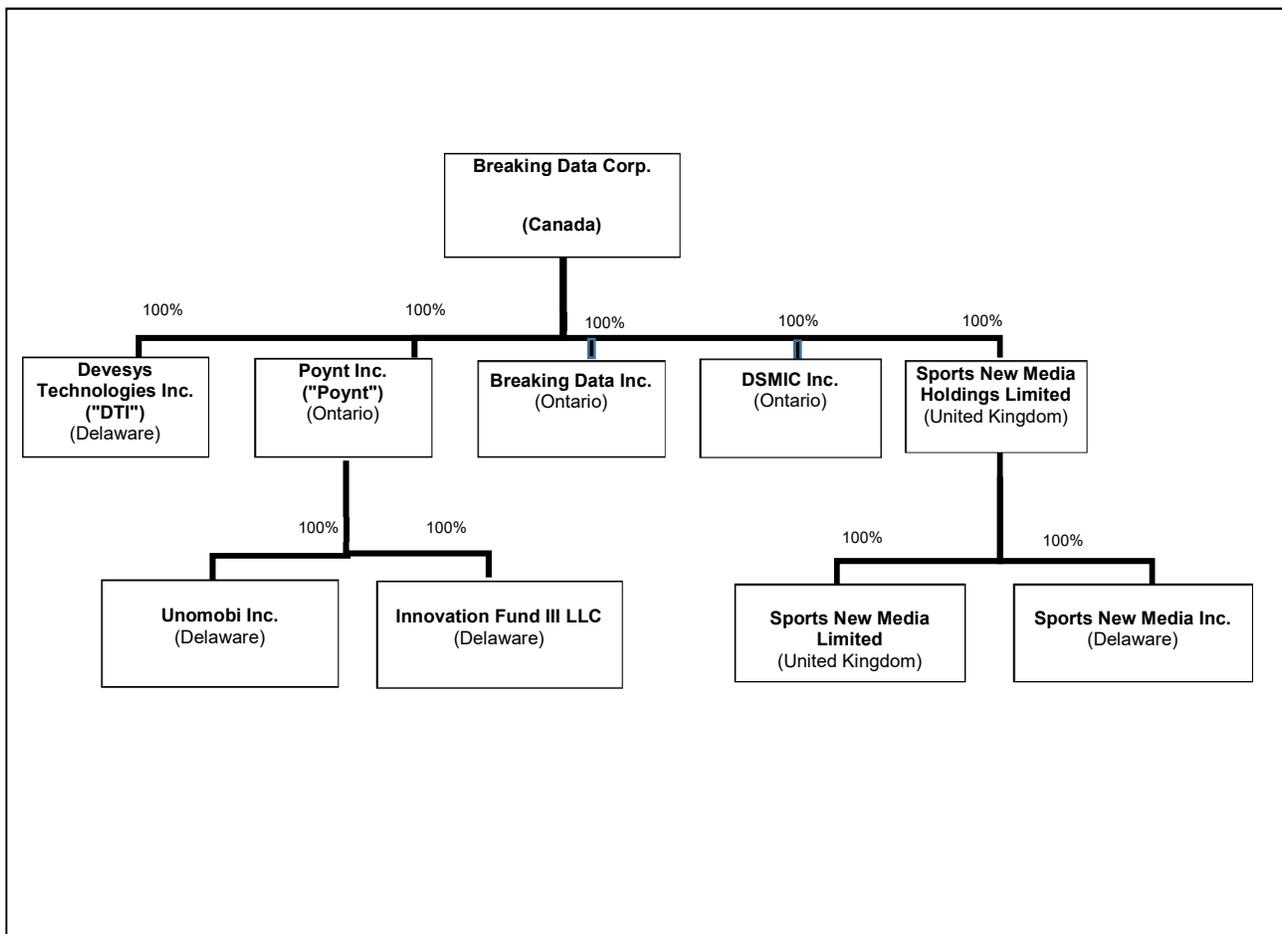
The registered and head office of the Company is located at 64 Jardin Drive, Suite 2A, Concord, Ontario, L4K 3P3.

For the six months ended September 30, 2017, the presentation currency of the Company changed from Canadian Dollar ("CAD") to U.S Dollar ("USD"), SNM previously reported using British Pounds. The change in presentation currency is to better reflect the Company's business activities in conjunction with the acquisition of Sports New Media Holdings Limited

(“SNM”), and management believes that the change in presentation currency will improve investors’ ability to compare the Company’s financial results with other publicly traded businesses in the industry. The comparative financial statements are represented in USD which has been applied retroactively.

The Company’s presentation currency is the USD. The functional currency of the Company and its subsidiary Poynt is the CAD. The functional currency of the subsidiaries DTI is the US dollar. The functional currency of the acquired companies Sports New Media Holdings Ltd, Sports New Media Ltd, and Sports New Media Inc, is the British Pound. Where the functional currency of a subsidiary is different than the presentation currency, assets and liabilities have been translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (the average for the period). All resulting exchange rate differences are recorded in the accumulated and other comprehensive surplus.

The following table sets out the corporate group structure of the Company:



On April 13, 2017, the Company completed the consolidation of its shares approved at the annual general and special meeting of the shareholders of the Company held on March 31, 2017. Pursuant to the Consolidation, the Shares were consolidated on the basis of one new post-consolidation share for every 10 pre-consolidation shares.

REVERSE TAKE OVER TRANSACTION (“RTO”)

On April 11, 2017, the Company completed a transaction where it acquired Sports New Media Holdings Limited (“SNM”). The transaction was effected by way of securities exchange between the Company and SNM. Pursuant to the securities

exchange, on closing of the transaction, an aggregate of 18,779,601 common shares of the Company were issued in exchange for all of the issued and outstanding shares of SNM, conversion of SNM convertible debt, exercise of SNM stock options and the acquisition of DSMIC, Inc. ("DSMIC"). In addition, each option to purchase SNM shares outstanding on the date of the transaction was exchanged for options of the Company. Upon completion of this transaction, the Company owns 100% of the issued and outstanding shares of SNM.

In connection with the transaction the following occurred:

(a) Immediately prior to the closing of the transaction;

- 304,534 common shares were issued upon conversion of SNM convertible debt with a face value of \$360,605.
- 4,599,662 common shares were issued for the acquisition of DSMIC by Breaking Data. DSMIC holds a CAD\$1,750,000 debenture which was convertible into common shares of SNM. Upon closing of the transaction, the debenture is eliminated upon consolidation. As a result of Breaking Data acquiring DSMIC, these common shares were included in the 11,834,124 issued in the reverse takeover.
- 315,670 common shares were issued for the conversion of stock options.

(b) On April 11, 2017, the Company completed the acquisition of Sports New Media Holdings Limited ("SNM"). The transaction was effected by way of a securities exchange between the Company and SNM and constituted a reverse take-over transaction. Pursuant to the securities exchange, on closing of the reverse takeover transaction, the issuance of the following securities occurred:

- An aggregate of 11,834,124 common shares of the Company were issued at a notional value of \$1.85 (\$2.47 CAD) per common share. The notional price paid for the common shares was determined based on the estimated fair value of common shares issued in the concurrent financing.
- An aggregate of 2,945,950 warrants ("RTO replacement warrants") consisting of 2,751,506 warrants and 194,444 finders warrants with exercise prices ranging from \$1.80 - \$2.85 (\$2.40 - \$3.80 CAD) per share expiring between November 30, 2017 and October 31, 2018.
- An aggregate of 662,500 options ("RTO replacement options") with exercise prices ranging from \$1.88 - \$4.65 (\$2.50 - \$6.20 CAD) per share expiring between October 15, 2018 and September 30, 2021.
- Pursuant to a consulting agreement, the Company issued 200,000 shares at a fair value of \$1.85 (\$2.47 CAD) which was recorded as share capital. In addition, the Company and paid a fee of \$150,060 (\$200,000 CAD) to an advisory of the Company which was recorded in the unaudited interim condensed consolidated statement of loss and comprehensive loss and as part of Transaction and Acquisition costs.
- On April 13, 2017, the Company completed the consolidation of its shares approved at the annual general and special meeting of the shareholders of the Company held on March 31, 2017. Pursuant to the Consolidation, the Shares were consolidated on the basis of one post-consolidation share for every ten pre-consolidation shares. These interim unaudited condensed consolidated financial statements reflect the share consolidation.

Concurrent Financing

On March 17, 2017, and April 6, 2017 the Company closed two tranches of private placement financing. The Company issued 1,000,000 and 250,000 subscription receipts of the Company at a price of \$3.00 (\$4.00 CAD) per Subscription Receipt. Collectively under the first and second tranche of the private placement financing the Company issued 1,250,000 subscription receipts of the Company for aggregate gross proceeds of \$3,751,500 (\$5,000,000 CAD).

