

BREAKING DATA CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

and

MANAGEMENT INFORMATION CIRCULAR

for the

Annual and Special Shareholders Meeting

to be held on

November 9, 2018

DATED AS OF SEPTEMBER 24, 2018

Neither the TSX Venture Exchange nor any securities regulatory authority has approved or disapproved the proposed Transaction involving Breaking Data Corp., AA Acquisition Group Inc. and Oryx Gaming International LLC nor passed upon the merits or fairness of the Transaction or upon the adequacy or accuracy of the information contained in this notice of annual and special meeting and management information circular. Any representations to the contrary is a criminal offence. These materials require your immediate attention. If you are in doubt as to how to deal with these materials or the matters referred to herein, please contact your investment deal, stock broker, or other professional advisor.

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BREAKING DATA CORP.**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the annual and special meeting (the "**Meeting**") of shareholders of Breaking Data Corp. (the "**Company**") will be held at the offices of Fogler, Rubinoff LLP, Suite 3000, 77 King Street West, Toronto, Ontario, on November 9, 2018 at 10:00 a.m. (Toronto time), for the following purposes:

1. To receive the audited financial statements for the fiscal year ended March 31, 2018 and the report of the auditor thereon;
2. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to fix the number of directors at seven (7) and to elect Nick Thain, Jae Chalfin, Matthew Elek, Roger Mitchell, Ben Nicholas, Marvin Igelman and Roger Rai as the directors of the Company to hold office until the earlier of: (i) the completion of the Transaction (as defined in the Circular); and (ii) the next meeting of shareholders of the Company held for the purpose of electing directors;
3. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, to take effect immediately upon completion of the Transaction, to fix the number of directors at seven (7) and to elect Dominic Mansour, Michael Galloro, Mark Munger, Marvin Igelman, Nick Thain, Jae Chalfin and Roger Rai as directors of the Company to hold office from the completion of the Transaction to the next meeting of the Company's shareholders held for the purpose of electing directors;
4. To appoint an auditor for the ensuing year and to authorize the directors to fix the auditor's remuneration;
5. To consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution (the text of which is set out in the Company's management information circular dated as of the date of this Notice (the "**Circular**") authorizing and approving the Transaction (as defined in the Circular), all as more particularly described in the section of the Circular entitled "*Special Business to be Conducted at the Meeting – Approval of the Transaction Resolution*";
6. To consider and, if deemed advisable, to pass, with or without variation, a special resolution authorizing a change of name of the Company to "Bragg Gaming Group Inc." or such other name as the board of directors of the Company may choose, acting in the best interests of the Company, all as more particularly described in the section of the Circular entitled "*Special Business to be Conducted at the Meeting – Approval of Name Change*";
7. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the issuance of shares to certain members of management and the board of directors of the Company in satisfaction of fees owed to such persons, all as more particularly described in the section of the Circular entitled "*Special Business to be Conducted at the Meeting – Approval of Compensation Shares*";
8. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the amendments to the BKD Option Plan, with such amendments being conditional on the closing of the Transaction, all as more particularly described in the section of the Circular entitled "*Special Business to be Conducted at the Meeting – Approval of Amendment to the BKD Option Plan*";
9. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Resulting Issuer DSU Plan, with such amendments being conditional on the closing of the Transaction, all as more particularly described in the section of the Circular entitled "*Special Business to be Conducted at the Meeting – Approval of the Resulting Issuer DSU Plan*";
10. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the delisting of the Common Shares of the Company from the TSX Venture Exchange, all as more particularly described in the section of the Circular entitled "*Special Business to be Conducted at the Meeting – Voluntary Delisting from the TSX Venture Exchange*"; and
11. To transact such further and other business as may properly come before the Meeting or any adjournment(s) thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his or her stead. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed Form of Proxy accompanying this Notice.

The Circular, this Notice, a Form of Proxy, the audited financial statements of the Company for the year ended March 31, 2018 and the Management Discussion and Analysis related to such financial statements will be available on SEDAR at www.sedar.com.

The Company has fixed September 24, 2018 as the record date for determining shareholders of the Company entitled to receive notice of and to vote at the Meeting.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting, must complete, date and execute the enclosed Form of Proxy, or another suitable Form of Proxy, and deliver it in accordance with the instructions set out in the Form of Proxy and in the Circular.

Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the Form of Proxy and in the Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

DATED at Toronto, Ontario, this 24th day of September, 2018.

BY ORDER OF THE BOARD

/s/ "Nick Thain"

Nick Thain
Chief Executive Officer

BREAKING DATA CORP.**MANAGEMENT INFORMATION CIRCULAR**

as at September 24, 2018

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Breaking Data Corp. (the "Company" or "BKD") for use at the annual general and special meeting (the "Meeting") of its shareholders (the "BKD Shareholders") to be held on November 9, 2018 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Circular, references to "the Company", "BKD" "we" and "our" refer to Breaking Data Corp, "AAA" refer to AA Acquisition Group Inc. and "Oryx" refer to Oryx Gaming International LLC. Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Glossary, which can be found at the back of this Circular.

This Circular contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

REPORTING CURRENCY AND FINANCIAL INFORMATION

Except as otherwise indicated in this Circular, references to "Canadian dollars" or "C\$" are to the currency of Canada, references to "U.S. dollars" or "US\$" are to the currency of the United States, references to "Euros" or "€" are to the currency of the European Union and references to "GBP" or "£" are to the currency of the United Kingdom.

All financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to the Company, Oryx and AAA and the unaudited *pro forma* consolidated financial statements of the Resulting Issuer have been prepared in accordance with IFRS.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking statements. These statements relate to future events or future performance of the Company. 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. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Circular, should not be unduly relied upon. These statements speak only as of the date of this Circular or as of the date specified in the documents incorporated by reference into this Circular, as the case may be.

In particular, this Circular contain forward-looking statements pertaining to, but not limited to, the following:

- capital expenditures;
- business trends;
- management's outlook regarding future trends;
- general business and economic conditions;
- new and emerging markets;
- technological developments;
- competition and changes in the competitive landscape;
- projections of market prices and costs;

- expected revenues;
- prices and price volatility of the Company's offerings;
- ability to attain profitability;
- expectations regarding the ability to raise capital;
- the goal of creating shareholder value;
- the development of new products and services, including additional platforms;
- management and protection of intellectual property and other proprietary rights;
- ability to obtain ongoing services from third-party vendors; and
- the plans, costs, and timing for future research and development of current and future technologies, including the costs and potential impact of complying with existing and proposed laws and regulations.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this Circular, assumptions have been made regarding, among other things:

- the ability to maintain the Oryx Licenses and Registrations;
- the ability to obtain any additional licenses and registrations
- the ability to obtain services and supplies in a timely manner to carry out its activities;
- the ability to market successfully to current and new customers and current and new users;
- the ability to maintain relationships with current and new partners and suppliers;
- the ability to obtain financing on acceptable terms;
- currency, exchange and interest rates;
- the ability to enhance current products and services, or develop new products and services in a timely manner at competitive prices;
- the ability to establish new, and to build on existing relationships with its partners and distributors;
- the ability to successfully manage and enhance its brands;
- reliance on strategic alliances and relationships with third party network infrastructure developers and service platform vendors;
- the ability to protect proprietary information;
- customer acceptance of existing and newly introduced offerings;
- future technological developments;
- the cost of expanding product lines;
- the impact of increasing competition;
- the continuity of existing business relationships;
- conditions in general economic and financial markets;
- the ability to complete previously announced transactions; and
- the ability to obtain all necessary regulatory approvals.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Circular:

- the Transaction is subject to a number of conditions and may ultimately not be completed;
- failure to realize anticipated benefits of the Transaction;
- inability to protect intellectual property rights;
- competition;
- reliance on third-party's to implement advertising strategies;
- reliance on collaborative partners;
- protection of user data;
- additional capital requirements;
- dependence on key personnel and employees;
- gaming industry is highly regulated;
- reputational challenge of dealing in the gaming industry; and

- the other factors discussed under "*Special Business to be Conducted at the Meeting – Approval of the Transaction Resolution – Risk Factors Related to the Transaction*", "*Information Concerning the Resulting Issuer – Risk Factors Specifically Related to Oryx*" and "*Information Concerning the Resulting Issuer – Risk Factors Relating to the Business of the Resulting Issuer*".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Should one or more of these risks and uncertainties materialize, or should the Resulting Issuer's estimates or underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in forward-looking statements. The Resulting Issuer cannot guarantee future results, levels of activity, performance, or achievements. Moreover, the Resulting Issuer does not assume responsibility for the outcome of the forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement. The Resulting Issuer does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

EXCHANGE RATE DATA

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada (in the case of the rates for the years ended March 31, 2018 and March 31, 2017, based on the noon rates as reported by the Bank of Canada and, in the case of rates for 2017, based on the daily average rates as reported by the Bank of Canada as being in effect at approximately 4:30 p.m. (Eastern time) on each trading day).

	Year Ended March 31, 2018	Year Ended March 31, 2017
High	1.3743	1.3555
Low	1.2128	1.2536
Average rate per period	1.2837	1.3125
Rate at end of period	1.2894	1.3299

On September 24, 2018, the indicative rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US\$1.00 equals C\$1.2945. No representation is made that Canadian dollars could be converted into U.S. dollars at that rate or any other rate.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one Euro, expressed in Canadian dollars, published by the Bank of Canada (in the case of the rates for the years ended March 31, 2018 and March 31, 2017, based on the noon rates as reported by the Bank of Canada and, in the case of rates for 2017, based on the daily average rates as reported by the Bank of Canada as being in effect at approximately 4:30 p.m. (Eastern time) on each trading day).

	Year Ended March 31, 2018	Year Ended March 31, 2017
High	1.6124	1.4984
Low	1.4102	1.3824
Average rate per period	1.5011	1.4402
Rate at end of period	1.5867	1.4189

On September 24, 2018, the indicative rate of exchange posted by the Bank of Canada for conversion of Euros into Canadian dollars was €1.00 equals C\$1.5020. No representation is made that Canadian dollars could be converted into Euros at that rate or any other rate.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one GBP, expressed in Canadian dollars, published by the Bank of Canada (in the case of the rates for the years ended March 31, 2018 and March 31, 2017, based on the noon rates as reported by the Bank of Canada and, in the case of rates for 2017, based on the daily average rates as reported by the Bank of Canada as being in effect at approximately 4:30 p.m. (Eastern time) on each trading day).

	Year Ended March 31, 2018	Year Ended March 31, 2017
High	1.8371	1.9229
Low	1.5899	1.5884
Average rate per period	1.7022	1.7153
Rate at end of period	1.8106	1.6662

On September 24, 2018, the indicative rate of exchange posted by the Bank of Canada for conversion of GBP into Canadian dollars was GBP1.00 equals C\$1.6986. No representation is made that Canadian dollars could be converted into Euros at that rate or any other rate.

NOTICE REGARDING INFORMATION

The information contained in this Circular concerning Oryx, including with respect to its directors, officers and affiliates, is based solely upon information provided to the Company by Oryx or upon publicly available information. With respect to this information, the Company and AAA have relied exclusively upon Oryx (which has reviewed the relevant parts of this Circular), without independent verification by the Company or AAA.

The information contained in this Circular concerning AAA is based solely upon information provided to the Company by AAA or upon publicly available information. With respect to this information, Oryx and the Company have relied exclusively upon AAA (which has reviewed the relevant parts of this Circular), without independent verification by Oryx or the Company.

The information contained in this Circular concerning the Company, including with respect to its directors, officers and affiliates, is based solely upon information provided by the Company or upon publicly available information. With respect to this information, Oryx and AAA have relied exclusively upon the Company (which has reviewed the relevant parts of this Circular), without independent verification by Oryx or AAA.

Information in this Circular is given as at September 24, 2018 unless otherwise indicated and except for information contained in the documents incorporated herein by reference, which is given as at the respective dates stated therein.

No person is authorized to give any information or make any representation not contained or incorporated by reference in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

SUMMARY OF CIRCULAR

The following is a summary of information relating to the Company, AAA, Oryx and the Resulting Issuer and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. Certain capitalized terms used in this summary are defined in the Glossary or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular.

The Meeting

The Meeting will be held at 10:00 a.m. (Toronto time) on November 9, 2018 at the offices of Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, Toronto, Ontario for the purposes set forth in the Notice of Meeting. At the Meeting, the BKD Shareholders will be asked, among other things, to consider and, if thought advisable, pass, with or without variation, the Transaction Resolution to approve the Transaction as described in this Circular.

The Company has fixed September 24, 2018 as the record date for determining those BKD Shareholders entitled to receive notice of and to vote at the Meeting.

BKD Shareholder Approval

The Board recommends that the BKD Shareholders vote their BKD Shares **FOR** the Transaction Resolution. To be effective, the Transaction Resolution must be approved, with or without variation by not less than a simple majority of the votes cast on the Transaction Resolution, in person or by proxy, by BKD Shareholders.

See "*Special Business to be Conducted at the Meeting – Approval of the Transaction Resolution - BKD Shareholder Approval.*"

Transaction Agreement

Pursuant to the Transaction Agreement, AAA and BKD Subco will amalgamate under the OBCA to form Amalco. Amalco will continue as a wholly-owned subsidiary of BKD and together with BKD will continue Oryx's business.

The Transaction Agreement provides that, on the Effective Date, BKD Subco and AAA will complete the Amalgamation pursuant to the terms of the Amalgamation Agreement. A copy of the Transaction Agreement and the Amalgamation Agreement are available on SEDAR at www.sedar.com.

On the closing of the Amalgamation:

- (a) AAA and BKD Subco will be amalgamated and continue as one corporation, Amalco, on the terms prescribed in the Transaction Agreement and the Amalgamation Agreement;
- (b) holders of AAA Shares shall receive 9.4 fully paid and non-assessable BKD Shares for each AAA Share held by such holder, amounting to 21,000,000 BKD Shares issued to such holders in the aggregate, and the AAA Shares shall thereafter be cancelled;
- (c) the shares of BKD Subco will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each share of BKD Subco;
- (d) as consideration for the issuance of the BKD Shares to holders of AAA Shares to effect the Amalgamation, Amalco will issue to its immediate shareholder, BKD, one Amalco Share for each BKD Share so issued;
- (e) Amalco will be a direct wholly-owned subsidiary of BKD upon completion of the Amalgamation; and

- (f) all of the property, rights, privileges and assets of BKD Subco and AAA will continue as the property, rights, privileges and assets of Amalco, and Amalco will become liable for all of the liabilities and obligations of BKD Subco and AAA.

Following the Amalgamation:

- (a) the Resulting Issuer will carry on the business previously carried on by Oryx;
- (b) the board of directors of the Resulting Issuer will consist of the following seven (7) individuals: Dominic Mansour, Michael Galloro, Mark Munger, Marvin Igelman, Nick Thain, Jae Chalfin and Roger Rai. See "*Information Concerning the Resulting Issuer – Directors and Officers*"; and
- (c) the senior management of the Resulting Issuer shall be reconstituted as follows, subject to the policies of the Exchange and Canadian Securities Laws, all on terms to be agreed to between BKD, AAA and the individuals below:
- (i) Dominic Mansour – Chief Executive Officer of the Resulting Issuer;
- (ii) Akshay Kumar – Chief Financial Officer of the Resulting Issuer;
- (iii) Nick Thain – Chief Executive Officer of GIVEMESPORT;
- (iv) Jae Chalfin – Chief Commercial Officer of GIVEMESPORT; and
- (v) Matevž Mazij, Chief Executive Officer of Oryx.

Oryx SPA

On August 17, 2018, Oryx, Matevž Mazij and KAVO (a company owned by Matevž Mazij) entered into the Oryx SPA with AAA, which provides for the acquisition by AAA of Oryx and its subsidiaries, Oryx Malta and Oryx Slovenia.

The Oryx SPA provides that, on the closing date of the Oryx Acquisition, AAA will acquire all of the issued and outstanding membership interests of Oryx for the following consideration:

- €1.5 million on signing of the Oryx SPA (the "**Oryx Deposit**");
- €4.125 million with one business day of the closing date of the Transaction;
- €1.875 million worth of Resulting Issuer Shares within two business days of the 60th day after the closing date of the Oryx Acquisition based on the 60 day volume weighted average price of the Resulting Issuer Shares at the time of issuance, subject to a maximum of two (2) million shares – if the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash; and
- Earn-out payments comprised as follows: (i) after the first year following the Oryx Acquisition, a payment equal to 8 times 33% of the EBITDA of Oryx for that first year, subject to Oryx having achieved EBITDA of at least €2 million; and (ii) after the second year following the Oryx Acquisition, a payment equal to 8 times 33% of the EBITDA of Oryx for that second year, subject to Oryx having achieved EBITDA of at least €3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of Resulting Issuer Shares based on the 60 day volume weighted average price of the shares on the TSXV, provided that the maximum number of Resulting Issuer Shares to be issued for the first earn-out payment will be two (2) million Resulting Issuer Shares and for the second earn-out payment will be two and a half (2.5) million Resulting Issuer Shares.

The Offering

The Company expects to complete the Offering in November 2018, pursuant to which the Company expects to raise up to C\$12,000,000 through the issuance of Subscription Receipts at an issuance price of C\$0.51 per Subscription Receipt, with Eight Capital (the "**Lead Agent**") engaged by the Company to act as lead agent and sole bookrunner in connection with the Offering. On the closing of the Offering, the aggregate gross proceeds of the Offering are expected to be deposited into escrow (the "**Escrowed Proceeds**") on behalf of the purchasers of Subscription Receipts with Computershare Trust Company (the "**Subscription Receipt Agent**"). The Lead Agent has an option to increase the Offering to a total of up to C\$13,800,000.

Each Subscription Receipt shall entitle the holder thereof to receive, upon satisfaction of the escrow release conditions on or before the escrow release deadline, including all conditions precedent to the Transaction being satisfied, and without payment of additional consideration therefor, one special warrant of the Company (a "**Special Warrant**"). Each Special Warrant shall be automatically exercisable into one unit of Breaking Data (each, a "**Unit**") consisting of one (1) common share in the capital of Breaking Data (each, an "**Underlying Share**") and one (1) common share purchase warrant (each, an "**Underlying Warrant**"), with each Underlying Warrant being exercisable into one (1) common share in the capital of Breaking Data for a period of 24 months from the closing date of the financing at a price of C\$0.76, subject to adjustment. Should the escrow release conditions not be satisfied, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to subscribers.