The Offering was completed in connection with the Company's acquisition of SNM. Each Subscription Receipt converted to one unit (a "Unit") of Breaking Data Corp, immediately following the completion of the Transaction on April 11, 2017. Each Unit is comprised of one common share of and one-half of one warrant, with each whole warrant exercisable into a common share for 24 months at an exercise price of \$5.25 (\$7.00 CAD) per share.

The Agents were paid a cash commission equal to 7% of the gross proceeds raised under the Offering. In addition, the Agents were issued compensation options equal in number to 7% of the total number of Subscription Receipts sold pursuant to the Offering, each compensation option entitling the holder to acquire one Unit at an exercise price of \$3.00 (\$4.00 CAD) per Unit for a period of two years from the date of issuance.

An aggregate of 1,250,000 Shares and 625,000 warrants and 131,250 finders warrants to purchase common shares were issued on conversion of the 1,250,000 outstanding subscription receipts.

Accounting

Pursuant to the share exchange, the Company was identified as the acquiree for accounting purposes and transaction constituted a reverse take-over of Breaking Data Corp. and was accounted for as a reverse takeover transaction in accordance with IFRS 3 Business Combinations. Breaking Data Corp. qualifies as a business according to the definition of IFRS 3. In accordance with IFRS 3 Business Combinations, the acquisition was accounted for using the purchase method. The preliminary allocation of the purchase price to the estimated fair value of net assets acquired as follows:

Purchase price:

Common shares	\$	21,934,407
Warrants		4,324,935
Common share purchase options		917,886
Total purchase price	\$	27,177,228

Fair Value of assets acquired and liabilities assumed:

Cash	\$	2,077,727
Accounts Receivable		133,959
Debenture and accrued interest (Note 6)		1,363,607
Prepaid expenses and deposits		126,668
Deferred patent costs		74,498
Accounts payable and accrued liabilities		(164,716)
Deferred revenue		(85,458)
Debentures (Note 6)		(258,854)
Net assets acquired and liabilities assumed		3,267,431
Fair value of goodwill and other intangibles	\$	23,909,797

At September 30, 2017, the allocation of the purchase consideration has not been finalized and is still based on preliminary estimates in regard to the fair value of the assets acquired. The acquired goodwill is primarily related to proprietary technology, personnel and the value attributed to the synergies of acquiring a company.

The actual fair value of the goodwill and other intangibles may differ from the amount disclosed in the preliminary purchase price allocation and is subject to change. Management intends to complete a formal valuation assessment of the purchase price allocation prior to the Company's fiscal year ended March 31 2018.

SELECTED FINANCIAL INFORMATION FOR THE PERIOD

The following table provides selected consolidated financial information for the Company as at and for the 6-month periods ended September 30, 2017 and 2016.

	As at and for the 6 months ended September 30, 2017	As at March 31, 2017 and for the 6 months ended September 30, 2016
	\$	\$
Total assets	27,540,394	1,291,920
Total liabilities	1,270,020	3,560,773
Revenue	3,264,123	1,955,768
Cost of goods sold	1,660,123	898,378
Total expenses	5,000,195	1,635,816
Transaction and acquisition costs	696,335	-
Net loss	(4,092,530)	(578,425)
Basic and diluted loss per share	(0.15)	(0.04)

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

Caution regarding forward-looking statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating shareholder value; its ability to meet its operating costs for the fiscal year ending March 31, 2018; the plans, costs, and timing for future research and development of the Company's current and future technologies, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility the Company's media properties, mobile products and technology platforms; and general business and economic conditions.

By their nature forward-looking statements are subject to known and unknown risks, uncertainties, and other factors which may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among other things, the Company's stage of development, long-term capital requirements and future ability to fund operations, future developments in the Company's markets and the markets in which it expects to compete, risks associated with its strategic alliances and the impact of entering

new markets on the Company's operations. Each factor should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. See "Risk Factors."

The Company disclaims any intention or obligation to update or revise these forward-looking statements, resulting from additional information, future events or otherwise.

Outlook and Growth Strategy

The Company in its pre-RTO state was a technology provider of semantic search, machine learning, artificial intelligence ("AI") and Natural Language Processing ("NLP"). The Company's proprietary technology platform, "Cluuz" uses Semantic and Machine Learning techniques to process, analyze and interpret massive volumes of aggregated data in order to extract key sentiments, facts, opinions, user interests and intents. Originally, in 2008, the desktop version of the "Cluuz" platform was launched as a prototype of a "next generation" search engine platform that returns better results than traditional search engines by going beyond simply listing links. Subsequent to launching "Cluuz", the Company undertook a strategic review process with the objective of identifying commercial opportunities related to the core technologies demonstrated in the desktop prototype. The process, which included detailed discussions with the Company's current and prospective customers, as well as industry experts and analysts, led to a comprehensive analysis and evaluation of the current market opportunity, the Company's core technology strengths, the competitive environment, as well as the emerging trends in search, discovery, advertising and commerce.

To that end, in December 2016 the Company announced that it entered into a binding letter of agreement (the "Agreement") with Sports New Media Holdings Limited ("SNM"), a corporation existing under the laws of the United Kingdom, which is the owner of GIVEMESPORT.com and its related businesses ("GIVEMESPORT"), pursuant to which Breaking Data would acquire SNM in exchange for the issuance of common shares of Breaking Data ("BKD Shares") to the security holders of SNM (the "Transaction"). On April 11, 2017, the Company completed the RTO Transaction. The RTO Transaction was effected by way of a securities exchange between the Company and SNM (See Reverse "Take Over Transaction" above).

SNM's GIVEMESPORT property is a leading next generation sports media publisher, supported by investment from IMG, a global leader in sports and boasts the largest single publisher Facebook page in the world, with over 26.2 million members. (By comparison, ESPN is the next largest single sports publisher Facebook page with 18.3 million members). In addition, GIVEMESPORT's content generates over 2.56 billion impressions¹, reaching over 82 million unique users² per month on Facebook alone.

GIVEMESPORT's website attracts an international, mobile first audience of over 40 million monthly sessions³, predominantly from the US and Europe and is one of the world's largest online sports publishers, with Alexa by Amazon ranking the website as the 587^h largest in the world⁴ (up from 1203rd largest one year ago) across all categories.

¹ As at September 30th, 2017 - Last 28 Days (Facebook): The number of impressions seen of any content associated with your Page. (Total Count)

² As at September 30th, 2017 - Last 28 Days (Facebook): The number of people who have seen any content associated with your Page. (Unique Users)

³ 40,824,877 Visitor sessions recorded by Google Analytics in July 2017

⁴ As on November 23rd, 2017 recorded by Alexa

⁴ As on November 23rd, 2017 recorded by Alexa

GIVEMESPORT has a deep understanding of how to produce authentic and engaging written and video content for the millennial audience and utilizes cutting edge technology to enable the optimal creation, distribution and viewability of its content.

GIVEMESPORT is seen as one of the leaders in programmatic advertising, consistently delivering high performance and high viewability for many high-profile advertisers such as; Mercedes Benz, BMW, American Express, Porsche, Omega, Jaguar, Electronic Arts and Draft Kings.

In addition, GIVEMESPORT also has several official partnerships with the NBA, NFL, McLaren Racing, Golfing World and In Cycle.

GIVEMESPORT has recently developed an emphasis on Video within Facebook and generates over 250 million video plays per month, including the broadcast of the first Facebook Live International Rugby game (France v Australia) and the International Masters Soccer tournament as well as the US PGA Players Championship in August 2017.

This merger is an important next step for the future of Breaking Data. The goal now, is to capitalize on a business combination of artificial intelligence with social distribution that is a powerful next generation media business offering significant potential for growth. GIVEMESPORT creates and delivers superior content that connects with its audience, wherever they might be. SNM has historically been a tech-led media business, with its success built around the power of proprietary technology platforms. The merger of SNM with Breaking Data allows this advantage to continue with the deep integration of artificial intelligence and natural language processing that will separate the new combination from its competition.

In addition, it positions Breaking Data as one of the fastest growing sports properties in the world. GIVEMESPORT.com is among the top visited web sites in the world (Alexa ranking 554th)⁴ and among the top 50 web sites in the UK. Growth worldwide is underscored by the growth opportunity in North America as Breaking Data and the GIVEMESPORT property focus growing its audience in various North American sports including NFL, NBA, MLB, NHL, PGA, NASCAR and more. In addition, Breaking Data's mobile application will be implemented as means of distributing GIVEMESPORT content in a fast and personalized way, to a massive and fast-growing market segment that is coveted by advertisers.