Each Special Warrant shall be automatically exercisable, for no additional consideration, into Units on the date (the "**Automatic Exercise Date**") that is the earlier of: (i) the date that is three business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities (the "**Securities Commissions**") for a (final) prospectus qualifying distribution of the Units underlying the Special Warrants (the "**Qualifying Prospectus**"), and (ii) the date that is four months and one day after the closing of the Offering.

The Company will use its commercially reasonable efforts to obtain a receipt from the Securities Commissions for the Qualifying Prospectus as soon as possible following the closing of the Transaction, provided, however, that there is no assurance that a Qualifying Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period.

Notwithstanding the foregoing, in the event the Special Warrants have not been automatically exercised in accordance with their terms before the date that is 90 days following the completion of the Transaction, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise thereof, at no additional consideration, 1.10 Units (instead of one (1) Unit) (the additional 0.10 Units are collectively referred to herein as the "**Penalty Units**"); provided, however, that any fractional entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit.

In connection with the Offering, the agent will receive a cash commission equal to 6.0% of the gross proceeds of the Offering (the "**Offering Fee**") and compensation options ("**Compensation Options**") equal to 6.0% of the number of Subscription Receipts sold under the Offering, with each Compensation Option being exercisable into a Unit, at an exercise price of C\$0.51 per Unit for a period of 24 months from the closing date of the financing. 50% of the Offering Fee shall be paid to the agent on closing of the Offering and the remaining 50% (plus any pro rata portion of accrued interest earned thereon) shall be paid out of the escrowed funds upon satisfaction of the escrow release conditions.

Available Funds

The following table sets forth the estimated working capital and amounts and sources of other funds of the Resulting Issuer as at the dates indicated. See the financial statements of the Company attached hereto as 0, the financial statements of AAA attached hereto as 0, the financial statements of Oryx attached hereto as 0 and the pro forma financial statements attached hereto as 0.

Source of Funds	Available Funds on Completion of the Transaction (US\$)
Estimated working capital of BKD as at September 30, 2018	\$200,000
Estimated working capital of AAA as at September 30, 2018	nil
Estimated working capital of Oryx as at September 30, 2018	\$672,525
Estimated net proceeds from the Offering	\$9,140,072
Total Funds Available	\$10,012,597

Principal Purposes of Available Funds

The following table sets out the estimated available funds after giving effect to the Transaction and the proposed principal uses for those funds:

Use of Available Funds	Amount Assuming Completion of the Transaction (US\$)
Cash settlement of consideration/earnout	\$6,106,634
Transaction related expenditure	\$1,834,588
Total	\$7,941,222

The Resulting Issuer will spend the funds available to it upon completion of the Transaction to achieve the business objectives set out in the section entitled "*Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives.*" There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Upon completion of the Transaction, the Resulting Issuer is expected to have sufficient cash available to pay its operating and administration costs for at least the next eighteen (18) months.

Selected Pro Forma Consolidated Financial Information

The following selected unaudited pro forma combined financial data (the "selected pro forma data") gives effect to the Transaction and the other transactions described in the pro forma consolidated financial statements of the Company found in Appendix G hereto. The selected unaudited pro forma condensed combined balance sheet data as of June 30, 2018 gives effect to the Transaction as if it had occurred on June 30, 2018. The selected unaudited pro forma consolidated statement of loss and comprehensive loss for the period ended June 30, 2018 and the year ending March 31, 2018 give effect to the Transaction as if it had occurred on June 30, 2018 and March 31, 2018.

The selected pro forma data has been derived from, and should be read in conjunction with, the more detailed unaudited pro forma consolidated financial information of the Resulting Issuer appearing in Appendix G hereto and the accompanying notes to the pro forma financial statements. In addition, the pro forma financial statements were based on, and should be read in conjunction with, the historical financial statements and related notes of the Company, AAA and Oryx. The selected pro forma data have been presented for informational purposes only and are not necessarily indicative of what the Resulting Issuer's financial position or results of operations actually would have been had the acquisition been completed as of the dates indicated. In addition, the selected pro forma data do not purport to project the future financial position or operating results of the Resulting Issuer. Also, as explained in more detail in the accompanying notes to the pro forma financial statements, the preliminary fair values of assets acquired and liabilities assumed reflected in the selected pro forma data are subject to adjustment and may vary significantly from the fair values that will be recorded upon completion of the Transaction.

Statement of Loss and Comprehensive Loss	Fiscal Year Ended March 31, 2018 (Pro Forma) (US\$)	Period Ended June 30, 2018 (Pro Forma) (US\$)
Revenue	15,007,659	12,144,277
Cost of sales	5,595,574	4,866,018
Total Expenses	21,600,108	10,976,993
Net loss and comprehensive loss	(23,519,823)	(5,230,980)

Balance Sheet Data	As at June 30, 2018 (Pro Forma) (US\$)
Total Assets	57,740,825
Total Liabilities	24,833,097
Deficit	(33,897,164)
Shareholders' Equity	32,907,728

Pro Forma Consolidated Capitalization

The following table sets out the *pro forma* capitalization of the Resulting Issuer as at June 30, 2018 on a consolidated basis, expressed in Canadian dollars, based on the *pro forma* consolidated financial statements contained in this Circular, after giving effect to the Transaction and the Offering (assuming aggregate gross proceeds of C\$12,000,000). This table should be read in conjunction with the Company's *pro forma* financial statements attached hereto as 0.

Designation of Security	Amount Authorized or to be Authorized	Amounts after giving effect to the Transaction and the Offering
Resulting Issuer Shares	Unlimited	76,334,467 ⁽¹⁾⁽²⁾⁽³⁾
Resulting Issuer Options/DSUs	15,266,893 (if each of the Option Plan Resolution and the DSU Plan Resolution is passed)	15,266,893 ⁽²⁾
BKD 2016 Warrants	N/A	2,630,972
BKD 2017 Warrants	N/A	625,000
BKD Debenture Warrants	N/A	14,286
Resulting Issuer 2018 Warrants	N/A	23,529,411
BKD 2016 Compensation Option	N/A	194,444

BKD 2017 Compensation Options	N/A	131,250
Resulting Issuer 2018 Compensation Options	N/A	1,448,276 ⁽²⁾
Long-term Debt	N/A	US\$375,309

Notes:

(1) Includes: (i) the 28,676,670 BKD Shares outstanding prior to completion of the Transaction; (ii) the 21,000,000 BKD Shares to be issued in exchange for the securities of AAA; (iii) the 2,000,000 BKD Shares to be issued in connection with the Oryx Acquisition; and (iv) the 1,128,386 BKD Shares to be issued to officers and directors of Breaking Data as settlement for amounts owing. See *"Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital"*.

(2) The pro-forma financial statements assumed that subscriptions in the amount of C\$12,000,000 (23,529,411 BKD Subscription Receipts) would be issued in connection with the Offering.

(3) Certain of these Resulting Issuer Shares will be held in escrow after the Completion of the Transaction (See *"Information Concerning the Resulting Issuer – Escrowed Securities"*).

Fully Diluted Share Capital

The following table states the fully diluted share capital of the Resulting Issuer after giving effect to the Transaction:

	Shares Outstanding (Diluted) After Giving Effect to the Transaction and the Offering	Percentage of Fully Diluted Share Capital
Resulting Issuer Shares that have already been issued	28,676,670	23.9%
Resulting Issuer Shares to be issued in connection with the Transaction	23,000,000 ⁽¹⁾	19.1%
Resulting Issuer Shares to be issued to officers and directors for amounts owing	1,128,386	0.9%
Resulting Issuer Shares to be issued on exchange of Subscription Receipts	23,529,411 ⁽²⁾	19.6%
Subtotal: Resulting Issuer Shares issued as at the Effective Date	76,334,467	63.5%
Resulting Issuer Options/DSUs	15,266,893	12.7%
Resulting Issuer 2018 Warrants	23,529,411	19.6%
BKD 2017 Warrants	625,000	0.5%
BKD 2016 Warrants	2,630,972	2.2%
BKD Debenture Warrants	14,286	0.0%
Resulting Issuer 2018 Compensation Options	1,448,276 ⁽²⁾	1.2%
BKD 2017 Compensation Options	131,250	0.1%
BKD 2016 Compensation Options	194,444	0.1%
Total	120,174,999	100%

Notes:

(1) Includes: (i) the 21,000,000 BKD Shares to be issued in exchange for the securities of AAA; and (ii) the 2,000,000 BKD Shares to be issued in connection with the Oryx Acquisition.

(2) Assuming completion of the Offering for aggregate gross proceeds of C\$12,000,000.

Company's Listing on the Exchange

The outstanding BKD Shares are listed on the TSXV under the trading symbol "BKD". No public market exists for the AAA Shares or the Oryx Shares.

Market for Securities

The BKD Shares are listed on the TSXV under the trading symbol "BKD". As at the date of this Circular, none of the AAA Shares or the Oryx Shares are listed or quoted on any stock exchange in Canada, the United States or internationally.

TSXV Review of the Transaction

The Exchange has not completed its review of the Transaction. The TSXV has advised the Company that it may not approve the Transaction.

Risk Factors

There are inherent risks in the business of the Resulting Issuer. The Transaction must be considered speculative due to the nature of the business of the Resulting Issuer, and its relatively formative stage of development. The BKD Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Resulting Issuer. There is no guarantee that the Resulting Issuer will be able to secure future financing to meet its future needs on reasonable terms. The business of the Resulting Issuer will be subject to risks and hazards related to the Company, AAA and Oryx, some of which are beyond its control.

Risk factors include but are not limited to: the Transaction is subject to a number of conditions and may ultimately not be completed; failure to realize anticipated benefits of the Transaction; inability to protect intellectual property rights; competition; reliance on third-party's to implement advertising strategies; reliance on collaborative partners; protection of user data; additional capital requirements; dependence on key personnel and employees; gaming industry is highly regulated; and, the reputational challenge of dealing in the gaming industry.

For a complete discussion of the risks associated with the Resulting Issuer and the completion of the Transaction, see "*Special Business to be Conducted at the Meeting – Approval of the Transaction Resolution – Risk Factors Related to the Transaction*", "*Information Concerning the Resulting Issuer – Risk Factors Specifically Related to Oryx*" and "*Information Concerning the Resulting Issuer – Risk Factors Relating to the Business of the Resulting Issuer*".

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation.

Definitions

Registered holders of BKD Shares ("**Registered Shareholders**") hold their shares directly in the Company and not through an Intermediary (defined below) or a clearing agency.

Many BKD Shareholders are not Registered Shareholders ("**Beneficial Shareholders**") because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the "**Intermediary**") that the Beneficial Shareholder deals within respect of the BKD Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-

administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of NI 54-101, the Company has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders.

Registered Shareholders – Voting by Proxy

The persons named in the enclosed Form of Proxy for the Meeting are directors and/or officers of the Company. A Registered Shareholder has the right to appoint some other person, who need not be a shareholder, to represent the Registered Shareholder at the Meeting by striking out the names of the persons designated in the accompanying Form of Proxy and by inserting such other person's name in the blank space provided or by executing another proper Form of Proxy.

Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., ("**Computershare**") by fax at 1-866-249-7775, or by mail or hand delivery to 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than forty-eight (48) hours, excluding Saturdays, Sundays or statutory holidays in the Province of Ontario, before the time set for the holding of the Meeting or any adjournment(s) thereof.

The Form of Proxy affords Registered Shareholders an opportunity to specify that the BKD Shares registered in his, her or its name shall be voted for, against or withheld from voting in respect of the matters to come before the Meeting, as applicable.

On any ballot that may be called for the BKD Shares represented by proxies in favour of management nominees will be voted for, against or withheld from voting in respect of the matters to come before the Meeting in accordance with the instructions given in such proxies.

In respect of proxies in which the BKD Shareholders have not specified that the proxy nominees are required to vote for, against or withhold from voting in respect of the matters scheduled to come before the Meeting, the shares represented by the proxies in favour of management nominees will be voted for the matters described in the Notice of Meeting.

Management does not know of any matters scheduled to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the shares represented by proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the proxy nominees.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a BKD Shareholder who has given a proxy may revoke it by:

- (i) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, fax 1-866-249-7775**, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (ii) personally attending the Meeting and voting the Registered Shareholder's BKD Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Beneficial Shareholders (non-Registered Shareholders) – Voting Instruction Form

In accordance with the requirements of NI 54-101, the Company has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward the meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Beneficial Shareholders. If you are a Beneficial Shareholder, your name and address will appear on the Voting Instruction Form sent to you by an Intermediary (bank, broker or trust company). A Beneficial Shareholder may vote or appoint a proxy by mail, phone, fax or on the internet, as applicable, in accordance with the Voting Instruction Form. Your Intermediary, as Registered Shareholder, will submit the vote or proxy appointment to the Company on your behalf. You must submit your Voting Instruction Form in accordance with the instructions and within the time limits set by your Intermediary. If you or a person you designate plan to attend the meeting and vote you must appoint yourself or that person as proxy using the Voting Instruction Form. Beneficial Shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the voting instructions form is to be delivered.

A Beneficial Shareholder may revoke a Form of Proxy or Voting Instruction Form given to an intermediary by contacting the Intermediary through which the Beneficial Shareholder's BKD Shares are held and following the instructions of the Intermediary respecting the revocation of proxies, in order to ensure that an Intermediary acts upon a revocation of a proxy form or Voting Instruction Form, the written notice should be received by the Intermediary well in advance of the Meeting.

These security holder materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

Record Date and Quorum

The board of directors (the "**Board**") of the Company has fixed the record date for the Meeting at the close of business on September 24, 2018 (the "**Record Date**"). BKD Shareholders of the Company of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of BKD Shareholders entitled to vote at the Meeting prepared as at the Record Date.

A quorum will be present at the Meeting if there are present persons, each of whom is either a BKD Shareholder entitled to attend and vote at the Meeting or the proxyholder of a BKD Shareholder appointed by means of a valid Proxy, holding or representing by proxy, collectively, not less than ten percent (10%) of the issued and outstanding BKD Shares.

Authorized Capital, Voting Shares and Principal Holders Thereof

The voting securities of the Company consist of BKD Shares. The Company is authorized to issue an unlimited number of BKD Shares without nominal or par value. As at the date of this Circular, 28,676,670 BKD Shares were issued and outstanding, each such share carrying the right to one vote at the Meeting. BKD Shares are listed on the TSX Venture Exchange (the "**TSXV**" or the "**Exchange**") under the trading symbol "BKD".

As at the Record Date, to the knowledge of the Company, and based on the Company's review of the records maintained by Computershare, electronic filings with System for Electronic Document Analysis and Retrieval ("**SEDAR**") and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no person owns, directly or indirectly, or exercises control or direction over, shares carrying more than ten percent (10%) of the voting rights attached to all outstanding shares of the Company, except as noted below:

Name of Shareholder and Municipality of Residence	Type of Ownership	Number and Percentage of Resulting Issuer Shares
IMG Media Ltd. London, UK	Direct	3,985,570 (13.9%)
Jae Chalfin London, UK	Direct	2,980,549 (10.4%)

Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than as set forth in this Circular, no individual who has been a director or executive officer of the Company at any time since the beginning of the financial year ended March 31, 2018, and no proposed director of the Company, nor any Associate or Affiliate of any such director, executive officer or proposed director has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. See "*Interest of Informed Persons in Material Transactions*" below.

Interest of Informed Persons in Material Transactions

Other than as set forth in this Circular, no director, executive officer, proposed director, any person or company beneficially owning, controlling or directing, directly or indirectly, voting securities of the Company carrying more than ten (10%) percent of the voting rights attached to all outstanding voting securities of the Company, any directors or executive officers of any such company, or any Associate or Associate of the foregoing individuals, have had a material interest, direct or indirect, in any transaction in which the Company has participated since the commencement of the financial year ended March 31, 2018, or in any proposed transaction, that has affected or would materially affect the Company.

SPECIAL BUSINESS TO BE CONDUCTED AT THE MEETING

A. Approval of the Transaction Resolution

Transaction Agreement

On May 25, 2018, BKD entered into the Letter of Intent with AAA, which provides for the indirect acquisition by AAA via a "three-cornered amalgamation" of all of the issued and outstanding securities of AAA in exchange for the issuance to AAA Shareholders of 21,000,000 BKD Shares on a pro-rata basis amongst the AAA Shareholders.

Pursuant to the Transaction Agreement, AAA and BKD Subco will amalgamate under the OBCA to form Amalco. Amalco will continue as a wholly-owned subsidiary of BKD and together with BKD will continue Oryx's business.

Pursuant to the Letter of Intent, BKD and AAA have entered into the Transaction Agreement, which incorporates the principal terms for the Transaction as specified in the Letter of Intent and which provides the basis upon which the parties will effect the Transaction in compliance with the requirements of the TSXV. The Transaction Agreement provides that, on the Effective Date, BKD Subco and AAA will complete the Amalgamation pursuant to the terms of the Amalgamation Agreement. A copy of the Transaction Agreement and the Amalgamation Agreement is available on SEDAR at www.sedar.com.

The Transaction Agreement provides for BKD to convene this Meeting to approve certain items of special business relating to the Amalgamation, as set out in this Circular, including:

- (a) amending BKD's articles of incorporation or take such other actions as may be required under the CBCA to change its name to Bragg Gaming Group Inc.; and
- (b) effecting such other items of special business as may be mutually agreed upon by BKD and AAA.

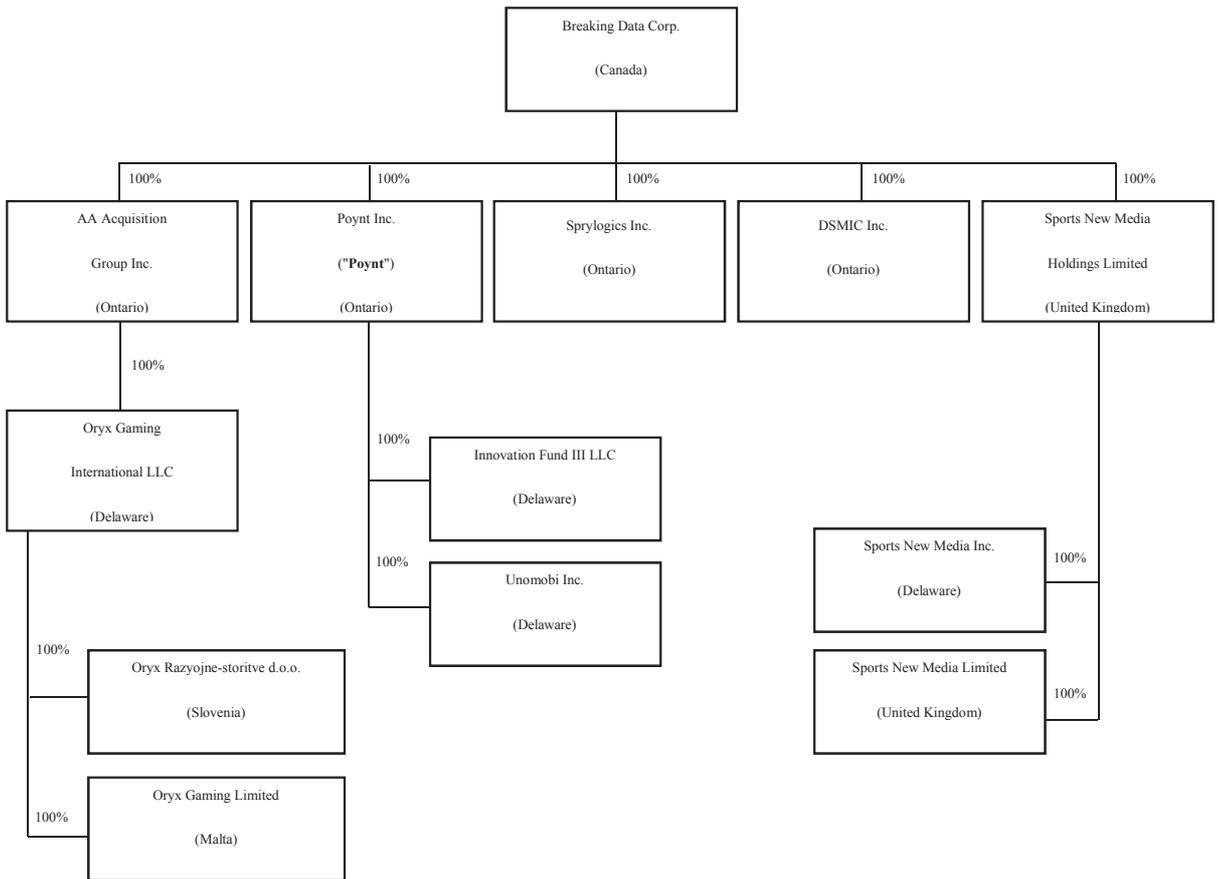
On the closing of the Amalgamation:

- (a) AAA and BKD Subco will be amalgamated and continue as one corporation, Amalco, on the terms prescribed in the Transaction Agreement and the Amalgamation Agreement;
- (b) holders of AAA Shares shall receive 9.4 fully paid and non-assessable BKD Shares for each AAA Share held by such holder, amounting to 21,000,000 BKD Shares issued to such holders in the aggregate, and the AAA Shares shall thereafter be cancelled;
- (c) the shares of BKD Subco will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each share of BKD Subco;
- (d) as consideration for the issuance of the BKD Shares to holders of AAA Shares to effect the Amalgamation, Amalco will issue to its immediate shareholder, BKD, one Amalco Share for each BKD Share so issued;
- (e) Amalco will be a direct wholly-owned subsidiary of BKD upon completion of the Amalgamation; and
- (f) all of the property, rights, privileges and assets of BKD Subco and AAA will continue as the property, rights, privileges and assets of Amalco, and Amalco will become liable for all of the liabilities and obligations of BKD Subco and AAA.

Following the Amalgamation:

- (a) the Resulting Issuer will carry on the business previously carried on by Oryx;
- (b) the board of directors of the Resulting Issuer will consist of the following seven (7) individuals: Dominic Mansour, Michael Galloro, Mark Munger, Marvin Igelman, Nick Thain, Jae Chalfin and Roger Rai. See "*Information Concerning the Resulting Issuer – Directors and Officers*"; and
- (c) the senior management of the Resulting Issuer shall be reconstituted as follows, subject to the policies of the Exchange and Canadian Securities Laws, all on terms to be agreed to between BKD, AAA and the individuals below:
 - (i) Dominic Mansour – Chief Executive Officer of the Resulting Issuer;
 - (ii) Akshay Kumar – Chief Financial Officer of the Resulting Issuer;
 - (iii) Nick Thain – Chief Executive Officer of GIVEMESPORT;
 - (iv) Jae Chalfin – Chief Commercial Officer of GIVEMESPORT; and
 - (v) Matevž Mazij, Chief Executive Officer of Oryx.

Below is a complete corporate chart of the Company immediately following the completion of the Transaction:



Completion of the Transaction is subject to compliance with the terms and conditions set forth in the Transaction Agreement. The primary conditions to the completion of the Transaction are as follows: (i) the approval of the Transaction by the BKD Shareholders, and (ii) the approval of the TSXV of the listing of the BKD Shares to be issued in connection with the Transaction.

The Company expects to complete a subscription receipt offering, pursuant to which the Company expects to issue an aggregate of up to 23,529,411 Subscription Receipts. For a full description of the Offering (defined below), see "*Special Business to be Conducted at the Meeting – Approval of the Transaction - The Offering.*"

After giving effect to the Transaction, in addition to the Resulting Issuer Shares, the Resulting Issuer will have the following securities outstanding: Resulting Issuer Options, BKD 2016 Warrants, BKD 2017 Warrants, BKD Debenture Warrants, Resulting Issuer 2018 Warrants, BKD 2016 Compensation Options and BKD 2017 Compensation Options. See "*Information Concerning the Resulting Issuer – Fully Diluted Share Capital*" for the fully diluted share capital of the Resulting Issuer.

Reasons for the Recommendation of the Board

The Board believes that the Transaction is fair to and in the best interests of the Company. Accordingly, the Board has entered into the Transaction Agreement and unanimously recommends that BKD Shareholders vote their BKD Shares FOR the Transaction Resolution.

The Board considered many factors in making its decision to recommend the Transaction and approval of the Transaction Resolution and the transactions contemplated thereby. In arriving at its decision, the Board consulted with the Company's senior management and its legal and financial advisors, reviewed a significant amount of information, considered a number of factors and concluded in its business judgment that the Transaction represent significant value for the BKD Shareholders and is in the best interests of Company and the BKD Shareholders.

Strategic and Financial Benefits of the Transaction

The Board believes that the Transaction will provide the Company and the BKD Shareholders with a number of significant strategic and financial benefits. In arriving at this determination, the Board considered a number of positive factors, including:

- information and discussions regarding the benefits of the size and scale of the Resulting Issuer after giving effect to the Amalgamation, the Oryx Acquisition and the expected pro forma effect of the proposed Transaction;
- the Board's belief that the Transaction would result in synergies, and the fact that BKD Shareholders that would participate in the benefits of these expected synergies;
- information and discussions with the Company's management regarding the Resulting Issuer's business and results of operations, and its financial and market position, and the Company management's expectations concerning the Resulting Issuer's future prospects; and
- as a larger company, the Resulting Issuer will have greater ability to raise capital with rates and terms more advantageous to the Company and the BKD Shareholders.

Other Considerations

In the course of reaching its decision to approve the Transaction Agreement and the Transaction, the Board considered the following additional factors as generally supporting its decision:

- the likelihood that the Transaction will be consummated, based on, among other things, the limited closing conditions to the Transaction;
- the terms and conditions of the Transaction Agreement and the course of negotiations of such agreement;
- the recommendation of Company management in support of the Transaction and the unanimous support of the Transaction by the Company's independent directors;
- the current and prospective economic condition of the Company;
- the financial statements of the Company, AAA and Oryx; and
- the scope and results of the Company's due diligence investigation of Oryx and AAA, which included reviews of organizational, operational, financial, commercial, regulatory, legal and other matters related to Oryx's and AAA's business and potential financial, operational and other impacts of the Transaction on the Company, as applicable.

Uncertainties, Risks and Potentially Negative Factors

In the course of its deliberations, the Board also considered a number of uncertainties, risks and other potentially negative factors relevant to the Transaction, including the following:

- the completion of the Transaction is conditional upon completion of the Offering and if the Offering does not occur, the Transaction may not be completed;
- the fact that the Company has incurred and will continue to incur significant transaction costs and expenses in connection with the Transaction, regardless of whether the Transaction is consummated;
- the risk that the Transaction may not be completed, despite the parties' efforts, or that completion may be unduly delayed and the potential resulting disruptions to the Company's business and relationships;
- the possibility that the anticipated cost savings and synergies and other benefits sought to be obtained from the Transaction might not be achieved in the time frame contemplated or at all, or the other numerous risks and uncertainties that could adversely affect the combined company's operating results;
- the failure of the BKD Shareholders to approve the Transaction Resolution;
- the dilution resulting from the issuance by the Company of the BKD Shares in connection with the Transaction ; and
- the risks of the type and nature described under the sections entitled "*Special Business to be Conducted at the Meeting – Approval of the Transaction Resolution – Risk Factors Related to the Transaction*", "*Information Concerning the Resulting Issuer – Risk Factors Specifically Related to Oryx*" and "*Information Concerning the Resulting Issuer – Risk Factors Relating to the Business of the Resulting Issuer*".

After considering the foregoing potentially negative and potentially positive factors, the Board unanimously concluded, in its business judgment, that the potentially positive factors relating to the Transaction Agreement and the Transaction contemplated thereby outweighed the potentially negative factors.

The foregoing discussion of the information and factors considered by the Board is not exhaustive but is intended to reflect the material factors considered by the Board in its consideration of the Transaction. In view of the complexity, and the large number, of the factors considered, the Board, both individually and collectively, did not find it practicable to and did not attempt to quantify or assign any relative or specific weight to the various factors. Rather, the Board based its recommendation on the totality of the information presented to and considered by it. In addition, individual members of the Board may have given different weights to different factors.

The foregoing discussion of the information and factors considered by the Board is forward-looking in nature. This information should be read in light of the factors described under the section entitled "*Forward-Looking Statements*".

Conditions to the Transaction

The obligation of the Company and AAA to complete the Transaction is subject to a number of conditions which must be satisfied or waived in order for the Transaction to be completed. Unless all of the conditions noted below are satisfied or waived by both the Company and AA, the Transaction will not proceed. The following is a summary of the significant mutual conditions contained in the Transaction Agreement:

- The amalgamation resolution has been approved and adopted by the AAA Shareholders pursuant to a written resolution in lieu of a meeting.

- No law is in effect that makes the consummation of the Amalgamation illegal or otherwise prohibits or enjoins AAA or BKD Subco from consummating the Amalgamation.
- Each regulatory approval necessary to consummate the Amalgamation, including all necessary approvals of the TSXV, has been made, given or obtained on terms acceptable to AAA and the Company, each acting reasonably, and each such regulatory approval is in force and has not been modified.
- AAA shall have received all certificates, instruments and other deliverables required to be delivered from Oryx under the Oryx SPA.
- There shall not have occurred a Material Adverse Effect with respect to the Company, Oryx or AAA.
- The Oryx Acquisition shall have been completed.
- The Offering shall have been completed.

The obligation of the Company to complete the Transaction is subject to a number of conditions which must be satisfied or waived by the Company in order for the Transaction to be completed. Unless all of the conditions are satisfied or waived, the Transaction will not proceed. The following is a summary of the significant conditions contained in the Transaction Agreement in favour of the Company:

- The representations and warranties of AAA which are qualified by references to materiality or by the expression "Material Adverse Effect" were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Date, in all respects, and all other representations and warranties of AAA were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Date, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and AAA shall have executed and delivered a certificate of an officer to that effect.
- AAA shall have fulfilled or complied, in all material respects, with all covenants contained in the Transaction Agreement and the ancillary agreements to be fulfilled or complied with by AAA at or prior to the Effective Date, and AAA shall have executed and delivered a certificate to that effect.
- AAA shall have no liabilities or obligations (contingent or otherwise), exclusive of liabilities relating to the fees and disbursements of its legal counsel and auditors appointed in connection with the Amalgamation, and AAA shall have executed and delivered a certificate to that effect.

The obligation of AAA to complete the Transaction is subject to a number of conditions which must be satisfied or waived in order for the Transaction to be completed. Unless all of the conditions are satisfied or waived by AAA, the Transaction will not proceed. The following is a summary of the significant conditions contained in the Transaction Agreement in favour of AAA:

- The representations and warranties of BKD which are qualified by references to materiality or by the expression "Material Adverse Effect" were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Date, in all respects, and all other representations and warranties of BKD were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Date, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and BKD shall have executed and delivered a certificate of an officer to that effect.
- BKD shall have fulfilled or complied, in all material respects, with all covenants contained in the Transaction Agreement and any ancillary agreement to be fulfilled or complied with by it at or prior to the Effective Date, and BKD shall have executed and delivered a certificate to that effect.
- Each of the directors and officers of BKD that are resigning in connection with the Transaction shall have resigned from their respective positions.

The Exchange has not completed its review of the Transaction. The TSXV has advised the Company that it may not approve the Transaction

Representations, Warranties and Covenants

The Transaction Agreement contains representations, warranties and covenants from each of the Company and AAA that are customary in a transaction of this nature. See the Transaction Agreement filed online at www.sedar.com for all of such representations, warranties and covenants.

No Shop

BKD and AAA and their respective agents will not, nor will they permit any of their respective directors, officers, employees, representatives or agents (including and without limitation, investment bankers, attorneys and accountants) directly or indirectly to, solicit or accept any offer for the purchase of outstanding securities of such party or the business or the assets of such party, whether as a primary or backup offer, or take any other action that would reasonably be expected to lead to any commitment or agreement to sell such party or business or the assets of such party. Notwithstanding the foregoing, nothing in the Transaction Agreement restricts the parties and their respective directors, officers, employees, representatives or agents (including without limitation, investment bankers, attorneys and accountants) from taking such actions as may be required in order to discharge their obligations pursuant to applicable corporate and Securities Laws.

Termination Matters

The Transaction Agreement may, by notice in writing given prior to the Effective Date, be terminated:

- (a) by mutual consent of AAA and BKD.
- (b) either AAA or BKD if:
 - (i) the approval of the holders of AAA Shares of the Amalgamation or the approval of holders of BKD Shares of all matters to be considered at the Meeting, is not obtained, provided that a party may not terminate the Transaction Agreement pursuant on this basis if the failure to obtain such approval has been caused by, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Transaction Agreement;
 - (ii) after the date of the Transaction Agreement, any law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Amalgamation illegal or otherwise permanently prohibits or enjoins AAA or BKD from consummating the Amalgamation, and such law has, if applicable, become final and non-appealable; or
 - (iii) the Effective Date does not occur on or prior to the Outside Date, provided that a party may not terminate the Transaction Agreement on this basis if the failure of the Effective Date to so occur has been caused by, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Transaction Agreement;
- (c) by AAA if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of BKD under the Transaction Agreement occurs that would cause the conditions that either, (A) the representations and warranties of BKD to be true and accurate or (B) the fulfillment of BKD, in all material respects, its covenants in the Transaction Agreement, not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date; provided that AAA is not then in breach of the Transaction Agreement so as to cause any condition with respect to AAA's representations, warranties and covenants not to be satisfied; or

- (d) by BKD if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of AAA under the Transaction Agreement occurs that would cause the conditions that either, (A) the representations and warranties of AAA to be true and accurate or (B) the fulfillment of AAA, in all material respects, its covenants in the Transaction Agreement, not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date; provided that BKD is not then in breach of the Transaction Agreement so as to cause any condition with respect to BKD's representations, warranties and covenants not to be satisfied.

If a party waives compliance with any of the conditions, obligations or covenants contained in the Transaction Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

If the Transaction Agreement is terminated in accordance with its terms, the parties are released from all of their respective obligations under the Transaction Agreement except that each party's obligations with respect to announcements and expenses will survive.

BKD Shareholder Approval

The BKD Shareholders are being asked at the Meeting to approve the Transaction Resolution and, if passed, the condition for BKD Shareholder approval would be satisfied.

The full text of the Transaction Resolution is set out in 0 to this Circular. The Transaction Resolution requires the approval of a majority of the votes cast at the Meeting, in person or by proxy, in order to be approved. **The Board has determined that the Transaction Resolution is in the best interests of the Company and therefore unanimously recommends that BKD Shareholders vote FOR the Transaction Resolution.**

In the absence of instructions to the contrary, the BKD Shares represented by a properly executed Form of Proxy in favour of the persons designated by management of the Company will be voted FOR the Transaction Resolution, as it may be amended or varied at the Meeting.

Oryx SPA

On August 17, 2018, Oryx, Matevž Mazij and KAVO (a company owned by Matevž Mazij) entered into the Oryx SPA with AAA, which provides for the acquisition by AAA of Oryx and its subsidiaries, Oryx Malta and Oryx Slovenia.

The Oryx SPA provides that, on the closing date of the Oryx Acquisition, AAA will acquire all of the issued and outstanding membership interests of Oryx for the following consideration:

- €1.5 million on signing of the Oryx SPA (the "**Oryx Deposit**");
- €4.125 million with one business day of the closing date of the Transaction;
- €1.875 million worth of Resulting Issuer Shares within two business days of the 60th day after the closing date of the Oryx Acquisition based on the 60 day volume weighted average price of the Resulting Issuer Shares at the time of issuance, subject to a maximum of two (2) million shares – if the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash; and
- Earn-out payments comprised as follows: (i) after the first year following the Oryx Acquisition, a payment equal to 8 times 33% of the EBITDA of Oryx for that first year, subject to Oryx having achieved EBITDA of at least €2 million; and (ii) after the second year following the Oryx Acquisition, a payment equal to 8 times 33% of the EBITDA of Oryx for that second year, subject to Oryx having achieved EBITDA of at least €3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of Resulting Issuer Shares based on the 60 day volume weighted average price of the shares on the TSXV, provided that the maximum number of Resulting Issuer Shares to be issued for the first earn-out payment

will be two (2) million Resulting Issuer Shares and for the second earn-out payment will be two and a half (2.5) million Resulting Issuer Shares.

Conditions to the Oryx Acquisition

The obligation of KAVO and AAA to complete the Oryx Acquisition is subject to a number of conditions which must be satisfied or waived in order for the Oryx Acquisition to be completed.