GIVEMESPORT

SNM's highly configurable technology platform covers all aspects of the business, which it delivers to consumers under the GIVEMESPORT brand, including:

- Responsive website – fast, highly responsive and modular website;
- Proprietary content management system – quick, frictionless content creation;
- Automated article distribution – Direct distribution across Social Media, Search and Feeds.
- Real-time Facebook insights – internally developed algorithms track article velocity, virality and engagements;
- Facebook advertising services – SNM can quickly create thousands of paid Facebook Ads per day
- Facebook monitoring services – SNM continually monitors advertising accounts against pre-configured parameters.

GIVEMESPORT's website attracts an international, mobile first audience of over 32.7 million monthly visitors (as of September 30th, 2017) predominantly from the US and Europe and is one of the world's largest online sports publishers. GIVEMESPORT

has a global Alexa (by Amazon) ranking of 587th (as of November 23rd, 2017), whereas Bleacher Report is ranked at 581st, NBC Sports at 1,394th and Fox Sports at 2,918th.

GIVEMESPORT has a deep understanding of how to produce authentic and engaging written and video content for the millennial audience. GIVEMESPORT utilizes technology to enable the optimal creation, distribution and viewability of its content.

GIVEMESPORT was an early adaptor of programmatic advertising, consistently delivering high performance and high viewability for many advertisers such as Mercedes Benz, BMW, America Express, Porsche, Omega, Jaguar, Electronic Arts and Draft Kings. GIVEMESPORT has several official partnerships with the NBA, NFL, McLaren Racing, Golfing World and In Cycle.

GIVEMESPORT has recently developed an emphasis on Video within Facebook and generates over 300 million video plays per month (Oct-17), including the broadcast of the first Facebook Live International Rugby game (France v Australia) and the International Masters Soccer tournament as well as the US PGA Players Championship in August 2017.

The publishing industry is becoming increasingly aware of the importance of data and data analytics for the formulation and distribution of their content. GIVEMESPORT has been using the latest technology to monitor and control the velocity in which their content reaches their user base, however they have not yet integrated any advanced machine learning or AI techniques to optimize their process. The Company is developing advanced NLP, AI and machine learning technology that allow the Company to sophisticatedly identify developing stories across social media, which will be based on specific criteria that the Company identifies as relevant. These stories will allow the editorial staff to be aware and informed of material events that are developing in the sports world in real time. Timely news information is extremely important in the publishing world and even more so in the sports publishing sector. Material changes can affect outcomes of upcoming sports events and as such sports fans want the latest information delivered to them in the fastest means possible. As result, the Company believes that incorporating this advance AI technology into its platform could create more timely and compelling content and continue to attract an even greater user base.

In addition, SNM, has created a highly configurable propriety technology platform which optimizes creation, distribution and viewability of content, which it delivers through the GIVEMESPORT brand. GIVEMESPORT uses internally developed algorithms to rank velocity, virality and engagements, which provides unique insight into how GIVEMESPORT's content is performing. Automatic article distribution allows an article to go from being written to distribution to a targeted audience of 26.2 million fans (as of August 22nd, 2017). GIVEMESPORT can quickly and easily distribute content across one, or all of its Facebook pages, and posts can be targeted to any age, gender, location, language and interest.

Facebook advertising services provide the ability to quickly and easily create paid content on Facebook. The service is designed to scale and be easily accessible on any application. Any system wishing to create an advertisement on Facebook, simply needs to send an event to our service with a set of configurable advertisement parameters.

Facebook monitoring services allows GIVEMESPORT to create paid Facebook content at scale, safe in the knowledge that overspending advertisements will be paused and deleted. GIVEMESPORT's content management system was built from the ground up with the aim of creating and distributing content as quickly and as frictionless as possible. Third party videos and images are automatically added to the system via application programming interfaces ("APIs"), allowing writers to focus on stories. Writers can choose from a plethora of options when creating articles (parallax styles, embedding media or creating picture galleries) allowing GIVEMESPORT content to be flexible and unique.

Recently re-engineered, the GIVEMESPORT website is a fast, responsive, lightweight and modular website. The finished website is also easy to test and maintain, which provides long term stability. The site is completely responsive. The delivery

static content is optimized meaning users only ever get served the images, videos, CSS or JavaScript they need, and nothing more.

BreakingSports App and GIVEMESPORT App

Since 2007, the Company has been developing natural language, machine learning, artificial intelligence and semantic search technologies first used in its Cluuz search engine, voted as one of the top 50 real-time search engines and one of the top 10 semantic search engines. The latest advancements in the Company's real-time NLP, enabled by recent breakthroughs in deep-learning, is showcased in BreakingSports App. This app is taking aim at a massive high growth sports audience with interest across the globe.

Utilizing the Company's proprietary semantic technology, the BreakingSports App was developed to showcase its technology by offering the fastest news delivery to sports fans around the world. The BreakingSports App tracks social media in real-time for significant sports information and events and distributes summarized information through real-time push notifications to consumers. By utilizing advanced artificial intelligence techniques, the BreakingSports App can detect events as they happen and as they are announced in social media, determine nature of the events, attribute events to participants, summarize source articles, index the underlying information, provide search of events and articles and send alerts to fantasy players, sport fans and enthusiasts.

Compared to other similar products, BreakingSports App has the differentiated advantage of not requiring human intervention when detecting and generating alerts, thereby enabling faster delivery of relevant information. Through a simple-to-use interface, BreakingSports App users specify what teams and players they are interested in as well as what type of events they care about, such as injuries, roster moves, line-up changes, statistics, rumors and more.

In addition to tracking social media, BreakingSports App analyzes statistical and play-by-play information to auto-generate news, updating users on important facts that might not be covered through traditional sports or social media. Users are able to review news in a familiar feed/stream interface and as search results. The app can be easily configured to include any sport, as well as potentially other categories of information, ushering the era of real-time news subscription for any topics of choice.

One of the biggest problems faced by today's mobile world is search and discovery. As a platform/network grows, so does the amount of content, which makes it increasingly difficult for consumers to find the information they want. BreakingSports App allows users to subscribe to their favorite teams and players so that they never miss a beat. Whether it is a headline, injury, trade, or scoring alert, BreakingSports App users are the first to know. BreakingSports App delivers the fastest breaking sports news and alerts to users by integrating social media sourced updates. Through specialized algorithms, BreakingSports App taps social media for the latest sports news and delivers it to users in a fully automated real-time manner.

BreakingSports App features include:

- News Feed – View news feed for personalized subscriptions;
- Filter Alerts – Select which type of news is most important to you, from injuries to rumours;
- League News – View and search news by league for the latest updates;
- Scores – Follow current and upcoming games via the game calendar for in-game alerts;
- Player Stats – View game and season stats in player profiles;
- Individual News – Access team or player specific news by selecting them from your customizable subscription list; and
- Share – Send friends links to important updates via email or text.

Moving forward, the Company is now implementing its plan to integrate its BreakingSports app with SNM and create a new mobile GIVEMESPORT mobile app for GIVEMESPORT users, with its Alpha release for Android just recently rolled out in limited

fashion into a closed Beta. The Company expects to have complete its Android and iPhone versions of the new GIVEMESPORT mobile app and begin the migration of GIVEMESPORT's huge web and mobile web followers to its new mobile offering in the coming months.

BreakingSports Bot

In the summer of 2016, the Company launched its new BreakingSports bot on Facebook Messenger. The BreakingSports bot for Messenger provides functionality equivalent to the BreakingSports application, as well as the most advanced conversational interface for querying sports current season statistics. Users can ask questions and receive answers from the BreakingSports bot using the same natural conversational language, as if they were asking a friend the question.

The BreakingSports bot supports a full set of functionalities that is equivalent to the BreakingSports application for NFL, MLB, NBA, NHL and more. Complete configuration is achieved directly within the Facebook messenger BreakingSports bot. The BreakingSports bot allows users to receive personalized news based on their chosen filters (scores, injuries, roster moves etc.) and subscriptions for teams and/or players. To start a conversation with the BreakingSports bot, users simply search and add "BreakingSports" to people and groups in Messenger. A tutorial allows users to familiarize themselves with the custom features of the bot. Once configured, users receive Messenger notification for news based on their personalized subscriptions and filters.

Unlike other sports bots, BreakingSports users can interact directly with the BreakingSports bot to ask in natural language such things as current season statistics, standings, schedule, scores, bio information for players, team and league wide rankings, making the BreakingSports bot the most advanced AI powered sports bot available today.

The potentially significant value of this bot, as the Company transitions it to the GIVEMESPORT Facebook page in the future will be in the bot's ability to enhance and improve user engagement and better understand what users want to query and want to discuss.

Breaking Data's Artificial Intelligence Platform Solutions

Breaking Data Corp.'s Artificial Intelligence Platform Solutions involve the licensing of core AI search, semantic, and data acquisition technology to enterprise and consumer solution providers in multiple business verticals.

Breaking Data Corp has developed a powerful mobile platform with proprietary IP in advanced search and analysis, intelligent infrastructure services, contextual content services, semantic and machine learning techniques. The platform allows us to process, analyze and interpret unstructured data in real-time, in order to extract sentiment, facts, user interests and intent.

Currently, the primary focus of the AI Platform Solutions team is Breaking Data Corps' proprietary semantic and natural language processing technology, which can be customized to analyze big data sets and integrate Natural Language Processing ("NLP") and semantic search capabilities in different business verticals.

The Company continues to explore new and beneficial ways to exploit and deploy its existing technologies and IP with strategic partnerships and projects.

Semantic Analysis of Social Media Content

Breaking Data Corp. has accumulated considerable intellectual property and expertise in the areas natural language processing and artificial intelligence. Currently these capabilities are utilized within our BreakingSports and GIVEMESPORT mobile applications; however, there is nothing inherently different about processing written language on the topic of sports vs other domains such as weather, food, music, entertainment, politics, business etc.

The Company has other opportunities currently in the pipeline in other verticals, that could pose strategic, license and development initiatives in the coming months.

News and events during the 6-month period ended September 30, 2017

The business and related public news highlights are outlined below:

On April 20, 2017, the Company announced that its recent acquisition, GIVEMESPORT, has taken its partnership with the NBA to global scale in a programmatic deal across 18 territories. The deal will span a vast range of key and emerging territories from UK, Spain, France and the Netherlands to Singapore, Sweden and Qatar.

On April 24, 2017, the Company announced the appointment of Greg D'Alba as an independent director.

On April 27, 2017, the Company announced that its GIVEMESPORT web property is experiencing significant traction and growth in a number of key metrics through the first calendar quarter of 2017.

- Monthly website visits to Givemesport.com for calendar Q1 2017 compared to calendar Q1 2016 are up by an impressive 72%; from 68,267,136 combined monthly visits for Q1 in 2016 with a monthly average 22,755,712 to 118,092,189 combined monthly visits with a monthly average of 39,364,064 for Q1 in 2017.
- Website growth has come primarily from the mobile web (Smartphone) version of GIVEMESPORT, with 43% growth from the mobile US audience and over 156% growth on the mobile UK audience from Q1 in 2016 to Q1 in 2017.
- This growth is further recognised by the increase in GIVEMESPORT's Alexa Rank increased from 1,203rd on the April 30th, 2016 to 523th most popular website in the world across all categories on the April 24th, 2017.

On May 4, 2017, the Company announced that its recent acquisition GIVEMESPORT has seen its Facebook video plays go from 239 million in its first quarter working with Facebook video, (2016 - Apr/May/June) rising to over 734 million Facebook video plays last quarter, (2017 - Jan/Feb/Mar) with no material increase in associated costs. Over the last 12 months there has been a strong 207% quarterly increase, with quarter-on-quarter growth that is a continuing trend.

Combined Facebook Video plays by Quarter

2016 Apr-May-Jun - 239,222,218

Jul-Aug-Sep - 381,033,707

Oct-Nov-Dec - 575,343,368

2017 Jan-Feb-Mar - 734,180,984

Apr-May-Jun - 843,868,159

July-Aug-Sept - 785,997,517

On May 8, 2017, the Company announced that it has partnered with McLaren to market World's Fastest Gamer - the world's most intense and demanding competition for virtual racers. It's a contest that will see the winner offered the best job in eSports - a role with the Formula 1 team as one of its official simulator drivers. World's Fastest Gamer is a collaboration between GIVEMESPORT, global sports and technology brand McLaren, founding partner Logitech G, a global leader in gaming gear and the founder of virtual motorsport's famous GT Academy, Darren Cox, sports and eSport racing innovator Sparco.

The winner will be offered a one-year contract with McLaren to work in an official capacity as a simulator driver. Find out more at mclaren.com/formula1/2017/worlds-fastest-gamer/worlds-fastest-gamer-explain-game/

On May 11, 2017, the Company announced that its GIVEMESPORT Facebook Audience is experiencing significant traction and growth across a number of key metrics through the first calendar quarter of 2017.

- Total Reach on Facebook up by 436%
- Comparing Calendar Q1 2016 to Q1 2017
 - Q1 2016 combined Total Reach was 93,879,929
 - Q1 2017 combined Total Reach was 503,681,192
- Total Engaged Users on Facebook up by 364%
- Comparing Calendar Q1 2016 to Q1 2017
 - Q1 2016 combined Total Engaged Users was 16,208,592
 - Q1 2017 combined Total Engaged Users was 75,223,402

On June 5, 2017, the Company announced that GIVEMESPORT and NFL UK are working together to develop an original content series themed around attempts at Guinness World Records. The series, aimed at a broad base of sports fans in the UK and globally, will feature NFL stars attempting record throws, kicks, catches and more. The six-episode series will be released in two parts: the first in October 2017, in the midst of this autumn's four regular-season NFL games in London: the second in January 2018 as part of the build-up to Super Bowl LII.

On July 5, 2017, the Company announces that it has granted stock options to purchase a total of 3,760,000 common shares of the Company to officers, directors, employees and consultants of the Company. These stock options are exercisable at CDN \$1.90 per stock option and will expire on July 4, 2027. These stock options vest over a period of thirty-six months following the grant date and are governed by the terms and conditions of the Company's stock option plan.

On July 5, 2017, the Company announced that it has agreed to issue 121,359 common shares in the capital of the Company ("Common Shares") at a deemed price of \$1.545 (\$2.06 CAD) per Common Share in payment of an aggregate amount of \$187,500 (\$250,000 CAD) owing by the Company to a supplier.

On July 5, 2017, the Company is announced that GIVEMESPORT has seen its monthly website visits increase by 58.89% in the second quarter of 2017, compared to the same period a year ago. Total monthly visits for the quarter ending June 30th, 2017 were 116m with the monthly average being 38.8m, compared with an average of 24.4m in 2016. The shift to mobile devices continued with over a 92% year-on-year growth in monthly website visits in the second quarter compared to the same period in 2016. Mobile devices, predominantly high end smart phones now make up over 82% of all monthly website visits.

On July 18, 2017, the Company announced that its wholly-owned subsidiary Sports New Media Holdings Limited ("SNM"), owner of GIVEMESPORT, the tech-driven global sports publisher with 26.2 million fans on Facebook has strengthened its senior team with the addition of senior staff from VICE, Lad Bible and Bauer Media. These additions are part of a broader expansion plan following the completion of the RTO in April 2017. GIVEMESPORT has brought in former VICE Senior Vice President of Strategy and former Lad Bible marketing director Mimi Turner as Senior Strategy Advisor; VICE Group Account Director Jack Bannerman has become joint Head of Commercial Partnerships alongside former LAD Bible Senior Agency Partner Adrian Manian. Former Daily Mail and Bauer Media head of programmatic Ryan Skeggs has been appointed Programmatic General Manager.

On July 31, 2017, the Company announced that GIVEMESPORT has been selected to broadcast the PGA Championship live from Quail Hollow on August 10th - 13th to its UK Audience on Facebook Live and on its website Givemesport.com. GIVEMESPORT is the leading sports publisher in the world on Facebook with 26.2m fans and will use Facebook Live to broadcast all four days of the PGA Championship to fans across the UK. Fans will be able to watch an uninterrupted live feed on their mobiles, laptops and desktop computers.

On August 2, 2017, the Company announced that its wholly-owned subsidiary Sports New Media Holdings Limited ("SNM"), owner of GIVEMESPORT, posted its audited 2016/17 year-end financial results and has seen the fourth quarter Net Advertising Revenue increase by 50%, compared to the same quarter a year ago. GIVEMESPORT has increased its Total Net Advertising Revenue in fiscal year 2017 to \$4,267,722 USD, up from \$3,721,716 USD in fiscal year 2016.

GIVEMESPORT had a strong end to the fiscal year with 21% growth in the third quarter and 50% growth in the fourth quarter, compared to the same quarter in the previous year.