Unless all of the conditions noted below are satisfied by KAVO or waived by AAA, the Oryx Acquisition will not proceed:

- The representations and warranties of KAVO contained in the Oryx SPA were true and correct as of the date of the Oryx SPA and are true and correct in all material respects as of the closing date with respect to the Oryx Acquisition.
- KAVO shall have fulfilled or complied with all covenants contained in the Oryx SPA required to be fulfilled or complied with by them at or prior to closing of the Oryx Acquisition.
- All required filings, notices, authorizations, consents, approvals and waivers will have been obtained on terms acceptable to AAA, acting reasonably. All such consents, approvals, waivers, filings, notifications and authorizations will be in force and will not have been modified or rescinded.
- KAVO shall deliver or cause to be made available to AAA the deliverables set out in the Oryx SPA in form and substance satisfactory to AAA acting reasonably, including:
 - a non-competition and confidentiality agreement duly executed by KAVO, Peter Lavric and Matevž Mazij; and
 - an employment agreement duly executed by Matevž Mazij and Peter Lavric.
- All proceedings to be taken in connection with the transactions contemplated by the Oryx SPA and any ancillary agreement are reasonably satisfactory in form and substance to AAA, acting reasonably, and AAA shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all necessary proceedings in connection therewith.
- Since the date of the Oryx SPA, there shall not have occurred any material adverse change with respect to Oryx, Oryx Malta and Oryx Slovenia.
- No law, proposed law, any change in any law, or the interpretation or enforcement of any law will have been introduced, enacted or announced, that makes the consummation of any of the transactions contemplated by the Oryx SPA illegal or otherwise prohibited or enjoins the consummation of any of the transactions contemplated by the Oryx SPA to prevent AAA from (i) completing of the transaction as contemplated in the Oryx SPA or (ii) operating the business of Oryx after closing on substantially the same basis as currently operated.
- No action or proceeding will be pending or threatened by any person (other than AAA), and there is no order or notice from any governmental entity, to (or seeks to) enjoin, restrict or prohibit, on a temporary or permanent basis any of the transactions contemplated by the Oryx SPA or imposing any terms or conditions on the transactions contemplated by the Oryx SPA, Oryx's business or the business of AAA or otherwise limiting the right of AAA to conduct its business or Oryx's business after closing on substantially the same basis as operated at the time of the Oryx SPA.
- All conditions precedent in the Transaction Agreement (but for closing under the Oryx SPA) being satisfied or waived in accordance with the terms of the Transaction Agreement.

Unless all of the conditions noted below are satisfied by AAA or waived by KAVO, the Oryx Acquisition will not proceed:

- The representations and warranties of AAA contained in the Oryx SPA were true and correct as of the date of the Oryx SPA and are true and correct in all material respects as of the closing date with respect to the Oryx Acquisition.
- AAA shall have fulfilled or complied with all covenants contained in the Oryx SPA required to be fulfilled or complied with by them at or prior to closing of the Oryx Acquisition.
- All required filings, notices, authorizations, consents, approvals and waivers will have been obtained on terms acceptable to KAVO, acting reasonably. All such consents, approvals, waivers, filings, notifications and Authorizations will be in force and will not have been modified or rescinded.
- AAA shall deliver or cause to be made available to KAVO the deliverables set out in the Oryx SPA in form and substance satisfactory to AAA acting reasonably.
- All proceedings to be taken in connection with the transactions contemplated by the Oryx SPA and any ancillary agreement are reasonably satisfactory in form and substance to KAVO, acting reasonably, and KAVO shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all necessary proceedings in connection therewith.
- Since the date of the Oryx SPA, there shall not have occurred any material adverse change with respect to AAA.
- No action or proceeding will be pending or threatened by any person (other than KAVO, AAA or Oryx) and there is no order or notice from any governmental entity, to (or seeks to) enjoin, restrict or prohibit, on a temporary or permanent basis any of the transactions contemplated by the Oryx SPA or imposing any terms or conditions on the transactions contemplated by the Oryx SPA.
- All conditions precedent in the Transaction Agreement (but for closing under the Oryx SPA) being satisfied or waived in accordance with the terms of the Transaction Agreement.
- KAVO shall be satisfied that the security given under the Oryx SPA represents a first ranking security interest(s) over the assets of Oryx, Oryx Malta and Oryx Slovenia in accordance with the terms and conditions of the applicable documentation.

Representations, Warranties and Covenants

The Oryx SPA contains representations, warranties and covenants from each of KAVO and AAA that are customary in a transaction of this nature.

Termination Matters

The Oryx SPA may, by notice in writing given on or prior to the closing date, be terminated:

- (a) by mutual consent of KAVO and AAA;
- (b) by AAA, if:
 - (i) there has been a material breach of the Oryx SPA by KAVO and where such breach is capable of being cured, such breach has not been waived by AAA in writing or cured within 10 days following written notice of such breach by AAA;

- (ii) there has occurred a material adverse change with respect to Oryx, Oryx Malta or Oryx Slovenia; or
 - (iii) the closing of the Oryx Acquisition has not occurred on or prior to November 15, 2018 or such other date as the parties to the Oryx SPA agree, provided that AAA is not in material breach of any of its obligations or covenants under the Oryx SPA.
- (c) by KAVO, if:
- (i) there has been a material breach of the Oryx SPA by AAA and where such breach is capable of being cured, such breach has not been waived by KAVO or cured within 10 days following written notice of such breach by KAVO;
 - (ii) there has occurred a material adverse change with respect to AAA; or
 - (iii) the closing of the Oryx Acquisition has not occurred on or prior to the November 15, 2018 or such other date as the parties to the Oryx SPA agree, other than as a result of the failure of KAVO: (A) failing to perform a covenants required under the Oryx SPA, or (B) failing to deliver or cause to be made available to AAA any of the deliveries described in the Oryx SPA.

Upon the termination of the Oryx SPA for any reason set forth above, KAVO shall retain the Oryx Deposit (which deposit has been agreed and shall represent the parties' good faith estimate of the liquidated damages suffered by KAVO upon the termination of the Oryx SPA, and shall not be considered to be a penalty) unless, at the time of the termination of the Oryx SPA, KAVO is in material breach of any covenant, representation or warranty set forth in the Oryx SPA, disregarding any reference to "materiality", "material adverse effect", or other similar qualification or limitation, in any such any covenant, representation or warranty in the Oryx SPA or the certificates, instruments or documents to be delivered pursuant to the Oryx SPA, in each case.

BKD Shareholder Approval

The Oryx SPA is an agreement between Oryx, KAVO, Matevž Mazij and AAA and is not subject to approval by the BKD Shareholders. BKD Shareholders will have the opportunity to approve the Transaction as noted under the above section: *"Special Business to be Conducted at the Meeting – A. Approval of the Transaction Resolution"*.

The Offering

The Company expects to complete the Offering in November 2018, pursuant to which the Company expects to raise up to C\$12,000,000 through the issuance of Subscription Receipts at an issuance price of C\$0.51 per Subscription Receipt, with Eight Capital (the "**Lead Agent**") engaged by the Company to act as lead agent and sole bookrunner in connection with the Offering. On the closing of the Offering, the aggregate gross proceeds of the Offering are expected to be deposited into escrow (the "**Escrowed Proceeds**") on behalf of the purchasers of Subscription Receipts with Computershare Trust Company (the "**Subscription Receipt Agent**"). The Lead Agent has an option to increase the Offering to a total of up to C\$13,800,000.

Each Subscription Receipt shall entitle the holder thereof to receive, upon satisfaction of the escrow release conditions on or before the escrow release deadline, including all conditions precedent to the Transaction being satisfied, and without payment of additional consideration therefor, one special warrant of the Company (a "**Special Warrant**"). Each Special Warrant shall be automatically exercisable into one unit of Breaking Data (each, a "**Unit**") consisting of one (1) common share in the capital of Breaking Data (each, an "**Underlying Share**") and one (1) common share purchase warrant (each, an "**Underlying Warrant**"), with each Underlying Warrant being exercisable into one (1) common share in the capital of Breaking Data for a period of 24 months from the closing date of the financing at a price of \$0.76, subject to adjustment. Should the escrow release conditions not be satisfied, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to subscribers.

Each Special Warrant shall be automatically exercisable, for no additional consideration, into Units on the date (the "**Automatic Exercise Date**") that is the earlier of: (i) the date that is three business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities (the "**Securities Commissions**") for a (final) prospectus qualifying distribution of the Units underlying the Special Warrants (the "**Qualifying Prospectus**"), and (ii) the date that is four months and one day after the closing of the Offering.

The Company will use its commercially reasonable efforts to obtain a receipt from the Securities Commissions for the Qualifying Prospectus as soon as possible following the closing of the Transaction, provided, however, that there is no assurance that a Qualifying Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period.

Notwithstanding the foregoing, in the event the Special Warrants have not been automatically exercised in accordance with their terms before the date that is 90 days following the completion of the Transaction, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise thereof, at no additional consideration, 1.10 Units (instead of one (1) Unit) (the additional 0.10 Units are collectively referred to herein as the "**Penalty Units**"); provided, however, that any fractional entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit.

In connection with the Offering, the agent will receive a cash commission equal to 6.0% of the gross proceeds of the Offering (the "**Offering Fee**") and compensation options ("**Compensation Options**") equal to 6.0% of the number of Subscription Receipts sold under the Offering, with each Compensation Option being exercisable into a Unit, at an exercise price of \$0.51 per Unit for a period of 24 months from the closing date of the financing. 50% of the Offering Fee shall be paid to the agent on closing of the Offering and the remaining 50% (plus any pro rata portion of accrued interest earned thereon) shall be paid out of the escrowed funds upon satisfaction of the escrow release conditions.

Securities Law Matters

All securities to be issued under the Transaction, including, without limitation, the BKD Shares, will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws or on discretionary exemptions from such requirements to be obtained from applicable securities regulatory authorities in Canada certain holders of Resulting Issuer Shares will also be subject to escrow provisions. See "*Information Concerning the Resulting Issuer – Escrowed Securities*".

Not a Non-Arm's Length Transaction

The Transaction is not a Non-Arm's Length Transaction.

Risk Factors Related to the Transaction

In considering whether to approve the Transaction Resolution, you should consider carefully the following risk factors, including the matters addressed under the section entitled "*Forward-Looking Statements*" in addition to other information contained in or incorporated by reference into this Circular. You should also read and consider the risks associated with the business of Oryx and the risks associated with the business of the Company, because these risks will also affect the Resulting Issuer. See "*Information Concerning the Resulting Issuer – Risk Factors Specifically Related to Oryx*" and "*Information Concerning the Resulting Issuer – Risk Factors Relating to the Business of the Resulting Issuer*".

The Transaction Agreement is subject to conditions.

The Transaction Agreement contains a number of conditions that must be satisfied or waived to complete the Transaction. **The Transaction will not be completed unless the Offering and the Oryx Acquisition are completed.** See "*Conditions to the Transaction*" above. No assurance can be given that all of the conditions to the closing of the Transaction will be satisfied or, if they are, as to the timing of such satisfaction.

The Company may waive one or more of the conditions to the Transaction without resoliciting shareholder approval.

The Company may determine to waive, in whole or in part, one or more of the conditions to its obligations to complete the Transaction, to the extent permitted by applicable law. The Company will evaluate the materiality of any such waiver and its effect on its BKD Shareholders in light of the facts and circumstances at the time to determine whether any amendment of this Circular and/or resolicitation of proxies is required or warranted. In some cases, if the Board determines that such a waiver is warranted, but that such waiver or its effect on its BKD Shareholders is not sufficiently material to warrant resolicitation of proxies, the Company has the discretion to complete the Transaction without seeking further BKD Shareholder approval. Any determination whether to waive any condition to the Transaction or as to resoliciting shareholder approval or amending this Circular as a result of a waiver will be made by the Company at the time of such waiver based on the facts and circumstances as they exist at that time.

Failure to complete the Transaction could negatively impact the market price of the BKD Shares and the future business and financial results of the Company.

The Transaction is subject to certain conditions that may be outside the control of the Company, including, without limitation, the receipt of certain regulatory approvals, completion of the proposed Offering and AAA's completion of the Oryx Acquisition. There can be no certainty that these conditions will be satisfied or, if satisfied, when they will be satisfied. In addition, the parties have the right in certain circumstances to not complete the Transaction, including in the event of a change having a Material Adverse Effect on the Company or AAA. See "*Conditions to the Transaction.*" If the Transaction is not completed, the ongoing business of the Company may be materially and adversely affected and, without realizing any of the benefits of having consummated the Transaction, the Company will be subject to a number of risks, including the following:

- the Company may be required to pay certain costs relating to the Transaction, including legal, accounting, filing and possible other fees and mailing, financial printing and other expenses in connection with the Transaction whether or not the Transaction is consummated;
- the current prices of BKD Shares may reflect a market assumption that the Transaction will occur, meaning that a failure to complete the Transaction could result in a material decline in the price of BKD Shares;
- if the Offering is completed but the Transaction is not completed, or if the Offering is completed but the Transaction is not completed prior to the Termination Time (defined below) with respect to the Offering, the Company may be required to pay interest to the holders of Subscription Receipts.
- matters relating to the Transaction (including integration planning) have required and will continue to require substantial commitments of time and resources of Company management, which could otherwise have been devoted to day to day operations and other opportunities that may have been beneficial to the Company; and
- the Company could also be subject to litigation relating to any failure to consummate the Transaction or related to any enforcement proceeding commenced against the Company to perform its obligations under the Transaction Agreement.

If the Transaction is not consummated, these risks may materialize and may materially and adversely affect the Company's business, financial results and share price.

While the Transaction is pending, the Company and Oryx will be subject to business uncertainties that could adversely affect their businesses.

Uncertainty about the effect of the Transaction on employees, customers and suppliers may have an adverse effect on the Company and Oryx. These uncertainties may impair the Company's and Oryx's ability to attract, retain and motivate key personnel until the Transaction is completed and for a period of time thereafter, and could cause customers, suppliers and others who deal with Oryx and the Company to seek to change existing business relationships with Oryx and the Company. Employee retention may be challenging during the pendency of the Transaction, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the businesses,

the business of Oryx or the Company, as the case may be, could be materially adversely affected. In addition, the Transaction Agreement restricts Oryx and the Company, from taking specified actions until the Closing, without the consent of the other party. These restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Transaction.

Loss of key personnel could impair the integration of the two businesses, lead to loss of customers and a decline in revenues, adversely affect the progress of pipeline products or otherwise adversely affect the operations of Oryx and the Company.

The success of the Resulting Issuer will depend, in part, upon its ability to retain key employees, especially during the integration phase of the businesses of Oryx and the Company. Current and prospective employees of Oryx and the Company might experience uncertainty about their future roles with the combined company following completion of the Transaction, which might materially and adversely affect Oryx's and the Company's ability to retain key managers and other employees. In addition, competition for qualified personnel in the technology industry is very intense. If Oryx or the Company lose key personnel or the combined company is unable to attract, retain and motivate qualified individuals or the associated costs to the combined company increase significantly, the combined company's business could be materially and adversely affected.

BKD Shareholders will have a reduced ownership and voting interest after the Transaction and will exercise less influence over management.

BKD Shareholders currently have the right to vote in the election of the Board and on other matters affecting the Company. Upon the completion of the Transaction, each BKD Shareholder's percentage ownership of the Resulting Issuer will be smaller than such BKD Shareholder's percentage ownership of the Company. Because of this, existing BKD Shareholders will have less influence on the management and policies of the Resulting Issuer than they now have on the management and policies of the Company.

B. Approval of Name Change

In connection with the Transaction, management of the Company propose to change the name of the Company to "Bragg Gaming Group Inc." to be effective on completion of the Transaction. The Name Change remains subject to all required regulatory approvals, including both TSXV approval and BKD Shareholder approval.

Name Change Resolution

The BKD Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, variation, a special resolution (the "**Name Change Resolution**") authorizing a change of name of the Company to "Bragg Gaming Group Inc." or such other name as the board of directors of the Company (the "**Name Change**") may choose, acting in the best interests of the Company.

The Name Change shall be conditional on the closing of the Transaction and shall occur immediately prior to the closing of the Transaction. The Name Change remains subject to all required regulatory approvals, including both TSXV approval and BKD Shareholder approval.

Accordingly, BKD Shareholders will be asked to consider and, if thought fit, to pass the following resolution authorizing the Name Change:

BE IT HEREBY RESOLVED as a special resolution of the shareholders of Breaking Data Corp. (the "**Company**") that:

- (a) the change of name of the Company to "Bragg Gaming Group Inc.", or such other name as the Board of Directors of the Company may choose, acting in the best interests of the Company is hereby approved;

- (b) any director or officer is hereby authorized to send to the Director appointed under the *Canada Business Corporations Act*, Articles of Amendment of the Company in the prescribed form, and any one or more directors are hereby authorized to prepare, execute and file Articles of Amendment in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this special resolution; and
- (c) notwithstanding approval of the shareholders of the Company as herein provided, the Board of Directors of the Company may, in its sole discretion, abandon the name change and any or all of the actions authorized by this special resolution at any time prior to completion thereof in the sole discretion of the Board of Directors of the Company without further approval of the shareholders.

The Board recommends that BKD Shareholders vote **FOR** the Name Change Resolution. BKD Shares **represented by proxies in favour of the management nominees will be voted FOR the Name Change Resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be voted against such resolution.**

C. Approval of Compensation Shares

Subject to approval of the ordinary resolution, by the BKD Shareholders at the Meeting, the Company shall issue 1,128,386 BKD Shares (the "**Compensation Shares**") to certain directors and officers of the Company to settle certain cash amounts owing to such persons as detailed below:

Name	Position with Company	Amount Owed ⁽¹⁾	In Lieu of	Number of BKD Shares to be Issued ⁽²⁾
Nick Thain	President, CEO and Director	£25,000	Director Fees	82,181
Jae Chalfin	CCO, GiveMeSport and Director	£25,000	Director Fees	82,181
Roger Mitchell	Chairman	£43,000	Director Fees	141,352
Matt Elek	Director	£25,000	Director Fees	82,181
Ben Nicholas	Director	£25,000	Director Fees	82,181
Marv Igelman	Executive Vice-Chairman and Director	£25,000 and C\$210,000	Director Fees and Severance	493,946
Roger Rai	Director	£25,000	Director Fees	82,181
Rick Waterlow	COO, GiveMeSport	£25,000	Management Fees	82,181

Notes:

- (1) GBP1.00 equals C\$1.6765.
(2) BKD Shares are issued at a price of C\$0.51 per share.

The ordinary resolution to approve the Compensation Shares requires disinterested shareholder approval under the rules of the TSX Venture Exchange. The term disinterested shareholder approval means approval by a majority of the votes cast at the Meeting other than votes attaching to shares of the Company beneficially owned by insiders of the Company to whom Compensation Shares will be issued.