Net Advertising Revenue by quarter - Fiscal 2017

- Q4 - \$ 1,210,078 USD (+50%)
- Q3 - \$ 1,185,034 USD (+21%)
- Q2 - \$ 993,777 USD (+13%)
- Q1 - \$ 878,833 USD (-17%)

On August 24, 2017, the Company announced GIVEMESPORT Live PGA of America Championship Coverage Tops 1.2 Million+ Unique UK and Ireland Viewers. with over 46% of the viewers aged 18-34 years old. which concluded at Quail Hollow on August 13. The Championship was live-streamed by GIVEMESPORT on Facebook Live for the first time, delivering a total of 1.34 million video streams in the UK and Ireland.

On September 5, 2017 the Company reported that its wholly-owned subsidiary Sports New Media Holdings Limited ("SNM"), owner of GIVEMESPORT, saw its fiscal 2018 first quarter Net Advertising Revenue increase by 71% in GBP, compared to the same fiscal period last year. The figures recognize the first full quarter of the Company's full ownership of GIVEMESPORT and are included in its Q1 financial filings.

GIVEMESPORT Total Net Advertising Revenue included in its unaudited management financial statements for fiscal Q1 2018 (and reported in USD) were \$1.457 million USD, up from \$959,380 USD in Q1 2017.

Quarterly Revenue

Period	Currency GBP	
Q1 fiscal 2018	£1,139,909	(+71% vs Q1 fiscal 2017)
Q4 fiscal 2017	£920,225	(+50% vs Q4 fiscal 2016)
Q3 fiscal 2017	£901,180	(+21% vs Q3 fiscal 2016)
Q2 fiscal 2017	£755,736	(+13% vs Q2 fiscal 2016)
Q1 fiscal 2017	£668,324	(-17% vs Q1 fiscal 2016)

On September 6, 2017 the Company announced it will be presenting at the 19th Annual Rodman & Renshaw Global Investment Conference, sponsored by H.C. Wainwright & Co., LLC. The conference was held on September 10-12, 2017 at Lotte New York Palace Hotel in New York City.

On September 7, 2017 the Company announced that GIVEMESPORT and NFL UK have extended their official partnership for a second year, giving GIVEMESPORT the NFL 2017/18 season. GIVEMESPORT will continue to be the British home of NFL, leveraging its sports journalism capability to host news, feature articles and video at <http://www.givemesport.com/nfl>. GIVEMESPORT will continue to have exclusive content and player access and will create bespoke video features with NFL content including an upcoming original content series themed around attempts at Guinness World Records. The six-episode series will be released in two parts: the first in October 2017, in the midst of this autumn's four regular-season NFL games in London: the second in January 2018 as part of the build-up to Super Bowl LII.

RESULTS OF OPERATIONS

	6 months ended Sept 30, 2017	6 months ended Sept 30, 2016	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	3,264,123	1,955,768	1,308,355	67%
Cost of Goods Sold	1,660,123	898,378	761,745	85%
Gross Margin	1,604,000	1,057,391	546,609	
	49%	54%		
Expenses				
General and administrative	676,869	217,998	458,871	210%
Salaries and subcontractors	2,551,348	1,080,409	1,470,939	136%
Stock-based compensation	1,028,832	14,351	1,014,481	7069%
Professional fees	263,781	83,128	180,653	217%
Sales and marketing	253,269	144,905	108,364	75%
Accretion on debentures	172,811	10,675	162,136	1518%
Interest and financing fees	8,886	67,670	(58,784)	-87%
Foreign exchange gains (losses)	28,668	(7,589)	36,257	-478%
Amortization of intangibles	9,262	-	9,262	-100%
Depreciation of equipment	6,469	24,269	(17,800)	-73%
Total Expenses	5,000,195	1,635,816	3,364,379	206%

Analysis of revenues and expenses

Revenues for the 6-month period ended September 30, 2017 were \$3,264,123 compared to \$1,955,768 for the 6-month period ended September 30, 2016, an increase of \$1,308,355 or 67%. This increase resulted primarily from a sustained increase in traffic to the website, a further shift from UK desktop to UK mobile traffic (average of 6.5m visits per month in 2016 to over 17m visits per month thus far in 2017), combined with an increase in the UK mobile yield from approximately \$9.00 in 2016 to over \$13.50 thus far in 2017.

Cost of goods sold for the 6-month period ended September 30, 2017 were \$1,660,123 compared to \$ 898,378 for the 6-month period ended September 30, 2016, and increase of \$761,745 or 85%. This increase directly a result of increased revenues however at a marginally lesser proportion of revenues compared to last years fiscal period. As a result, overall profit margin percentage decreased from 54% to 49% from last years fiscal period to this year's fiscal period. We believe this is due to increased competition with Facebook and a change within Facebooks paid algorithm

General and administrative expenses were \$678,869 for the 6-month period ended September 30, 2017 compared to \$217,998 for the 6-month period ended September 30, 2016, representing an increase of \$458,871 or 210%. There are several contributing factors to this increase which is primarily resulting from the business combination of SNM, with its office in the UK together with the Company's office in Canada. This merger resulting in various general and administrative costs in both the UK and Canadian offices including but not limited to rent, internet, office supplies, insurance, telephones, software, repairs and maintenance, travel and miscellaneous office expenses. These costs, while carefully monitored, are now increased as direct result of maintaining 2 offices. In addition, 2 additional expenses accounted for a material portion of the increase including recruiting expense, for important efforts in adding key new personnel and invoice financing expense incurred to support more timely invoice payments and improve cash flows. It is expected that both expenses (recruiting and invoice financing) will not be incurred on a regular basis. In addition, the Company is evaluating all General and administrative costs of the two offices to find savings and reduce costs wherever feasible.

In addition, included in general and administrative expense, is a material amount of investor and public relations and shareholder communications costs. In July 2017 the Company entered into a Services Agreement with IRTH Communications, LLC. The services included general counseling, investor services and fulfillment, messaging strategy, peer group analysis, analyst and investor meetings, financial communications, press and media campaign, website and investor database development, investor collateral, roadshow and relationship management and telemarketing programs. During the 6-month period ended September 30, 2017 the Company spent \$129,067 in its agreement with IRTH. The agreement was terminated on October 31, 2017. In addition, in May 2017 the Company incurred a one-time fee of \$7,737 (\$10,000 CAD) with Econ Corporate Services (dba investorideas.com) for a public relations and social media campaign following the completion of the RTO in April 2017.

Salaries and subcontractors' expenses was \$2,551,348 for the 6-month period ended September 30, 2017, compared to \$1,080,409 for the 6-month period ended September 30, 2016, an increase of \$1,470,939 or 136%. Again, there are several contributing factors to this increase which is primarily resulting from the business combination of SNM, with its office in the UK together with the Company's office in Canada. The head count of both offices combined has increased and, at the same time, the Company has made some key additions to its staff as it grows in both the technical and media content and production related areas of the business. In addition, this expense for the 6-month period ended September 30, 2017 included all staff and contracted personnel in executive management, finance, marketing, design, video, journalists/editorial, directors' fees, payroll and taxes as well as any freelance personnel of the combined SNM and BKD operations and their subsidiaries.

Stock-based compensation was \$1,028,832 for the 6-month period ended September 30, 2017 compared to \$14,351 for the 6-month period ended September 30, 2016, an increase of \$1,014,481. This expense is a non-cash item, with a corresponding credit to contributed surplus. On July 4, 2017 3,690,000 options were granted to officers, directors and consultants of the Company with an exercise price of \$1.47 (\$1.90 CAD). The increase is the result of a new expense for these share purchase options issued during the period that did not exist in the same fiscal period last year.

Professional fees for the 6-month period ended September 30, 2017 were \$263,781 compared to \$83,128 for the 6-month period ended September 30, 2016, an increase of \$180,623 or 217%. The increase in Professional fees during the period resulted primarily from specific reporting and tax related items and corporate structure work related to the RTO transaction as well as general corporate legal matters. Other costs include patent maintenance costs that fluctuate from time to time depending on the dates for payment of annual fees related to granted patents.

Sales and marketing expense was \$253,269 for the 6-month period ended September 30, 2017, compared to \$144,905 for the 6-month period ended September 30, 2016, an increase of \$108,364 or 75%. This increase is primarily related to the Company's web services and marketing, public relations and other marketing items. This expense increased as the Company made efforts to increase brand awareness and drive traffic to its web and social media properties. To effectuate its strategy, the Company used various marketing resources and invested in on-line and traditional marketing campaigns. As a result, the Company has seen a material increase in revenues during the period.

Accretion on debentures was \$172,211 for the 6-month period ended September 30, 2017 compared to \$10,675 for the 6-month period ended September 30, 2016, an increase of \$162,136 or 1518%. This expense is a non-cash item. The increase in accretion this fiscal period was primarily attributed the accelerated accretion debentures that were satisfied immediately prior to the RTO transaction.