The following is the text of the resolution to approve the Compensation Shares which will be put forward at the Meeting (the "**Compensation Share Resolution**"):

BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of Breaking Data Corp. (the "Company") that:

- (a) the issuance of 1,128,386 Compensation Shares is hereby approved; and
- (b) any director or officer of the Company be, and such director or officer of the Company hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Company, to execute and deliver or cause to be executed and delivered all such documents and instruments, and to do or to cause to be done all such other acts and things as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of this resolution.

The Board recommends that BKD Shareholders vote **FOR** the Compensation Share Resolution. **BKD Shares represented by proxies in favour of the management nominees will be voted FOR the Compensation Share Resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be voted against such resolution.**

D. Approval of Amendment to the BKD Option Plan

In making the decision to seek BKD Shareholder approval of the amendment to the BKD Option Plan, management noted that the utilization of BKD Options has been and will continue to be an important factor in attracting and keeping superior quality personnel. Management believes that, at this stage of the Company's growth and development, it is imperative that the Company have sufficient flexibility in its employee incentive arrangements to permit it to compete with other entities in its industry which utilize share incentive options in hiring and retaining key personnel.

In light of the above, BKD Shareholders are being requested to pass an ordinary resolution, the text of which is set forth below, approving an increase in the number of BKD Shares reserved for issuance under the BKD Option Plan, together with all other share based compensation of the Company, from 5,483,368 (representing approximately 7.5% of the Resulting Issuer Shares outstanding following the Transaction and the Offering) to 15,266,893 (representing approximately 20% of the Resulting Issuer Shares outstanding following the Transaction and the Offering) less the aggregate number of Resulting Issuer Shares reserved for issuance or issuable under any Share Compensation Arrangement.

For a full description of the terms of the BKD Option Plan, please see the section entitled "*Information Concerning the Company – Description of Capital Structure – BKD Option Plan.*"

The following is the text of the resolution to approve amendments to the BKD Option Plan which will be put forward at the Meeting (the "**Option Plan Resolution**"):

BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of Breaking Data Corp. (the "Company") that:

- (c) subject to the approval of the TSX Venture Exchange, the maximum number of common shares of the Company reserved for issuance under the Company's current "fixed" stock option plan (the "**BKD Option Plan**") from 5,483,368 to 15,266,893 is hereby approved;
- (d) any director or officer of the Company be, and such director or officer of the Company hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Company, to execute and deliver or cause to be executed and delivered all such documents and instruments, and to do or to cause to be done all such other acts and things as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of this resolution; and

- (e) the board of directors of the Company, in its sole and complete discretion, may act upon this resolution to effect the adoption of the amended BKD Option Plan, or if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this resolution notwithstanding shareholder approval of the amended BKD Option Plan and are authorized to revoke this resolution in their sole discretion.

To be approved, the Option Plan Resolution requires the affirmative vote of (i) at least a majority of the votes cast on the Option Plan Resolution at the Meeting, whether in person or by proxy; and (ii) "majority of the minority shareholder approval" obtained in accordance with the requirements of the TSXV, being at least a majority of the votes cast on the Option Plan Resolution at the Meeting excluding votes attaching to Common Shares held by promoters, directors, officers and other insiders of the Company, whether in person or by proxy.

The Board recommends that BKD Shareholders vote **FOR** the Option Plan Resolution approving the amendment to the BKD Option Plan. **BKD Shares represented by proxies in favour of the management nominees will be voted FOR the Option Plan Resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be voted against such resolution.**

E. Approval of Resulting Issuer DSU Plan

Subject to approval of the ordinary resolution, by the BKD Shareholders at the Meeting, the Resulting Issuer will implement a deferred share unit plan (the "**DSU Plan**") which will promote the interests of the Resulting by attracting and retaining qualified persons to serve as officers and directors Resulting issuer and to afford such participants in the DSU Plan an opportunity to receive a portion of their compensation for serving as a director or officer of the Company in the form of securities of the Company. A copy of the DSU Plan is attached hereto as Schedule J. Capitalized terms used herein in this section and not otherwise defined shall have the meanings given to them in the DSU Plan.

DSU Plan

The DSU Plan is intended to promote the interests of the Resulting Issuer by attracting and retaining qualified persons to serve on the Board and to service the Resulting Issuer and to afford such participants in the Resulting Issuer DSU Plan an opportunity to receive a portion of their compensation for serving as a director or officer of the Resulting Issuer in the form of securities of the Resulting Issuer. The Resulting Issuer DSU Plan will be a "fixed plan" with the Resulting Issuer authorized to up to 15,266,893 DSUs (representing approximately 20% of the Resulting Issuer Shares outstanding following the Transaction and the Offering), less the aggregate number of Resulting Issuer Shares reserved for issuance or issuable under any Share Compensation Arrangement.

The Board will administer the DSU Plan and determine which members of the Board and officers of the Resulting Issuer are eligible to participate (the "**Participants**") and to whom awards of deferred share units ("**DSUs**", each a "**DSU**") will be made. Each existing or new member of the Board or certain officers may elect in writing, once each year, to be paid a percentage of his or her cash annual retainer or annual bonus, as applicable, in the form of DSUs, with the balance being paid in cash. If no election is made in respect of a particular fiscal year, the Participant will receive the cash annual retainer or annual bonus, as applicable, in cash.

The number of Deferred Share Units granted at any particular time pursuant to the DSU Plan will be calculated by: (a) in the case of an elected amount, by dividing (i) the dollar amount of the elected amount allocated to the participant by (ii) the Share Price of a Common Share on the applicable award date; or (b) in the case of a grant of Deferred Share Units by dividing (i) the dollar amount of such grant by (ii) the Share Price of a Common Share on the applicable grant date. "**Share Price**" at any date in respect of the Common Shares means the volume weighted average trading price of the Common Shares on the TSXV for the five (5) trading days immediately preceding the applicable date.

Unless otherwise stated in an applicable Grant Agreement, all DSUs recorded in a Participant's DSU notional account shall vest on the day of grant.

Dividend equivalents are awarded in respect of DSUs in a Participant's account on the same basis as if the Participant was a Shareholder on the relevant record date, and the dividend equivalents are credited to the Participant's account as additional DSUs (or fractions thereof).

The aggregate value of DSUs awarded to non-executive directors within any one-year period under the DSU Plan together with all other security based compensation arrangements of the Resulting Issuer shall not exceed \$150,000 in value of equity per Participant. The maximum number of Common Shares issued to Insiders under the DSU Plan, or when combined with any other previously established or proposed share compensation arrangements, within any one-year period, may not exceed 10% of the outstanding value and the maximum number of Common Shares issuable to Insiders under the DSU Plan, or when combined with any other previously established or proposed share compensation arrangements, at any time, may not exceed 10% of the outstanding issue.

Upon a Participant ceasing to be a member of the Board or officer of the Resulting Issuer, he or she may by the 90th day following the date on which the Participant ceases to hold any position as a director of the Company or ceases to be an officer and employee of the Resulting Issuer (the "**Termination Date**"), elect to receive net of any applicable withholding taxes: (i) a cash payment equal to the number of DSUs credited to the Participant's account as of the Termination Date, multiplied by the Share Price of the Common Shares; (ii) Common Shares purchased on the Participant's behalf on the open market by a broker; or (iii) a combination thereof.

Notwithstanding the foregoing, the Resulting Issuer will have the absolute discretion, subject to any necessary Shareholder and regulatory approvals, to issue to the Participant such number of Common Shares from treasury as equal the number of DSUs, net of the number of DSUs that would equal the applicable withholding taxes recorded in the Participant's account on the Termination Date. In the absence of the giving of a notice of redemption, the Participant will be deemed to have elected a cash payment. In the event of death of a Participant, no notice of redemption shall be required and the Resulting Issuer shall within one (1) calendar year in the case of a Participant, make a lump sum cash payment for the benefit of the trustee, administrator or other legal representative of the individual. The lump sum cash payment would be equivalent to the cash payment on the Termination Date.

Under no circumstances shall DSUs be considered Resulting Issuer Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of common shares of the Resulting Issuer nor shall any Participant be considered a Shareholder by virtue of the award of DSUs.

The rights or interests of a Participant under the DSU Plan are not assignable or transferable, otherwise than by will or the laws governing the devolution of property in the event of death. Further, such rights or interests are not to be encumbered.

The Board may at any time, and from time to time, and *without* shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- amendments to the termination provisions the DSU Plan;
- amendments necessary or advisable because of any change in application of securities laws;
- amendments to Section 4 relating to the administration of the DSU Plan; and,
- any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the CSE, including amendments of a "housekeeping" nature.

Notwithstanding the foregoing, none of the following amendments shall be made to the DSU Plan without approval by shareholders or disinterested shareholders (as applicable) by ordinary resolution:

- amendments to the DSU Plan which would increase the number of securities issuable under the DSU Plan, otherwise than in accordance with the terms of the DSU Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Resulting Issuer or its capital;

- amendments to the DSU Plan which would increase the number of securities issuable to Insiders, otherwise than in accordance with the terms of the DSU Plan;
- amendments permitting awards other than DSUs to be made under the DSU Plan;
- an amendment that would permit DSUs to be granted to persons other than Eligible Participants on a discretionary basis; and,
- amendments deleting or reducing the range of amendments which require shareholders' approval under the DSU Plan.

Any amendment shall not alter the terms or conditions of any DSU or impair any right of any holder of Deferred Share Units pursuant to any DSU granted prior to such amendment.

No amendment shall be made which prevents the DSU Plan from continuously meeting the requirements of paragraph 6801(d) of the Income Tax Regulations (Canada) or any successor provision thereto.

The following is the text of the resolution to approve the Resulting Issuer DSU Plan which will be put forward at the Meeting (the "**DSU Plan Resolution**"):

BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of Breaking Data Corp. (the "**Company**") that:

- (a) the Resulting Issuer DSU Plan as set out in Schedule J of the Management Information Circular of the Company dated September 24, 2018 prepared for the purpose of the annual and special meeting of shareholders held on November 9, 2018, be and is hereby approved, ratified, sanctioned and confirmed
- (b) subject to the approval of the TSX Venture Exchange, the total number of deferred share units issuable pursuant to the Resulting Issuer DSU Plan, together with all other share based compensation of the Resulting Issuer shall be fixed at 15,266,893 Resulting Issuer Shares;
- (c) the Company be authorized to grant deferred share units pursuant to and subject to the terms and conditions of the Resulting Issuer DSU Plan
- (d) any director or officer of the Company be, and such director or officer of the Company hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Company, to execute and deliver or cause to be executed and delivered all such documents and instruments, and to do or to cause to be done all such other acts and things as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of this resolution; and
- (e) the board of directors of the Company, in its sole and complete discretion, may act upon this resolution to effect the adoption of the amended Resulting Issuer DSU Plan, or if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this resolution notwithstanding shareholder approval of the Resulting Issuer DSU Plan and are authorized to revoke this resolution in their sole discretion.

To be approved, the DSU Plan Resolution requires the affirmative vote of (i) at least a majority of the votes cast on the DSU Plan Resolution at the Meeting, whether in person or by proxy; and (ii) "majority of the minority shareholder approval" obtained in accordance with the requirements of the TSXV, being at least a majority of the votes cast on the DSU Plan Resolution at the Meeting excluding votes attaching to Common Shares held by promoters, directors, officers and other insiders of the Company, whether in person or by proxy.

The Board recommends that BKD Shareholders vote **FOR** the DSU Plan Resolution approving the Resulting Issuer Option Plan. **BKD Shares represented by proxies in favour of the management nominees will be voted FOR the DSU Plan Resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be voted against such resolution.**

F. Voluntary Delisting from the TSX Venture Exchange

Shareholders will be asked at the Meeting to consider, and if thought fit, to pass, with or without variation, a resolution authorizing the Company to make application to voluntarily delist the Common Shares from the TSXV (the "**Delisting**"). The Company would only proceed with the Delisting if the TSXV does not approve the Transaction. The implementation of the Delisting is conditional upon the Company obtaining any necessary regulatory consents. The Delisting resolution also provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Delisting, without further approval of the Company's shareholders. In particular, the Board may determine not to present the Delisting resolution to the Meeting or, if the Delisting resolution is presented to the Meeting and approved by shareholders, the Board may determine after the Meeting not to proceed with completion of the proposed Delisting.

Voluntary Delisting Resolution

The Board recommends that shareholders vote in favour of the resolution approving the Delisting. Accordingly, the shareholders will be asked at the Meeting to consider, and if thought fit, to pass, with or without variation, a resolution authorizing and approving the Delisting, substantially in the form below:

BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of Breaking Data Corp. (the "**Company**") that:

- (a) the Company is hereby authorized to apply to voluntarily delist its securities from the TSX Venture Exchange;
- (b) notwithstanding that this resolution has been duly approved by the shareholders of the Company, the board of directors of the Company, in its sole discretion and without the requirement to obtain any further approval from the shareholders of the Company, is hereby authorized and empowered to revoke this resolution at any time before it is acted upon without further approval from the shareholders; and
- (c) any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions."

To be approved, the Delisting resolution requires the affirmative vote of (i) at least a majority of the votes cast on the Delisting resolution at the Meeting, whether in person or by proxy; and (ii) "majority of the minority shareholder approval" obtained in accordance with the requirements of the TSXV, being at least a majority of the votes cast on the Delisting resolution at the Meeting excluding votes attaching to Common Shares held by promoters, directors, officers and other insiders of the Company, whether in person or by proxy.

The Board recommends that BKD Shareholders vote **FOR** the resolution approving the Delisting. **BKD Shares represented by proxies in favour of the management nominees will be voted FOR the Delisting resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be voted against such resolution.**

ANNUAL BUSINESS TO BE CONDUCTED AT THE MEETING

G. Election of Directors

Directors of the Company are elected annually by the BKD Shareholders. A Board of seven directors is to be elected at the Meeting to serve until the completion of the Transaction, or in the event that the Transaction is not completed, the next annual general meeting of the Company, or until their successors are elected or appointed.

The Board is a variable board consisting of not fewer than three and not more than 15 directors. The Board currently consists of seven directors. The Board has determined that the number of directors to be elected at the Meeting be seven. Accordingly, BKD Shareholders will be asked to vote on an ordinary resolution to elect seven directors at the Meeting. Each director elected will hold office until the earlier of: (a) the completion of the Transaction; and (b) the next annual meeting or until his or her successor is appointed, unless his or her office is earlier vacated in accordance with the *Canada Business Corporations Act* (the "CBCA") and the by-laws of the Company.

The following table sets out the names of management's nominees for election as directors, each nominee's municipality of residence, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of BKD Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Circular.

Name and Municipality of Residence	Director Since	Principal Occupation	Number of BKD Shares Owned, Beneficially Held or Controlled ⁽⁵⁾	% of BKD Shares Held or Controlled ⁽¹⁾
Nick Thain London, UK	April 2017	Chief Executive Officer of SNM	2,747,412 ⁽³⁾	9.5%
Jae Chalfin London, UK	April 2017	Chief Commercial Officer of SNM	2,980,549	10.4%
Marvin Igelman Thornhill, Ontario	September 2011	Vice Chair of the Company	86,167 ⁽⁴⁾⁽⁶⁾	0.3%
Roger Rai ⁽²⁾ Toronto, Ontario	December 2015	Managing Director of E.S. Rogers Enterprises	35,200	0.1%
Matthew Elek ⁽²⁾ London, UK	April 2017	Chief Executive Officer of Vice UK Ltd.	15,858	0.05%
Roger Mitchell ⁽²⁾ Como, Italy	April 2017	Chairman, Albachiara SAGL	61,639 ⁽⁷⁾	0.2%
Ben Nicholas London, UK	April 2017	Head of UK Media and Digital Sales, IMG Media Ltd.	29,779	0.1%

Notes:

- (1) Non-diluted.
- (2) Member of the Audit Committee of the Company.
- (3) 440,657 of which are owned by the Nicholas Paul Thain Family Holdover Trust, of which Mr. Thain is a beneficiary.
- (4) 100 BKD Shares are owned by Mr. Igelman indirectly through 1516713 Ontario Limited.
- (5) Upon completion of the Transaction, each person listed below shall receive 82,181 BKD Shares in satisfaction of a payment of £25,000 for past services as a director of the Company.
- (6) Upon completion of the Transaction, Marvin Igelman shall receive 411,764 BKD Shares in satisfaction of a contractual payment of CAD\$210,000.
- (7) Upon completion of the Transaction, Roger Mitchell shall receive 59,171 BKD Shares in satisfaction of a contractual payment of £18,000.

The biographies for Nick Thain, Jae Chalfin, Marvin Igelman and Roger Rai, who will be continuing with Resulting Issuer, are set out under the section "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*". The biographies for Matthew Elek, Roger Mitchell and Ben Nicholas who will not be continuing with Resulting Issuer, are set out under the section "*Information Concerning the Company – Directors and Officers*".

The current term of office of each director expires annually at the time of the Company's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the officers expires at the discretion of the Company's directors and/or in accordance with contractual agreements. Details of the committees of the Board are provided under the heading "*Information Concerning the Company – Directors and Officers - Corporate Governance*".

Upon the completion of the Transaction, it is anticipated that Matthew Elek, Roger Mitchell and Ben Nicholas will resign and the board will be comprised of Dominic Mansour, Michael Galloro, Mark Munger, Marvin Igelman, Nick Thain, Jae Chalfin and Roger Rai. See "*Election of Resulting Issuer Directors*" below. In the event the Transaction is not completed, assuming their election, Nick Thain, Jae Chalfin, Matthew Elek, Roger Mitchell, Ben Nicholas, Marvin Igelman and Roger Rai will remain as directors of the Company and hold office until the next meeting of BKD Shareholders called for the purposes of electing directors or until their successors are otherwise appointed.

Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion. The persons named in the enclosed Form of Proxy intend to vote for the election of all of the nominees whose names are set forth above. BKD Shares represented by proxies in favour of management nominees will be voted IN FAVOUR of the election of all of the nominees whose names are set forth below, unless a BKD Shareholder has specified in his proxy that his shares are to be withheld from voting on the election of directors.**

Other than as set out below, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Other than as set out below, as at the date of this Circular and within the 10 years before the date of this Circular, no proposed director:

- (a) is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;
 - (iii) or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee; or

- (c) has within 10 years before the date of the Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Givemefootball Limited ("**GMFL**") was a joint venture company in which Sports New Media Limited, a subsidiary of SNM, held a 50% interest. Nick Thain and Jae Chalfin were directors of GMFL in 2010, when GMFL was sued in respect of a contractual dispute with a client. The court found in favour of the claimant, GMFL was ordered to make certain payments to the claimant which it was unable to discharge and, as a result, GMFL was placed into insolvent liquidation.

H. Election of Resulting Issuer Directors

Should the Transaction be completed, it is anticipated that Matthew Elek, Roger Mitchell and Ben Nicholas will resign and the board will be comprised of Dominic Mansour, Michael Galloro, Mark Munger, Marvin Igelman, Nick Thain, Jae Chalfin and Roger Rai (the "**Resulting Issuer Directors**").

As such, BKD Shareholders are also being asked to pass an ordinary resolution (the "**Resulting Issuer Director Resolution**"), to take effect on completion of the Transaction, (a) fixing the board of directors of the Resulting Issuer at seven (7) members and (b) electing the Resulting Issuer Directors as directors to hold office from the completion of the Transaction until the next meeting of BKD Shareholders called for the purposes of electing directors or until their successors are otherwise appointed.

See "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*" for more information regarding the Resulting Issuer Directors, including their names and municipalities of residence, the number of Resulting Issuer Shares anticipated to be beneficially owned or controlled or directed, directly or indirectly, by them on completion of the Transaction, the offices to be held by each of them in the Resulting Issuer, and the present principal occupation of each of them.

In the event that the Transaction is not completed, Nick Thain, Jae Chalfin, Matthew Elek, Roger Mitchell, Ben Nicholas, Marvin Igelman and Roger Rai will remain as directors of BKD and hold office until the next meeting of BKD Shareholders called for the purposes of electing directors or until their successors are otherwise appointed.

In the absence of instructions to the contrary, it is intended that BKD Shares represented by proxies in favour of management nominees will be voted FOR the approval of the Resulting Issuer Director Resolution. A majority of votes cast in favour of this resolution by BKD Shareholders present in person or by proxy at the Meeting is sufficient to pass this resolution.

Management does not contemplate that any of the Resulting Issuer Directors will be unable to serve as directors of the Resulting Issuer on completion of the Transaction; however, if for any reason, any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management nominees will be voted for another nominee in their discretion unless the BKD Shareholder has specified in his proxy that his BKD Shares are to be withheld from voting in the election of directors.

I. Re-Appointment of Auditor

Management recommends the re-appointment of MNP LLP Chartered Accounts, of Toronto, Ontario, as auditor of the Company to hold office until the close of the next annual meeting of the BKD Shareholders, or until their successor is otherwise appointed. MNP LLP (formerly MSCM LLP) was first appointed as auditor of the Company on November 1, 2012.

The Board recommends that BKD Shareholders vote **FOR** an ordinary resolution approving the appointment of MNP LLP as auditor of the Company and authorizing the directors of the Company to fix their remuneration. **BKD Shares represented by proxies in favour of the management nominees will be voted IN FAVOUR of such ordinary resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be withheld from voting on such ordinary resolution.**

INFORMATION CONCERNING THE COMPANY

Name and Incorporation

The Company was incorporated on March 17, 2004 under the name Rockies Financial Corporation pursuant to the CBCA. By Certificate of Amendment dated October 29, 2004, the Company removed its "private company" restrictions within the meaning of applicable securities laws. The BKD Shares were admitted for trading on the TSXV under the ticker symbol RKI.P at the opening of the market on March 18, 2005 as a capital pool company.

On June 22, 2007, the Company entered into a share exchange agreement, pursuant to which it agreed to acquire all of the issued and outstanding securities of Sprylogics International Inc. ("**SII**"). The transaction constituted the Company's qualifying transaction and was a reverse takeover of the Company by SII. The qualifying transaction was completed on July 4, 2007, resulting in SII becoming a wholly-owned subsidiary of the Company.

On September 19, 2007, the Company's shareholders approved a name change of the Company to Sprylogics International Corp., and on October 9, 2007, the Company began trading on the TSXV under the ticker symbol "SPY".

On September 3, 2013, the Company filed the Articles of Amendment to affect the consolidation of the BKD Shares on the basis of one new post-consolidation BKD Share for every 10 pre-consolidation BKD Shares.

On September 9, 2015, the Company filed Articles of Amendment to change the name of the Company to Breaking Data Corp., and on September 14, the Company began trading on the TSXV under the ticker symbol "BKD".

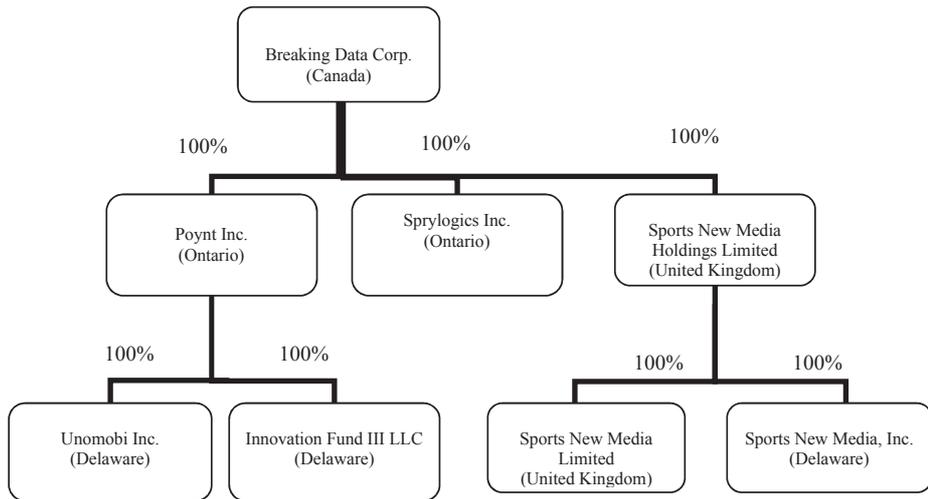
On April 11, 2017, the Company completed its acquisition of Sports New Media Holdings Limited ("**SNM**") by way of a securities exchange between the Company and SNM ("**SNM Transaction**").

On April 13, 2017, the Company completed a consolidation of the BKD Shares, pursuant to which the BKD Shares were consolidated on the basis of one post-consolidation share for every 10 pre-consolidation shares.

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

Intercorporate Relationships

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



General Development of the Business

This section discusses the major events or conditions that have influenced the general development of the Company.

Three Year History

The Company is a technology provider of semantic search, machine learned language and Natural Language Processing ("NLP"). The Company's technology platform, "Cluuz" uses Semantic and Machine Learning techniques to process, analyze and interpret massive volumes of aggregated data 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. After 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.

Acquisition of Sports New Media Holdings Limited

On April 11, 2017, the Company completed the SNM Transaction. The SNM Transaction was affected by way of a securities exchange (the "**Securities Exchange**") between the Company and SNM. Pursuant to the Securities Exchange, on closing of the SNM Transaction, an aggregate of 187,796,014 pre-consolidation Common Shares were issued in exchange for all of the issued and outstanding shares of SNM at a deemed value of \$0.415 per share. In addition, each option to purchase SNM shares outstanding on the date of the SNM Transaction was exchanged for stock options of the Company. Upon completion of the SNM Transaction, the Company owned 100% of the issued and outstanding shares of SNM.

SNM is the owner of GIVEMESPORT and its related assets. GIVEMESPORT is a leading next generation sports media company. GIVEMESPORT's website attracts an international, mobile first audience of over 33 million monthly visitors (Avg; Jan-18, Feb-18, Mar-18) predominantly from the UK and Europe and is one of the world's largest online sports publishers. GIVEMESPORT has a global Alexa ranking of 661st (Mar 31st 2018), whereas Bleacher Report is ranked at 640th (Mar 31st 2018), CBS Sports at 588th (Mar 31st 2018) and Fox Sports at 4,495th (Mar 31st 2018).

Over 80% of GIVEMESPORT's advertising revenue is generated from mobile advertising. SNM's product is distributed via website, mobile devices and the internet.

Breaking Data's Consumer Application

Breaking Data's Consumer Applications are focused on delivering the customer facing mobile applications, specifically in its area of expertise; search and semantics. To that end, the Company has built a new real-time social media search app in the sports vertical called GIVEMESPORT.

The GIVEMESPORT app, the showcase of the Company's NLP and semantic technology, and the evolution of its pioneer sports app BreakingSports, aims to offer the fastest news delivery to sports fans around the world. Officially launched in February 2015 as BreakingSports, and rebranded in 2017, GIVEMESPORT 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, GIVEMESPORT can detect events as they happen and as they are announced in social media, determine the 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's fans and enthusiasts.

The Company is now deploying new AI to assist and improve results in various performance metrics of the app. This combination of AI and a mobile interface with users has now begun to show real benefits and lasting results. The mobile app will continue to be a key component of consumer interface and provide quick and easy access to all which the Company offers.

Breaking Data's Platform Solutions

The Company's Platform Solutions involve the licensing of core search, semantic, and data acquisition technology to enterprise and consumer solution providers in multiple business verticals.

The Company 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 Platform Solutions team is the Company's proprietary semantic and natural language processing technology, which can be customized to analyze big data sets and integrate 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.

Description of the Business

SNM and GIVEMESPORT

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

- modular website – fast, highly responsive and modular website;
- proprietary content management system – quick, frictionless content creation;
- automated article distribution – genuine high frequency publishing.
- real-time Facebook insights – internally developed algorithms track article velocity, virality and engagements;
- Facebook advertising services – SNM can quickly create paid Facebook content;
- Facebook monitoring services – SNM continually monitors advertising accounts against pre-configured parameters.

GIVEMESPORT's website attracts an international, mobile first audience of over 33 million monthly visitors (Avg; Jan-18, Feb-18, Mar-18) predominantly from the UK and Europe and is one of the world's largest online sports publishers. GIVEMESPORT has a global Alexa ranking of 661st (Mar 31st 2018), whereas Bleacher Report is ranked at 640th (Mar 31st 2018), CBS Sports at 588th (Mar 31st 2018) and Fox Sports at 4,495th (Mar 31st 2018).

GIVEMESPORT was an early adopter 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, Golfing World and In Cycle.

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 has developed 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.

GIVEMESPORT is responsible for developing branded content and creative solutions for video show franchises, events, media properties in partnership with brands.

GIVEMESPORT.com has a global audience (7% United States; 70% UK, 23% ROW) and sells advertising with a current focus on the United Kingdom market. Since completion of the SNM Transaction, there has been an increased focus on monetization in the United States and other territories.

GIVEMESPORT works with advertisers, many of whom are premium brands who are attracted to GIVEMESPORT's valued audience demographics and differentiated brand.

GIVEMESPORT has proprietary systems which enable it to maximize its yields and proactively builds relationships with key supply-side platform partners and trading desks in order to maximize advertiser interest and yields. GIVEMESPORT has created a series of branded articles about certain sports (eg "UFC – The Knockout Series"). This demonstrates GIVEMESPORT's ability to develop high quality branded content in conjunction with major sports franchises and brands.

Technology

The Company, through its wholly owned subsidiary, 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 26.26 million fans (as of March 31st 2018).

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.

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.

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.

GIVEMESPORTS App

The GIVEMESPORT App (the "GMS App") is taking aim at a massive high growth sports audience with interest across the globe via all GIVEMESPORT properties.

The GMS App offers the fastest news delivery to sports fans around the world. The GMS 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 GMS 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, the GMS 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, GMS 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, the GMS 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. The GMS 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, the GMS App users are the first to know. The GMS App delivers the fastest breaking sports news and alerts to users by integrating social media sourced updates. Through specialized algorithms, the GMS App taps social media for the latest sports news and delivers it to users in a fully automated real-time manner.

On both iOS and Android platforms, the newest version of the GMS app has expanded capabilities that include better application layout, content caching allowing reading of content without connection to internet, improved navigation through the quick links and editable shortcuts to leagues, teams and players of interest as well as subscription suggestions based on user's location and expressed interests on Facebook.

Other GMS 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 rumors;
- 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.

Revenue

The Company's revenue for the years ended March 31, 2018 and March 31, 2017 were US\$8,363,234 and US\$4,244,095, respectively. Almost all of the Company's revenue originated from development contracts and app advertising sales.

The primary targeted revenue stream of the Company's mobile applications (and platform solutions) is through mobile advertising which is positioned for exponential growth over the next few years. Local businesses are shifting billions of dollars of advertising budgets from traditional media like radio and print to digital. Advanced smartphones are now facilitating mobile commerce and companies like Amazon and eBay are now seeing billions of dollars in purchases from mobile devices.

A key strategy is to build on GIVEMESPORT's strong brand to drive revenue from branded content. GIVEMESPORT focuses on creating highly viewable premium ads, as a result of its optimized website using scroll to load advertisements. GIVEMESPORT generates approximately 87% of its revenue from programmatic advertising, with 13% coming from branded content. Over 80% of advertising revenue is generated from mobile advertising. Management is focussed on driving branded content revenue as an alternative revenue source.

Formation

Formation is the leading branded content division for GIVEMESPORT. Covering all aspects of original and branded content, it specialises in creating a unique approach to storytelling that both resonates and influences a dedicated sports audience. From editorial to film production it caters for all brand needs and offers the opportunity to distribute to a 26M+ global social community. The Formation initiative began in the Summer of 2017 and is engaging users and serving up content. Revenue is generated by selling this branded content via advertising agencies.

The key focus as we begin to grow this aspect of the business is to widen the content opportunity for GIVEMESPORT and Formation by building out the production capabilities with a more client direct focus and approach. Formation will continue to service key agencies and promote our profile with key brands and agencies led by our commercial partnerships team. Commercial Partnerships will focus on day to day agency relations as well as reacting to the market briefs. Agency briefs will ensure that we are on the roster for key media decisions and considered for mid to top tier briefing cycles.

Additionally, the strategy is to approach SMA clients directly and creating a package of premium production with the scale of distribution – created as a one-stop purchase. This will provide a steady roster of clients and create a consistent portfolio of business and a steady flow of production to act as a foundation for the department.

Growth Strategy

GIVEMESPORT's growth strategy is a three-pronged approach: (1) audience growth, (2) content growth, and (3) yield growth. Customizing content for social platforms including Facebook, SnapChat and Instagram, to invest in longer form original content such as documentaries and investigative articles, and to invest in sports with a growing audience, in addition to traditional sports. Audience growth strategies include localizing content for different geographic markets, distributing content on new platforms and to invest in new media partnerships. In order to grow GIVEMESPORT's yield, it expects to invest in branded content, yield analysts and increasing its commercial team.

The vision of the Company is to ensure that GIVEMESPORT creates content which millennials want to read and use, to distribute that content on platforms most popular with users, to create a global brand and to ensure its advertising strategy is effective to drive the vision. From the biggest names and major events to the niche and grassroots sports, we are your guide to everything you need to know, everything you might have missed and everything you absolutely must see. The trend amongst users is to move towards mobile devices. Over 90% of Facebook users are on mobile and 51% of US internet use is now on mobile devices, compared to 12% in 2008.

With 1.4 billion monthly active users, Facebook is the dominant traffic referrer. Publishers need to react to constantly changing APIs and algorithms. Other social media platforms have a large and growing user base. SNM has built systems gaining access to Facebook's advertising and distribution API. In addition, the Company has a clear plan to target other social media platforms, for example Snapchat, Twitter and You Tube. This will be done by using the Company's tech led approach by automating where possible and adding staff to both create and distribute content across such platforms.

Content presentation must be presented in such a way as to attract millennial audiences. Video content is expected to continue to account for a majority of consumer internet traffic in the future, making it a priority for publishers, platforms and advertisers. GIVEMESPORT is making significant investment in video content.

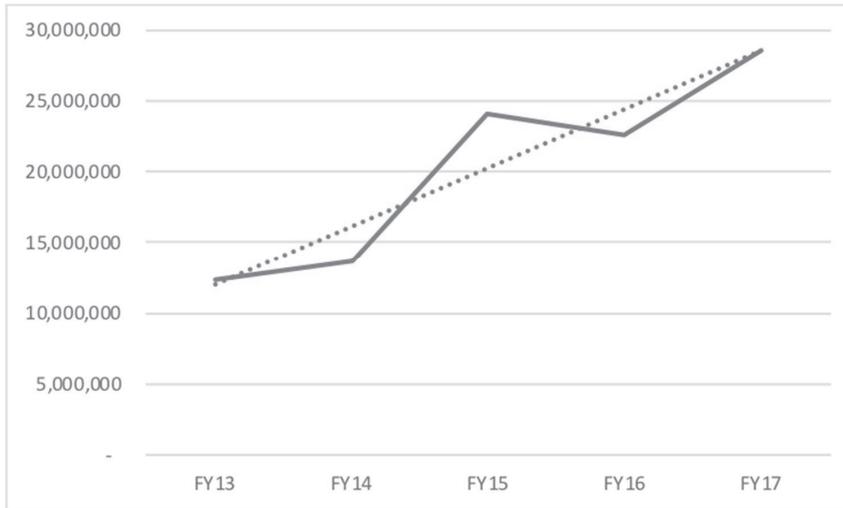
The Company is focused on building mobile apps across iOS and Android, taking full advantage of the transition of audiences to consume content on their smartphones.

AI is another key part to GIVEMESPORT's growth strategy. By automating content creation, taking full advantage of messenger bots within Facebook, the Company believes this is a key part of digital publishing moving forward.

(1) Audience Growth

GIVEMESPORT has increased its average monthly visitor numbers from 12.3m in fiscal 2012 to 28.4m in fiscal 2017 as a result of increased content creation and better distribution of such content within Facebook. Over 80% of GIVEMESPORT's traffic is derived from social media, with Facebook accounting for the majority of its traffic.

Audience growth (FY12-FY17, annual average monthly)



GIVEMESPORT reaches over 80 million highly-engaged Facebook users per month through the news feed, visits to GIVEMESPORT Facebook pages and shares, creating strong brand awareness from a huge audience which GIVEMESPORT expects to continue to monetize in the future.

(2) Content Growth

GIVEMESPORT provides quick reaction and opinions to trending sports news in an engaging and entertaining style that is attractive to GIVEMESPORT's core millennial audience. GIVEMESPORT takes a professional approach to journalism, with a detailed editorial guide, list of trusted sources and a standardized house article style. The editorial team uses a mix of objective, data-driven analysis and subjective, news-driven reaction to make decisions on which articles to write and publish. Between 1,500 and 2,000 articles are published per month across a range of sports topics, of which approximately two-thirds are related to football (soccer).