Interest and finance fees was \$8,886 for the 6-month period ended September 30, 2017 compared to \$67,670 for the 6-month period ended September 30, 2016, a decrease of \$58,784 or 87%. This decrease was as a result of the larger outstanding balance of the debentures during last year's fiscal period compared to debentures being satisfied prior to the RTO in early April resulting in only a few days interest on these debentures in this fiscal period. The only remaining debenture amount outstanding at September 30, 2017 is in the amount of \$278,032

Foreign exchange gains were \$28,668 for the 6-month period ended September 30, 2017 compared to losses of \$7,589 for the 6-month period ended September 30, 2016, a change of \$36,257. These gains or losses are accumulated from the combination of timing differences in invoices dates and payments dates as they relate to fluctuations in the currencies on the dates the transactions are recorded.

Amortization of intangibles was \$9,262 for the 6-month period ended September 30, 2017 compared to \$nil for 6-month period ended September 30, 2016. Amortization relates to deferred patent costs which were included on the balance sheet for accounting purposes as part of the RTO transaction, and therefore there is no comparative expense during 2016.

Depreciation of equipment was \$6,469 for the 6-month period ended September 30, 2017 compared to \$24,269 for 6-month period ended September 30, 2016, a decrease of \$17,800 or 73%. The decrease is a result of the depreciation of specific equipment assets as balances diminish.

Liquidity and Capital Resources

For the year 6-month period ended September 30, 2017, there was a net cash outflow from operating activities of \$3,922,720 compared to \$185,845 for the 6-month period ended September 30, 2016, a difference of \$3,736,875.

The increase in cash used for operating activities was primarily due to:

- 1) An increase in the net loss to \$4,092,530 for the 6-month period ended September 30, 2017 compared to a net loss of \$578,425 for the 6-month period ended September 30, 2016, that accounts for an increase of \$3,514,106 in cash used for operating activities. This resulted from a significant amount of transaction and acquisition costs related to the RTO

(\$696,335) and several expenses that were higher overall as a result of the business combination, as discussed in the analysis of expenses above;

- 2) Net cash outflow resulting from the net change in non-cash working capital items related to operations of \$1,418,262 for the 6-month period ended September 30, 2017 compared to a net cash inflow of \$343,286 for the 6-month period ended September 30, 2016, that accounts for an increase in cash outflow of \$1,761,548 in non-cash working capital items that are added to cash flow from operations.
- 3) A decrease in depreciation of equipment from \$24,269 for the 6-month period ended September 30, 2016, to \$6,469 for the 6-month period ended September 30, 2017, that accounts for an decrease of \$17,800 in a non-cash item that is added back to cash flow from operations.

Offset by;

- 4) An increase in the accretion of debentures of \$172,811 for the 6-month period ended September 30, 2017 compared to \$10,675 for the 6-month period ended September 30, 2016, that accounts for an increase of \$162,136 in a non-cash item added back to cash flow from operations;
- 5) An increase Amortization of intangible assets of \$9,262 for the 6-month period ended September 30, 2017 compared to \$nil for the 6-month period ended September 30, 2016 that accounts for resulted in increase of \$9,262 in non-cash items that are added back to cash flows from operations;
- 6) An increase in the non-cash stock based compensation of \$1,028,832 for the 6-month period ended September 30, 2017, compared to \$14,351 for the 6-month period ended September 30, 2016, that accounts for an increase of \$1,014,481 in non-cash item that is added back to cash flows from operations.

Expressed in tabular form, the increase in the net cash used for operations is as follows:

Increase in net loss	\$	3,514,105
Higher outflows in non-cash working capital		1,761,548
Lower depreciation of equipment		17,800
Higher accretion of debentures		(162,136)
Lower amortization of intangibles		(9,262)
Common shares issued for advisory services		(370,698)
Higher stock-based compensation		(1,014,481)
Increase in the net cash used for operations	\$	3,736,875

As at September 30, 2017, the Company had working capital of \$2,256,013 compared to negative working capital of \$2,290,393 as at March 31, 2017, a difference of \$4,546,406.

This increase in working capital is primarily a result of higher cash (by \$1,750,997) primarily resulting from the financing completed concurrent with the RTO transaction, higher trade receivables (by \$305,833), higher prepaid expenses, deposits and

other assets (by \$198,822), lower trade payables (by \$1,100,527) and lower debentures (by \$1,241,406), offset by higher deferred revenue (by \$51,180).

The Company has incurred losses and is not yet cash flow positive. The Company's ongoing ability to remain liquid will depend on a number of factors including the Company's continued efforts to achieve profitability, or alternatively the ability to raise capital to fund operations.

Outstanding Shares

As at September 30, 2017, the number of outstanding shares was 27,676,670 (March 31, 2017 – 13,559,735).

On April 11, 2017, the Company completed the acquisition of Sports New Media Holdings Limited ("SNM"). The Transaction was effected by way of a securities exchange between the Company and SNM. Pursuant to the RTO Transaction, an aggregate of 11,834,124 common shares of the Company were allocated to the acquisition and issued for all of the issued and outstanding shares of SNM at a deemed value of \$1.85 per share.

On April 11, 2017, pursuant to the RTO Transaction, the Company issued an aggregate of 304,534 common shares of the Company for the conversion of SNM debt, at a deemed value of \$1.70 per share.

On April 11, 2017, an aggregate of 1,250,000 units were issued for net proceeds of \$3,112,892. Each unit is comprised of one common share and one-half of one warrant, with each whole warrant exercisable into a common share until April 6, 2019 at an exercise price of \$5.25 (\$7.00 CAD) per share.

On April 11, 2017, the Company also issued 200,000 for advisory services in relation to the SNM acquisition.

During the 3-month period ended June 30, 2017, the Company issued 315,670 shares for the exercise of options.

On April 13, 2017, The Company completed the consolidation of its shares approved at the annual general and special meeting of the shareholders of the Company held on March 31, 2017. Pursuant to the Consolidation, the Shares were consolidated on the basis of one post-consolidation share for every ten pre-consolidation shares.

On July 14, 2017, the Company issued 121,359 common shares at a deemed price of \$1.63 (\$2.06 CAD) per common share in payment of an aggregate amount of \$197,575 (\$250,000 CAD) owing by the Company to a supplier

On May 3, and July 25, 2017, 65,694 and 25,554 share purchase warrants for a total of 91,248 were exercised for \$1.80 (\$2.40 CAD) for total proceeds of \$163,878 (\$218,755 CAD). A total amount of \$53,211 representing the fair value of the warrants exercised was transferred from warrants to share capital

As at November 29, 2017, after giving effect to the consolidation, the number of shares outstanding remained at 27,676,670.

Outstanding Options

- (a) Prior to the business acquisition, during the period April 1, 2017 to April 11, 2017, 97,948 common share options were exercised into shares of SNM, at price of \$0.375 (\$0.50 CAD) and then those shares were converted to shares of the Company upon completion of the RTO transaction.

(b) On April 11, 2017, in connection with the acquisition of **SNM**, an aggregate of 662,500 options ("RTO replacement options") with exercise prices ranging from \$1.88 - \$4.73 (\$2.50 - \$6.30 CAD) per share were issued. These options expire between October 18, 2017 and September 30, 2021. Using the Black-Scholes model a total value of \$917,886 was credited to contributed surplus with a corresponding increase to goodwill (Note 3).

On July 4, 2017 3,690,000 options were granted to officers, directors and consultants of the Company with an exercise price of \$1.47 (\$1.90 CAD). These options expire on July 3, 2027.

Using the Black-Scholes model the Company recorded \$993,217 of stock compensation expense during the six months ended September 30, 2017 (\$15,023 - 2016).

(c) During the six months ended September 30, 2017, 440,000 options were cancelled with exercise prices ranging from \$1.35 to \$4.73.

As at September 30, 2017, the Company had 4,279,537 share purchase options outstanding (March 31, 2017 – 464,985). During the 6-month period ended June 30, 2017, the Company issued 662,500 RTO replacement options at prices from \$1.88 to \$4.65 (\$2.50-\$6.30 CAD), and 97,948 options were exercised at a price of \$0.375 (\$0.50 CAD).

On April 13, 2017, The Company completed the consolidation of its shares approved at the annual general and special meeting of the shareholders of the Company held on March 31, 2017. Pursuant to the Consolidation, the options were also consolidated on the basis of one post-consolidation option for every ten pre-consolidation options.

On July 4, 2017 3,690,000 options were granted to officers, directors and consultants of the Company with an exercise price of \$1.47 (\$1.90 CAD).