GIVEMESPORT has a highly productive in-house editorial team of 11 full-time journalists creating between 1,000 to 1,500 articles per month. GIVEMESPORT also uses a pool of freelancers and contributors, known as the GIVEMESPORT Academy. The contributors have been selected from over 50,000 applicants, a pass rate of 3% to ensure the best talent is selected for the GIVEMESPORT Academy. With a focus on providing education for its contributors and generating quality content for GIVEMESPORT, contributors receive detailed training and one-on-one mentoring, with a view to the best being offered paid work in the future. GIVEMESPORT has recently recruited a full-time editor in Spain and seven free-lancers in South America focusing on Argentina, Columbia and Mexico.

GIVEMESPORT operates a full-service creative solutions team in-house, working with some of the world's best brands to create authentic, engaging campaigns that leverage its content platforms and social media reach. GIVEMESPORT is actively broadening its content offering, in order to offer a wide range of high quality media through which premium brands can target GIVEMESPORT audiences. This yields opportunities for GIVEMESPORT to monetize its franchise and drive brand awareness.

(3) Yield Growth

The mobile revolution is changing both how and how much people consume content. The Company expects that mobile advertising will continue to grow and deliver increasing returns. Facebook continues to play the most important part in the distribution of content. The Company anticipates building a commercial team that will be tasked with investing in branded content, investing in yield analysts, and investing in an increased commercial team.

Production and Services & Distribution Methods

The Company's technology is distributed via mobile devices and the internet through the download of its apps on mobile app stores and online.

GIVEMESPORT is distributed via its website, Google AMP (Accelerated Mobile Pages), Google Newsstand, Apple News, and Facebook through the internet.

Infrastructure servers, which include signup servers, e-commerce servers and location servers, are required to ensure the service operates effectively. The Company maintains the infrastructure servers, which are located in an off-premises third party secure data centres.

Specialized Skill, Knowledge and Employees

SNM employs 32 full time employees and 22 consultants located in London, United Kingdom. SNM leases office space in London, United Kingdom. Of the 54 employees and consultants, five are involved with research and development, five are involved with business development (marketing, social media and video support), 37 are involved with content development and creative and seven are involved in corporate management, finance and administration.

The Company believes its success will depend, to a great extent, on its ability to retain highly qualified personnel and to attract new personnel where required.

Competitive Conditions

GIVEMESPORT's principal market, where it commands a leading position, is the United Kingdom, where it employs an active sales team. GIVEMESPORT's principal competitors are Goal.com, The Lad Bible, Sky Sports, The Guardian and The Telegraph. All of GIVEMESPORT's services are based on providing content to users and such content is monetized through advertising sales.

Intangible Properties

The Company regards its software as proprietary and attempts to protect it through a combination of copyrights, trade secret laws, contractual restrictions on disclosure and transferring title and other methods, as well as seeking patent protection. Despite these precautions, it may be possible for unauthorized third parties to copy certain portions of the Company's products and obtain and use information the Company regards as proprietary. The Company's competitive position may be affected by its ability to protect its proprietary information.

The Company licenses some of its products. Provisions of such licenses, including provisions protecting against unauthorized use, copying, transfer and disclosure of the licensed program, may be unenforceable under the laws of certain jurisdictions. In addition, the laws of some foreign countries do not protect the Company's proprietary rights to the same extent as do the laws of Canada and the United States. Further, there can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's product. In addition there can be no assurance that other parties will not assert infringement claims against the Company. Policing unauthorized use of the Company's products is difficult and, while the Company is unable to determine the extent, software piracy can be expected to be a persistent problem. See "*Risk Factors - Protection of Intellectual Property*".

Cycles

With regard to the Company's sports-related offerings, the sporting calendar has some seasonal impact on the business. Major summer tournaments like the Olympics or World Cup (soccer) have an impact on traffic, which has a direct impact on revenue being an advertising-based business.

Foreign Operations

A significant portion of the Company's business is conducted through its wholly owned subsidiary, SNM, which operates in and has a significant number of users located outside of Canada, including in the United Kingdom and European Union.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Selected Information

The following information is taken from and should be read in conjunction with the audited financial statements of the Company for the years ended March 31, 2018 and March 31, 2017, the unaudited financial statements of the Company for the three months ended June 30, 2018 and the respective notes thereto attached as 0 and "Management's Discussion and Analysis of the Financial Condition and Results of Operations" included at 0 to this Circular. This table contains financial information derived from financial statements that have been prepared in accordance with IFRS.

Statement of Loss and Comprehensive Loss	Fiscal Year Ended		Three Months Ended	
	March 31, 2018 (US\$)	March 31, 2017 (US\$)	June 30, 2018 (US\$)	June 30, 2017 (US\$)
Revenue	8,363,234	4,244,095	2,621,552	1,456,763
Cost of goods sold	4,473,323	2,119,419	1,316,999	720,748
Total Expenses	11,367,174	3,913,147	2,644,363	1,840,695
Net loss and comprehensive loss	(17,059,091)	(1,176,934)	(1,565,909)	(10,566,695)

Balance Sheet Data	As at March 31, 2018 (US\$)	As at March 31, 2017 (US\$)	As at June 30, 2018 (US\$)
Total Assets	12,806,388	1,291,920	11,903,386
Total Liabilities	1,610,051	3,560,773	1,418,563
Deficit	(26,414,233)	(9,270,261)	(27,754,043)
Shareholders' Equity	11,196,337	(2,268,853)	10,484,823

Management Discussion and Analysis

Management's discussion and analysis of the financial condition and results of operations of the Company for the years ended March 31, 2018 and March 31, 2017 and the three months ended June 30, 2018 are attached to this Circular as 0. The management's discussion and analysis should be read in conjunction with the financial statements and the accompanying notes thereto attached to this Circular as 0.

Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties

materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Information*" above.

Dividend Policy

No dividends have been paid by the Company since incorporation. The future payment of dividends will be dependent upon the financial requirements to fund future growth, the financial condition of the Company and other factors the Board may consider appropriate in the circumstances. The Company does not expect to pay dividends in the immediate or foreseeable future.

Description of Capital Structure

BKD Shares

The authorized share capital of the Company consists of an unlimited number of BKD Shares without nominal or par value. As of the date hereof, there are 28,676,670 BKD Shares issued and outstanding. The holders of BKD Shares are entitled to one vote per BKD Share at any meeting of the shareholders of the Company and to receive the property of the Company on liquidation, dissolution or winding-up. The BKD Shares carry no special rights or restrictions.

BKD Option Plan

On September 9, 2013, the shareholders of the Company approved and adopted a fixed, stock option plan (the "**BKD Option Plan**") for directors, officers, employees and consultants, pursuant to which 8,420,000 BKD Shares (being 20% of the then issued and outstanding BKD Shares as of the date of approval) were available for purchase upon the exercise of options awarded by the Company, including options previously awarded and outstanding under the former stock option plans. On March 31, 2017, the shareholders of the Company approved an amendment to the BKD Option Plan, increasing the number of BKD Shares reserved for issuance to 54,833,678 BKD Shares (representing approximately 20% of BKD Shares on completion of the SNM Transaction). As a result of the consolidation dated April 13, 2017, a total of 5,483,368 BKD Shares are reserved for issuance under the BKD Option Plan.

A summary of the BKD Option Plan is contained below. Capitalized terms not defined in this Circular have the meanings ascribed to them in the BKD Option Plan:

If stock options expire or otherwise terminate for any reason without having been exercised, the number of BKD Shares in respect of the expired or terminated stock options will again be available for the purposes of the BKD Option Plan.

The BKD Option Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options awarded prior to the date of such termination. Any stock options outstanding when the BKD Option Plan is terminated will remain in effect until they are exercised or expire or are otherwise terminated in accordance with the provisions of the BKD Option Plan.

The BKD Option Plan provides that other terms and conditions may be attached to particular stock options, such terms and conditions to be referred to in a schedule attached to the option certificate.

The BKD Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case will the issuance of BKD Shares upon the exercise of stock options granted under the BKD Option Plan result in:

- (d) the number of options awarded in a one (1) year period to any one Consultant exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);

- (e) the aggregate number of options awarded in a one (1) year period to eligible persons undertaking investor relations activities exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award); or
- (f) the aggregate number of BKD Shares reserved for issuance to any one individual upon the exercise of options awarded under the BKD Option Plan or any previously established and outstanding stock option plans or grants, exceeding five percent (5%) of the issued shares of the Company (calculated at the time of award) in a one (1) year period.

Options granted under the BKD Option Plan will be for a term not to exceed five (5) years from the date of their grant. Unless the Company otherwise decides, in the event an option holder ceases to be a Consultant or employee of the Company (other than by reason of death), vested options will expire on the earlier of the expiry date stated in the option certificate (the "**Fixed Expiry Date**") and the 30th day following the date of termination. In the event an option holder ceases to be a director or officer of the Company (other than by reason of death), vested options will expire on the earlier of the Fixed Expiry Date or ninety (90) days following the date the director or officer ceases to be a director or officer of the Company. In all cases, unvested options will terminate immediately. Vested options will also expire immediately in the event the option holder's relationship with the Company is terminated for cause. In the event of the death of an option holder, vested options will expire six months after the date of death or on the Fixed Expiry Date, whichever is earlier.

The price at which an option holder may purchase a BKD Share upon the exercise of a stock option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the discounted market price of the BKD Shares as of the date of the grant of the stock option (the "**Award Date**"). The market price of the BKD Shares for a particular Award Date would typically be the closing trading price of the BKD Shares on the last trading day immediately preceding the Award Date, or otherwise in accordance with the terms of the BKD Option Plan. Discounted market price means the market price less a discount to be determined by the Board, which will in any event not exceed the amount set forth under TSXV Policy 1.1.

In no case will a stock option be exercisable at a price less than the minimum prescribed by each of the organized trading facilities or the applicable regulatory authorities that would apply to the award of the stock option in question. Stock options will be non-assignable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death or incapacity. BKD Shares will not be issued pursuant to stock options granted under the BKD Option Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their stock options.

Warrants and Other Convertible Securities

As at the date of this Circular, the following warrants and compensation securities are outstanding:

- 2,630,972 Warrants, each exercisable into a BKD Share at an exercise price of \$2.40 per share for a period of two years until October 31, 2018 (the "**BKD 2016 Warrants**").
- 625,000 Warrants, each exercisable into a BKD Share at an exercise price of \$7.00 per share for a period of two years until April 6, 2019 (the "**BKD 2017 Warrants**").
- 14,286 Warrants, each exercisable into a BKD Share at an exercise price of \$5.00 per share until November 30, 2018, and 15,000 Warrants, each exercisable into a BKD Share at an exercise price of \$5.00 per share until December 5, 2018 (collectively, the "**BKD Debenture Warrants**").
- 194,444 Compensation options, each of which entitle the holder thereof to purchase, at an exercise price of \$1.80 per option, one BKD Share and one BKD 2016 Warrant (the "**BKD 2016 Compensation Options**").
- 131,250 Compensation options, each of which entitle the holder thereof to purchase, at an exercise price of \$4.00 per option, one BKD Share and one-half of one BKD 2017 Warrant (the "**BKD 2017 Compensation Options**").

Market for Securities and Trading Price

The BKD Shares are listed and posted for trading on the TSXV under the symbol "BKD".

Trading Price and Volume

The following sets forth the price range and trading volume of the BKD Shares on the TSXV (as reported by such exchange) for the periods indicated:

Period	High (\$/share)	Low (\$/share)	Volume
2018			
September 1-21	\$0.90	\$0.46	683,977
August	\$1.05	\$0.66	1,672,299
July	\$1.05	\$0.65	1,542,441
June	\$0.82	\$0.66	1,721,468
May	\$1.37	\$1.00	1,015,599
April	\$1.60	\$1.10	1,417,918
Q1 2018	\$3.10	\$1.38	4,055,921
2017			
Q4 2017	\$2.43	\$1.24	4,501,541
Q3 2017	\$2.80	\$1.20	11,668,726
Q2 2017	\$3.60	\$1.60	11,655,228
Q1 2017	N/A	N/A	N/A

Notes:

- (1) All above information accounts for the 1 for 10 share consolidation completed on April 13, 2017.
- (2) Trading of shares was halted from December 15, 2016 to April 19, 2017 pending completion of SNM Transaction.

Prior Sales

In the twelve month period preceding the date of this Circular, the following securities of the Company have been issued:

Date	Number of BKD Shares	Issue Price (C\$)	Aggregate Issue Price (C\$)	Nature of Consideration Received
January 23, 2018 (1)	1,000,000	\$3.00	\$3,000,000	Cash
Total:	1,000,000	\$3.00	\$3,000,000	

Notes:

- (1) Shares issued pursuant to a private placement financing.

Directors and Officers

Name, Occupation and Security Holding

The names, province and country of residence, positions with the Company, and principal occupation of the directors and officers of the Company are set out below.

Name and Municipality of Residence	Position Presently Held	Director or Office Since	Principal Occupation	Number of BKD Shares Owned, Beneficially Held or Controlled⁽⁴⁾	% of Class Held or Controlled Prior to the Offering and Transaction
Nick Thain London, UK	Chief Executive Officer and Director	April 2017	Chief Executive Officer of BKD	2,747,412 ⁽²⁾	9.6%
Jae Chalfin London, UK	Chief Commercial Officer and Director	April 2017	Chief Commercial Officer of BKD	2,980,549	10.4%
Marvin Igelman Thornhill, Ontario	Vice Chairman	September 2011	Vice Chair of BKD Former CEO of BKD	86,167 ⁽³⁾⁽⁵⁾	0.3%
David Berman Thornhill, Ontario	Chief Financial Officer and Corporate Secretary	July 2007	Chief Financial Officer of the Company	7,430	0.02%
Alex Zivkovic Toronto, Ontario	Chief Technology Officer	July 2007	Chief Technology Officer of the Company	27,397	0.1%
Roger Rai ⁽²⁾ Toronto, Ontario	Director	December 2015	Managing Director of E.S. Rogers Enterprises	35,200	0.1%
Matthew Elek ⁽¹⁾ London, UK	Director	April 2017	Chief Executive Officer of Vice UK Ltd.	15,858	0.05%
Roger Mitchell ⁽¹⁾ Como, Italy	Director	April 2017	Chairman, Albachiara SAGL	61,639 ⁽⁶⁾	0.2%
Ben Nicholas London, UK	Director	April 2017	Head of UK Media and Digital Sales, IMG Media Ltd.	29,779	0.1%

Notes:

(1) Member of the Audit Committee.

(2) A of which are owned by the Nicholas Paul Thain Family Holdover Trust, of which Mr. Thain is a beneficiary.

(3) 100 BKD Shares are owned by Mr. Igelman indirectly through 1516713 Ontario Limited.

(4) Upon completion of the Transaction, each person listed below shall receive 82,181 BKD Shares in satisfaction of a payment of £25,000.

(5) Upon completion of the Transaction, Marvin Igelman shall receive 411,764 BKD Shares in satisfaction of a contractual payment of CAD\$210,000.

(6) Upon completion of the Transaction, Roger Mitchell shall receive 59,171 BKD Shares in satisfaction of a contractual payment of £18,000

As at the date hereof, the officers and directors, as a group, currently own or control or direct, directly or indirectly, 5,991,431 BKD Shares, 20.9% of the currently issued and outstanding BKD Shares of the Company.

The following are brief profiles of the directors and officers of the Company, including a brief description of each individual's principal occupation within the past five years. Biographies have been excluded for Nick Thain, Jae Chalfin, Marvin Igelman and Roger Rai, who will be continuing with Resulting Issuer and whose biographies are set out under the section "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*".

David Berman – Age 58 – Chief Financial Officer & Corporate Secretary

Since graduating from York University's Schulich School of Business in 1983 with an Honours Bachelor of Business Administration degree, major in Finance, David has worked as a financial consultant and chief financial officer for both private and public companies. He brings and extensive scope of experience, knowledge and expertise in several technology fields that include online image technology, portal development, wireless and mobile applications and carrier grade mobile solutions, compliance technology, sales and marketing online solutions and recurring & licensing internet service models.

Alex Zivkovic – Age 50 – Chief Technology Officer

Alex brings a special combination of advanced technology and hands-on management experience in the development of advanced intelligent software applications. As founding partner and CEO of Intellimerce Inc., Alex directed the design, development and deployment of custom software solutions in various fields for international clients such as Dun & Bradstreet Canada, LMI and Marsh & McLennan. Alex was the visionary behind open source business intelligence tools that are currently used by thousands of developers worldwide and by various fortune 500 companies and sits on the XML/A council with Microsoft, SAS and Hyperion. He holds a Bachelor's of Science in Engineering and a Masters in Process Control & Automation for work in artificial intelligence.

Matthew Elek – Age 38 – Director

Having helped set up Vice's European business in 2002, Matt Elek is currently the CEO for Vice UK Ltd., and responsible for operations across Europe, Middle East and Africa. As head of Vice's business in EMEA, Matt oversees a network of 40+ companies spread across 60+ territories with over 1000 full time regional staff, multiple media streams and hundreds of millions in turnover. Vice's regional footprint includes a robust digital business, an extensive television footprint, print, agency services and other media offerings in 12 languages, reaching hundreds of millions of consumers each month.

Roger Mitchell – Age 54 – Director

Roger is a chartered accountant and investment banker. He has worked with PWC and James Capel and held senior finance roles with WPP and EMI. He has 20 years of experience in sports and was the founding Chief Executive of the Scottish Premier League and a member of UEFA's Professional Football Committee. He continues to assist clubs and federations as an advisor. He has led two initial public offerings on the AIM and in recent years, Roger has applied his keen interest in technology, data and media, investing in, and advising early stage tech companies in tech and sports.