In addition, during the six months ended September 30, 2017, 440,000 options were cancelled with exercise prices ranging from \$1.35 to \$4.73.

As at November 29, 2017, after giving effect to the consolidation, the number of outstanding options was 4,279,537.

Outstanding Warrants

As at September 30, 2017 the Company had a total of 3,285,258 warrants and 325,694 finders' warrants outstanding (March 31, 2017 – nil and nil). During the 6-month period ended September 30, 2017, on April 11, 2017, in connection with the acquisition of SNM, an aggregate of 2,751,506 warrants and 194,444 finders' warrants ("RTO replacement warrants") with exercise prices ranging from \$1.80 - \$2.85 (\$2.40 - \$3.80 CAD) per share were issued. These warrants expire between November 30, 2017 and October 31, 2018.

On March 17, 2017, and April 6, 2017 the Company closed two tranches of private placement financing. The financing was completed in connection with the Company's acquisition of SNM. One Subscription Receipt converted to one unit (a "Unit") of the Company, immediately following the completion of the Transaction on April 11, 2017. Each Unit is comprised of one common share of and one-half of one warrant, with each whole warrant exercisable into a common share for 24 months at an exercise price of \$5.25 (\$7.00 CAD) per share. 625,000 warrants to purchase common shares of the Company were issued under these terms.

In addition, 131,250 finders warrants to purchase units were issued related to the financing. Each Unit is comprised of one common share of and one-half of one warrant, with each whole warrant exercisable into a common share for 24 months at an exercise price of \$3.00 (\$4.00 CAD) per share.

During the six months ended September 30, 2017, 91,248 warrants were exercised for total proceeds of \$163,878.

On April 13, 2017, The Company completed the consolidation of its shares approved at the annual general and special meeting of the shareholders of the Company held on March 31, 2017. Pursuant to the Consolidation, the warrants were also consolidated on the basis of one post-consolidation warrant for every ten-pre-consolidation warrants.

As at November 29, 2017, after giving effect to the consolidation, the number of warrants outstanding was 3,285,258 and the number of finders warrants outstanding was 325,694.

Summary of Quarterly Results

The following table presents the selected financial data for each of the last eight quarters of the Company ended June 30, 2017.

	30-Sept-17	30-Jun-17	31-Mar-17	31-Dec-16	30-Sep-16	30-Jun-16	31 Mar-16	31-Dec-15
Revenues	1,741,518	1,522,605	1,140,466	1,120,617	991,878	959,380	881,826	1,126,877
Net Loss	(2,417,189)	(1,675,341)	(955,615)	(218,450)	(224,896)	(358,275)	(784,808)	(263,597)
EPS	(0.09)	(0.06)	(0.07)	(0.02)	(0.02)	(0.03)	(0.06)	(0.02)

SEGMENTED INFORMATION

The Company's management and chief operating decision maker reviews performance of the Company on a geographical basis. The Company had three geographical segments as at and for the period ended Sept 30, 2017, comprising head office and general operations of Breaking Data International and Poynt Inc. in Canada, Sports New Media operating segment which provides sports new content in The United Kingdom, and its wholly-owned subsidiary, DTI, in the United States. The Company's revenues are earned in the following geographical areas for the six months ended September 30, 2017 and 2016:

Revenue from external customers

	Sept 30	Sept 30
	2017	2016
	\$	\$
North America	278,368	453,466
Europe	200,127	312,952
United Kingdom	2,785,618	1,189,350
	3,264,123	1,955,768

The geographical segmentation of the Company's revenue generating customers is not correlated to the geographical location of the Company's worldwide user base.

For the six months ended September 30, 2017, sales from two significant customers amounted to \$1,594,444 and \$512,557 representing 49% and 16% of total revenues. (2016 - \$430,744 and \$102,349 representing 22% and 5%)

SUBSEQUENT EVENTS AND NEWS

On October 19, 2017 the Company Signed a \$2,250,000 Letter of Intent for Breaking Data's Event Detection Technology and Publishing Platform with an artificial intelligence start up Company.

Under the terms of the deal, the Company will:

- i. enter into a 3-year software license agreement (for \$1,750,000
- ii. enter into a separate software development and license agreement for \$500,000;
- iii. receive a 5% equity share in the new venture.

Pursuant to the software license agreement, the Company received a non-refundable payment of \$500,000 on October 19, 2017.

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed consolidated financial statements of the Company have been prepared in Accordance with International Financial Reporting Standards 34 "Interim Financial Reporting {IAS 34}. The notes presented in these unaudited interim consolidated financial statements include only significant events and transactions occurring since the last fiscal year end and are not fully inclusive of all matters required to be disclosed in our annual audited consolidated financial statements.

The policies applied in these unaudited interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accompanying interim unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2017.

Principles of Consolidation

These interim unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Poynt Inc., Unomobi Inc., Innovation Fund III LLC, Devesys Technologies, Inc., Sports New Media Holdings Ltd., Sports New Media Ltd., Sports New Media Inc., and DISMIC, Inc., from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation.

Basis of Presentation

The accompanying interim unaudited condensed consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss ("FVTPL") which are stated at fair value. The accounting policies have been applied consistently to the accounting policies outlined in the annual consolidated financial statements of Sports New Media Holdings Ltd. for the year ended March 31, 2017, with the exception of the change in presentation currency (see note 2 in Financial Statements – Presentation Currency and Functional Currency and Accounting for Business Combination).

Presentation Currency and Functional Currency

For the three months ended June 30, 2017, the presentation currency of the Company changed from Canadian Dollar ("CAD") to U.S Dollar ("USD"), SNM previously reported using British Pounds. The change in presentation currency is to better reflect the Company's business activities in conjunction with the acquisition of Sports New Media Holdings Limited ("SNM"), and

management believes that the change in presentation currency will improve investors' ability to compare the Company's financial results with other publicly traded businesses in the industry. The comparative financial statements are represented in USD which has been applied retroactively.

The Company's presentation currency is the USD. The functional currency of the Company and its subsidiary Poynt is the CAD. The functional currency of the subsidiaries DTI is the US dollar. The functional currency of the acquired companies Sports New Media Holdings Ltd, Sports New Media Ltd, and Sports New Media Inc, is the British Pound. Where the functional currency of a subsidiary is different than the presentation currency, assets and liabilities have been translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (the average for the period). All resulting exchange rate differences are recorded in the accumulated and other comprehensive surplus.

Accounting for Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred and liabilities assumed by the Company, liabilities incurred by the Company to former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognized in the statement of loss and comprehensive loss as incurred. At the acquisition date, the identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair values, except for deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 Income tax.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the statement of loss and comprehensive loss as a bargain purchase gain.

Recent accounting pronouncements

IFRS 9 was initially issued in November 2009 and issued in its final form in July 2014, and will replace IAS 39 Financial instruments: Recognition and measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The effective date of IFRS 9 is January 1, 2018. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning January 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 16.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. Management is in the process of determining the extent of the impact of adoption of IFRS 15 and the possibility of early adoption.

IFRS 16, "Leases", will be effective for annual periods beginning on or after January 1, 2019. The most significant change introduced by IFRS 16 is a single lessee accounting model, bringing leases on balance sheet for lessees. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning January 1, 2019 and has not yet considered the potential impact of the adoption of IFRS 16.

RELATED PARTY TRANSACTIONS

The following balances and transactions with related parties and key management personnel are included in the accompanying interim unaudited condensed consolidated financial statements:

- a. As of September 30, 2017, the Company had \$80,374 (March 31, 2017 - \$nil) of accounts payable due to four officers of the Company and one director of the Company.
- b. Salaries and subcontractors' expenses of \$428,860 were incurred with four officers of the Company (two of which are also directors) as well two directors of the Company (one of which is a former officer) during the period ended September 30, 2017 (September 30, 2016 - \$193,185 for two officer/directors). The officers were compensated for their roles as Chief Executive Officer, Chief Marketing Officer, Chief Financial Officer and Chief Technology Officer.
- c. 2,641,570 options were granted to directors and officers of the Company during the six-month period ended September 30, 2017 (March 31, 2017 – nil). The options are exercisable at a price of \$1.47 (1.90 CAD), vest over 3 years and expire in 10 years.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established and continues to complement a system of disclosure controls and procedures and internal controls over financial reporting. This system is designed to provide reasonable assurance that material information relating to the issuer and its subsidiaries are available and reported to senior management and permits timely decisions regarding public disclosure. As of September 30, 2017, the Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings are effective, except as noted below, to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

As noted in previous quarterly and annual MD&A's the Company's disclosure controls and procedures are indicative of many small and growing companies. Consequently, management has identified certain weaknesses that currently exist in the disclosure controls and procedures including, but not limited to, the segregation of duties and expertise in specific areas of public disclosure. The existence of these weaknesses is partially compensated for by senior management monitoring these issues, and in the case of complex or extraordinary transactions, consulting with external experts to advise management in their analysis and conclusions.

Throughout the year management continued to address, as required, steps to improve disclosure controls and procedures and internal controls over financial reporting. However, no specific changes to disclosure controls and procedures were made during the year. The Company recognizes this is an ongoing and dynamic process and continues to focus on internal controls related to financial reporting and disclosure controls and procedures and is committed to further improvements in the future.

RISKS AND UNCERTAINTIES

Limited Operating History

The Company has a limited operational history. The Company has never paid dividends and has no present intention to pay dividends. The Company is in the early commercialization stage of its business and therefore will be subject to the risks associated with early stage companies, including uncertainty of revenues, markets and profitability and the need to obtain additional funding. The Company will be committing, and for the foreseeable future will continue to commit, significant financial resources to marketing, product development and research. The Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. Such risks include the evolving and unpredictable nature of the Company's business, the Company's ability to anticipate and adapt to a developing market, acceptance by consumers of the Company's media properties, mobile products and technology platforms and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Company will be successful in doing what is necessary to address these risks.

Key Personnel

The semantic language and machine learned language technology industry involves a high degree of risk, which a combination of experience, knowledge and careful evaluation may not be able to overcome. The success of the Company may be dependent on the services of its senior management and consultants. The experience of these individuals may be a factor contributing to the Company's continued success and growth. The loss of one or more of its key employees or consultants could have a material adverse effect on the Company's operations and business prospects. In addition, the Company's future success will depend in large part on its ability to attract and retain additional highly skilled technical, management, sales and marketing personnel. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the failure to do so could have a material adverse effect on the Company's business, operating results and financial condition.

Additional Financing Requirements

In order to accelerate the Company's growth objectives, it may need to raise additional funds from lenders and equity markets in the future. There can be no assurance that the Company will be able to raise additional capital on commercially reasonable terms to finance its growth objectives. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of common shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution.

Protection of Intellectual Property

Although the Company does not believe that its products infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof which could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's performance and ability to compete are dependent to a significant degree on its proprietary technology.

While the Company will endeavor to protect its intellectual property, there can be no assurance that the steps taken by the Company will prevent misappropriation of its technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property. While the Company's technology is developed and owned by the Company, it may in the future also rely on technology licenses from third parties. There can be no assurance that these third party licenses will be, or will continue to be, available to the Company on commercially reasonable terms. The loss of, or inability of the Company to maintain, any of these technology licenses' could result in delays in completing its product enhancements and new developments until equivalent technology could be identified, licensed, or developed and integrated. Any such delays would materially adversely affect the Company's business, results of operations and financial condition.

Competition

The Company may not be able to compete successfully against current and future competitors, and the competitive pressures the Company faces could harm its business and prospects. Broadly speaking, the market for media companies and semantic language and machine learned language technology is competitive. The level of competition is likely to increase as current competitors improve their product offerings and as new participants enter the market. Some of the Company's current and potential competitors have longer operating histories, larger customer bases, greater name and brand recognition and significantly greater financial, sales, marketing, technical and other resources than the Company. Additionally, these competitors have research and development capabilities that may allow them to develop new or improved products that may compete with products the Company markets and distributes.

New technologies and the expansion of existing technologies may also increase competitive pressures on the Company. Increased competition may result in reduced operating margins as well as loss of market share. This could result in decreased usage of the Company's media properties, mobile products and technology platforms and may have a material adverse affect on the Company's business, financial condition and results of operations.

Implementation Delays

Most of the Company's customers will be in a testing or a preliminary use stage of utilizing the Company's media properties, mobile products and technology platforms and may encounter delays or other problems during their introduction of the Company's media properties, mobile products and technology platforms. A decision not to implement these products, or a delay in implementation, could result in a delay or loss of related revenue or could otherwise harm the Company's businesses and prospects. The Company will not be able to predict when a customer that is in a testing or a preliminary use phase will adopt a broader use of the Company's media properties, mobile products and technology platforms.

Limited Customer Feedback Respecting Media Properties, Mobile Products and Technology Platforms

The Company's revenue will depend on the number of customers who use the Company's media properties and mobile products and technology platforms. Accordingly, the satisfactory design and implementation of the Company's media properties, mobile products and technology platforms is critical to the Company's business, and any significant limitations or deficiencies could harm the Company's business and market acceptance. To date, the features and functionality reflected in the Company's media properties, mobile products and technology platforms have been based on its internal efforts and on feedback from a limited number of customers and potential customers. This limited feedback may not have resulted in an adequate assessment of

customer requirements. Therefore, the currently specified features and functionality of the Company's offerings may not satisfy current or future customer demands. Furthermore, even if the Company identifies the feature set required by customers in the Company's market, it may not be able to design and implement products incorporating features in a timely and efficient manner, if at all.

Developing Markets

The market for the Company's media properties, mobile products and technology platforms continues to evolve. If the market for the Company's media properties, mobile products and technology platforms fails to develop and grow, or if the Company's media properties, mobile products and technology platforms does not gain market acceptance, the Company's business and prospects will be harmed.

Technological Change

The semantic language and machine learned language technology industry is susceptible to technological advances and the introduction of new products utilizing new technologies. Further, the semantic language and machine learned language technology industry is also subject to customer preferences and to competitive pressures which can, among other things, necessitate revisions in pricing strategies, price reductions and reduced profit margins. The success of the Company will depend on its ability to secure technological superiority in its product and maintain such superiority in the face of new products. While the Company believes that its product will be competitive, no assurances can be given that the product of the Company will be commercially viable or that further modification or additional products will not be required in order to meet demands or to make changes necessitated by developments made by competitors which might render the product of the Company less competitive, less marketable, or even obsolete over time.

The future success of the Company will be influenced by its ability to continue to develop new competitive products. Although the Company is committed to the development of new products and the improvement of its existing product, there can be no assurance that these research and development activities will prove profitable, or that products or improvements resulting there from, if any, will be successfully produced and marketed. The semantic language and machine learned language technology industry is characterized by technological change, changes in user and customer requirements, new product introductions and new technologies and the emergence of new industry standards and practices that could render the Company's technology obsolete or have a negative impact on sales margins the Company's media properties, mobile products and technology platforms may command. The Company's performance will depend, in part, on its ability to enhance its existing product, develop new proprietary technology that addresses the sophisticated and varied needs of its prospective customers and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The development of technology entails significant technical and business risks. There can be no assurance that the Company will be successful in using new technologies effectively or adapting its product to customer requirements or emerging industry standards.

Strategic Alliances

The Company's growth and marketing strategies are based, in part, on seeking out and forming strategic alliances and working relationships. There can be no assurance that existing strategic alliances and working relationships will not be terminated or modified in the future, nor there any assurance that new relationships, if any, will afford the Company the same flexibility under which the Company currently operates.

Resolution of Product Deficiencies

Difficulties in product design, performance and reliability could result in lost revenue, delays in customer acceptance of the Company's media properties, mobile products and technology platforms, and/or lawsuits, and would be detrimental, perhaps materially, to the Company's market reputation. Serious defects are frequently found during the period immediately following the introduction of new products or enhancements to existing products. Undetected errors or performance problems may be discovered in the future. Moreover, known errors which the Company considers minor may be considered serious by its customers. If the Company's internal quality assurance testing or customer testing reveals performance issues and/or desirable feature enhancements, the Company could postpone the development and release of updates or enhancements to its current product or the release of new products. The Company may not be able to successfully complete the development of planned or future products in a timely manner, or to adequately address product defects, which could harm the Company's business and prospects. In addition, product defects may expose the Company to liability claims, for which the Company may not have sufficient liability insurance. A successful suit against the Company could harm its business and financial condition.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base.

The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Negative Cash Flow and Absence of Profits

The Company has not earned any profits to date and there is no assurance that it will earn any profits in the future, or that profitability, if achieved, will be sustained. A significant portion of the Company's financial resources will continue to be directed to the development of its products and to marketing activities. The success of the Company will ultimately depend on its ability to generate revenues from its product sales, such that the business development and marketing activities may be financed by revenues from operations instead of external financing.

There is no assurance that future revenues will be sufficient to generate the required funds to continue such business development and marketing activities.

Conflicts of Interest

Certain proposed directors and officers of the Company may become associated with other reporting issuers or other Companies which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company, as the case may be. Certain of the directors have either other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their time to the affairs of the Company.