Ben Nicholas – Age 51 – Director

Ben Nicholas is head of UK Media and Global Digital Sales for IMG Media. In this role, he combines rights acquisitions, sales and client and broadcast relationships in the UK market along with devising and implementing IMG Media's overall content strategy in the digital space on a global basis. In his role within the UK, Ben oversees all media rights related commercial activities concerning major clients such as the Rugby World Cup, Scottish FA US Open tennis, Tennis Masters Series, European Tour, R&A, Moto GP, Diamond League Athletics, and the NHL. His main business focus is the sale of rights for the above clients in the UK market and their ongoing representation around the globe. Previous clients have included the IOC, AELTC and the RFL. Ben joined IMG Media as Head of Interactive Rights in November 2004, having sold his digital media production company In The Box Media in July 2004, to AIM listed UK Betting (now part of Sky). He started his career in production at Sunset + Vine in 1990, working extensively on Gillette sponsored programming, before joining Asia Sports Group (now World Sports Group) in Hong Kong, as Head of Production in May 1995. He joined ESPN International in New York as Director

of Rights Sales for Europe, Middle East and Africa in 1996 where he remained until 2000. Major clients he worked with included Nike Brazil football, NHL, NFL, Xgames and the Triple Crown horseracing Series.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, no director or executive officer of the Company is, as at the date of this Circular or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Circular or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

GMFL was a joint venture company in which Sports New Media Limited, a subsidiary of SNM, held a 50% interest. Nick Thain and Jae Chalfin were directors of GMFL in 2010, when GMFL was sued in respect of a contractual dispute with a client. The court found in favour of the claimant, GMFL was ordered to make certain payments to the claimant which it was unable to discharge and, as a result, GMFL was placed into insolvent liquidation.

Conflicts of Interest

There are potential conflicts of interest to which some of the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. All of the directors, officers, insiders

and promoters are engaged in and will continue to be engaged in corporations or businesses that may be in competition with the Company. Accordingly, situations may arise where some or all of the directors, officers, insiders and promoters will be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the CBCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the CBCA.

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the BKD Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. NP 58-201 establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its BKD Shareholders and contribute to effective and efficient decision making.

Pursuant to NI 58-101, the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of seven directors: Nick Thain, Jae Chalfin, Matthew Elek, Roger Mitchell, Ben Nicholas, Marvin Igelman and Roger Rai.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors, within the meaning set out under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the current directors and proposed nominees, Nick Thain, Jae Chalfin and Marvin Igelman, are executive officers and accordingly are not considered to be "independent". In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. The remaining directors and proposed nominees are considered to be independent directors since they are all independent of management and free from any material relationship with the Company. The basis for this determination is that, since the beginning of the fiscal year ended March 31, 2018, none of the current independent directors have worked for the Company, received remuneration from the Company (other than in their capacity as directors) or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the members of the Board may meet in the absence of members of management and the non-independent directors. In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Company, disclose the nature and extent of his or her interest to the meeting and abstain from voting on or against the approval of such participation. In addition, the members of the Board that are not members of management of the Company are encouraged by the management members of the Board to communicate and obtain advice from such advisors and legal counsel as they may deem necessary in order to reach a conclusion with respect to issues brought before the Board.

Board Mandate

The Board is responsible for the conduct of the Company's affairs generally. The Board is responsible for reviewing and approving the Company's operating plans and budgets as presented by management. The Board is responsible for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent practicable. Succession planning, including the recruitment, supervision, compensation and performance assessment of the Company's senior management personnel also fall within the ambit of the Board's responsibilities. The Board is responsible for ensuring effective communications by the Company with the BKD Shareholders and the public and for ensuring that the Company adheres to all regulatory requirements with respect to the timeliness and content of its disclosure. In keeping with its overall responsibility for the stewardship of the financial affairs of the Company, the Board created an Audit Committee which is responsible for the integrity of the Company's internal control and management information systems.

The Board is responsible for approving annual operating plans recommended by management. Board consideration and approval is also required for all material contracts and business transactions and all debt and equity financing proposals.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements.

The Board believes the Company is well served and the independence of the Board from management is not compromised. The Board does not have, and does not consider it necessary under the circumstances to have, any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition is sufficient to ensure that the Board can function independently of management.

Other Reporting Issuer Directorships

See "*Information Concerning the Resulting Issuer – Directors and Officers - Other Reporting Issuer Experience*" for information concerning the reporting issuer experience of Marvin Igelman and Roger Rai. No other current directors of the Board have reportable reporting issuer experience.

Orientation and Continuing Education

The Company does not provide a formal orientation and education program for new directors of the Company. However, any new directors will be given the opportunity to (a) familiarize themselves with the Company, the current directors and members of management; (b) review copies of recently filed public documents of the Company and the Company's internal financial information; (c) have access to technology experts and consultants; and (d) review a summary of significant corporate and securities legislation. Directors are also given the opportunity for continuing education. Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business.

Each new director is given an outline of the nature of the Company's business, its corporate strategy and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management of the directors.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest as well as adherence to the standards contained in the Company's Code of Business Conduct and Ethics have been sufficient to ensure that the board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the audit committee of the Company at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the BKD Shareholders for election at the annual meeting of BKD Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. Accordingly, the Board considers seven directors, in light of the Company's state of development, to be appropriate. The Board does not currently have a nominating committee, and these functions are currently performed by the Board as a whole.

Compensation

The Board does not have a compensation committee. Directors' compensation is currently being considered by the Board. Since the size of the Board is limited, the Company considers that the functions of such a committee can be served by the Board as a whole. The Board may compensate directors who chair committees as it deems necessary and such compensation shall be based on the director's work and the time devoted to the committee. The Company may also grant stock options to directors of the Company in consideration for their services provided to the Company.

Other Board Committees

The Company does not have any standing committees other than the Audit Committee.

Assessments

The Company's Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Audit Committee Disclosure

Pursuant to applicable laws, the policies of the TSXV and NI 52-110, the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. In addition to its other duties, the Audit Committee reviews all financial statements, annual and interim, intended for circulation among BKD Shareholders and reports upon these to the Board. In addition, the Board may refer to the Audit Committee other matters and questions relating to the financial position of the Company. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management and the external auditors and monitors independence of those auditors.

Audit Committee's Charter

The Board is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting

responsibilities. The audit committee of the Company (the "**Audit Committee**") assists the Board in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the BKD Shareholders.

The Audit Committee has the general responsibility to review and make recommendations to the Board on the approval of the Company's annual and interim financial statements, the management discussion and analysis and the other financial information or disclosure of the Company. More particularly, it has the mandate to:

- (a) Oversee all the aspects pertaining to the process of reporting and divulging financial information, the internal controls and the insurance coverage of the Company;
- (b) Oversee the implementation of the Company's rules and policies pertaining to financial information and internal controls and management of financial risks and to insure that the certifications process of annual and interim financial statements is conformed with the applicable regulations; and
- (c) Evaluate and supervise the risk control program and review all related party transactions.

The Audit Committee makes sure that the external auditors are independent from management. The Audit Committee reviews the work of outside auditors, evaluates their performance, evaluates their remuneration and makes recommendations to the Board. The Audit Committee also authorizes non-related audit work. A copy of the Charter of the Audit Committee is annexed hereto as 0.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Name	Independent / Not Independent ⁽¹⁾	Financial literacy ⁽¹⁾
Roger Mitchell ⁽²⁾	Independent	Financially literate
Matthew Elek	Independent	Financially literate
Roger Rai	Independent	Financially literate

Notes:

- (1) Terms have their respective meanings ascribed in NI 52-110.
- (2) Chairman of the Audit Committee.

Relevant Education and Experience

Roger Mitchell

Roger is a chartered accountant and investment banker. He has worked with PWC and James Capel and held senior finance roles with WPP and EMI. He has 20 years of experience in sports and was the founding Chief Executive of the Scottish Premier League and a member of UEFA's Professional Football Committee. He continues to assist clubs and federations as an advisor. He has led two initial public offerings on the AIM and in recent years, Roger has applied his keen interest in technology, data and media, investing in, and advising early stage tech companies in tech and sports.

Matthew Elek

Having helped set up Vice's European business in 2002, Matt Elek is currently the CEO for Vice UK Ltd., and responsible for operations across Europe, Middle East and Africa. As head of Vice's business in EMEA, Matt oversees a network of 40+ companies spread across 60+ territories with over 1000 full time regional staff, multiple

media streams and hundreds of millions in turnover. Vice's regional footprint includes a robust digital business, an extensive television footprint, print, agency services and other media offerings in 12 languages, reaching hundreds of millions of consumers each month.

Roger Rai

Mr. Rai was the Managing Director of E.S. Rogers Enterprises. In his capacity as Managing Director, Roger advised Edward Rogers, the representative controlling shareholder of Rogers Communications, on business development, revenue development, talent development and sports. Roger is also the President of R3 Concepts Inc., a company that acts as a basis for investments he makes and consulting services he provides. Mr. Rai holds a Bachelor of Arts from the University of Western Ontario.

Audit Committee Oversight

At no time since the commencement of the fiscal year ended March 31, 2018 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Audit Service Fees

Aggregate fees from the Auditor for the fiscal years ended March 31, 2018 and March 31, 2017 were as follows:

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2017
Audit Fees	113,834	51,895
Audit-related Fees ⁽¹⁾	10,773	21,130
Tax Fees ⁽²⁾	17,919	4,708
All Other Fees ⁽³⁾	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the audit, and not included under "Audit Fees".
 (2) Fees charged for tax compliance, tax advice and tax planning services.
 (3) Fees for services other than disclosed in any other row, including fees related to the review of Company's Management Discussion & Analysis.

Executive Compensation

Summary Compensation Table for Named Executive Officers

The following table provides a summary of total compensation earned during the fourteen months ended March 31, 2018 and the twelve months ended January 31, 2017 and January 31, 2016, by the Company's Chief Executive Officer and Chief Financial Officer, each of the three other most highly compensated executive officers of the Company who were serving as such as at March 31, 2018 (hereinafter, collectively, referred to as the "**Named Executive Officers**") for services rendered in all capacities during such period. The Company does not have any pension plan or incentive plans (whether equity or non-equity based) other than the BKD Option Plan.

SUMMARY COMPENSATION TABLE							
Name and Principal Position of Named Executive Officer	Fiscal year ended	Salary (CS) ^{(1),(2)}	Option-based Awards (CS) ⁽³⁾	Non-Equity		All Other Compensation (CS)	Total Compensation (CS)
				Incentive Plan Compensation			
				Annual Incentive Plans (CS) ⁽⁴⁾	Long-term Incentive Plans (CS)		
Nick Thain <i>Chief Executive Officer</i>	Mar 31, 2018 ⁽⁵⁾⁽⁶⁾	\$271,125	\$190,000	\$27,113	Nil	Nil	\$488,238
Jae Chalfin <i>Chief Operating Officer</i>	Mar 31, 2018 ⁽⁵⁾⁽⁶⁾	\$271,125	\$190,000	\$27,113	Nil	Nil	\$488,238
Marvin Igelman <i>Vice Chair</i>	Mar 31, 2018 ⁽⁵⁾	\$230,000	\$1,520,000	Nil	Nil	Nil	\$1,750,000
	Jan 31, 2017	\$240,000	Nil	Nil	Nil	Nil	\$240,000
	Jan 31, 2016	\$240,000	\$250,000	Nil	Nil	Nil	\$490,000
David Berman <i>Chief Financial Officer</i>	Mar 31, 2018 ⁽⁵⁾	\$180,000	\$665,000	Nil	Nil	Nil	\$845,000
	Jan 31, 2017	\$180,000	Nil	Nil	Nil	Nil	\$180,000
	Jan 31, 2016	\$180,000	\$125,000	Nil	Nil	Nil	\$305,000
Alex Zivkovic <i>Chief Technology Officer</i>	Mar 31, 2018 ⁽⁵⁾	\$210,000	\$1,045,000	Nil	Nil	Nil	\$1,255,000
	Jan 31, 2017	\$210,000	Nil	Nil	Nil	Nil	\$210,000
	Jan 31, 2016	\$210,000	\$125,000	Nil	Nil	Nil	\$385,000

Notes:

- (1) This column discloses the actual salary earned during the fiscal year indicated.
(2) The compensation for the services of Mr. Igelman, Mr. Berman and Mr. Zivkovic were paid as consulting fees.
(3) Option-based awards are valued at the share price on the date of the option grant.
(4) Includes bonuses, if any, earned for the fiscal year whether or not paid in the fiscal year.
(5) 14-month period February 1, 2017 through March 31, 2018.
(6) Amounts paid in GBP. Exchange rate of 1.8075 applied.

Outstanding Option-Based Awards for Named Executive Officers

The table below reflects all option-based awards for each Named Executive Officer outstanding as at March 31, 2018 (including option-based awards granted to a Named Executive Officer before such fiscal year). The Company does not have any other equity incentive plans other than the BKD Option Plan.

Name of Named Executive Officer	Number of Securities Underlying Unexercised Options	Option Exercise Price (CS/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (CS) ⁽¹⁾
Nick Thain <i>Chief Executive Officer</i>	100,000	\$1.90	July 3, 2027	Nil
Jae Chalfin <i>Chief Operating Officer</i>	100,000	\$1.90	July 3, 2027	Nil
Marvin Igelman <i>Vice Chair</i>	800,000	\$1.90	July 3, 2027	Nil
	100,000	\$2.50	Dec 10, 2020	

David Berman <i>Chief Financial Officer</i>	350,000 50,000	\$1.90 \$2.50	July 3, 2027 Dec 10, 2020	Nil
Alex Zivkovic <i>Chief Technology Officer</i>	550,000 50,000	\$1.90 \$2.50	July 3, 2027 Dec 10, 2020	Nil

Note:

- (1) This column contains the aggregate value of in-the-money unexercised options as at March 31, 2018, calculated based on the difference between the market price of the BKD Shares underlying the options as at the close of day on March 31, 2018, being \$1.49, and the exercise price of the options. The foregoing options were not in-the-money at that time.

Incentive Award Plans

The following table provides information concerning the incentive award plans of the Company with respect to each Named Executive Officer during the fiscal year ended March 31, 2018. The only incentive award plan of the Company during such fiscal years was the BKD Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING FISCAL YEAR		
Name of Named Executive Officer	Option-Based Awards – Value Vested During Year Ended March 31, 2018 (CS)	Non-Equity Incentive Plan Compensation – Value Earned During Year Ended March 31, 2018 (CS)
Nick Thain	N/A	N/A
Jae Chalfin	N/A	N/A
Marvin Igelman	N/A	N/A
David Berman	N/A	N/A
Alex Zivkovic	N/A	N/A

Compensation Discussion and Analysis*Introduction*

The Compensation Discussion and Analysis section of this Circular sets out the objectives of the Company's executive compensation arrangements, the Company's executive compensation philosophy and the application of this philosophy to the Company's executive compensation arrangements. When determining the compensation arrangements for the Named Executive Officers, the Board considers the objectives of: (i) retaining an executive critical to the success of the Company and the enhancement of BKD Shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and BKD Shareholders of the Company; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

Benchmarking

In determining the compensation level for each executive, the Board looks at factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement, the compensation paid by other companies in the same industry as the Company, and pay equity considerations.

Elements of Compensation

The compensation paid to the Named Executive Officers in any year consists of two (2) primary components:

- (a) consulting fee or base salary; and
- (b) long-term incentives in the form of stock options granted under the BKD Option Plan.

The Company believes that making a significant portion of the Named Executive Officer's compensation based on a consulting fee or base salary and long-term incentives supports the Company's executive compensation philosophy, as these forms of compensation allow those most accountable for the Company's long-term success to acquire and hold the Company's shares. The key features of these two (2) primary components of compensation are discussed below:

1. Consulting Fee or Base Salary

Consulting fees or base salaries recognize the value of an individual to the Company based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which the Company competes for talent. Consulting fees or base salaries for the Named Executive Officers are reviewed annually. Any change in the consulting fee or base salary of a Named Executive Officer is generally determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to the Company and a review of the performance of the Company as a whole and the role such executive officer played in such corporate performance.

2. Stock Option Awards

The Company provides long-term incentives to the Named Executive Officers in the form of stock options as part of its overall executive compensation strategy. The Board believes that stock option grants serve the Company's executive compensation philosophy in several ways: it helps attract, retain, and motivate talent; it aligns the interests of the Named Executive Officers with those of the BKD Shareholders by linking a specific portion of the officer's total pay opportunity to share price; and it provides long-term accountability for Named Executive Officers.

Compensation Governance

The Company does not have a compensation committee and decisions regarding compensation are made by the Board.

Termination and Change of Control Benefits

Upon completion of the Transaction, the following departing officers of the Company shall receive the following payments:

- David Berman, Chief Financial Officer, shall receive a cash payment of CAD\$180,000.
- Marv Igelman, Executive Vice-Chairman, shall receive 411,764 BKD Shares in satisfaction of a payment of CAD\$210,000.

Management Contracts

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company.

Compensation of Directors

Individual Director Compensation

The following table provides a summary of all amounts of compensation provided to the directors of the Company (excluding Named Executive Officers) during the fiscal year ended March 31, 2018. Except as otherwise disclosed below, the Company did not pay any fees or compensation to directors for serving on the Board (or any subcommittee) beyond reimbursing such directors for travel and related expenses and the granting of stock options under the BKD Option Plan.

DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR ENDED MARCH 31, 2018					
Name	Fee Earned (C\$)	Option-Based Awards (C\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (C\$)	All Other Compensation (C\$)	Total (C\$)
Michael Kron ⁽²⁾	Nil	190,000	Nil	Nil	190,000
Paul Sparkes ⁽²⁾	Nil	190,000	Nil	Nil	190,000
Roger Rai	Nil	190,000	Nil	74,108	264,108
Matthew Elek ⁽³⁾	Nil	190,000	Nil	Nil	190,000
Roger Mitchell ⁽³⁾	Nil	190,000	Nil	Nil	190,000
Ben Nicholas ⁽³⁾	Nil	190,000	Nil	Nil	190,000

Notes:

- (1) Option-based awards are valued at the share price on the date of the option grant.
(2) Term as director completed on April 19, 2017, on completion of the SNM Transaction.
(3) Term as director began on April 19, 2017, on completion of the SNM Transaction.

Director Outstanding Option-Based Awards

The table below reflects all option-based awards for each director of the Company (excluding BKD NEOs) outstanding as at March 31, 2018 (including option-based awards granted to a director before each such fiscal year).

DIRECTOR OPTION-BASED AWARDS OUTSTANDING AS AT MARCH 31, 2018				
Name of Director	Number of Securities Underlying Unexercised Options	Option Exercise Price (C\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (C\$)
Roger Rai	100,000	\$1.90	July 3, 2027	Nil
	15,000	\$2.50	Dec 10, 2020	
Matthew Elek	100,000	\$1.90	July 3, 2027	Nil
	46,570	\$3.33	Dec 10, 2020	
Roger Mitchell	100,000	\$1.90	July 3, 2027	Nil
Ben Nicholas	100,000	\$1.90	July 3, 2027	Nil

The Company does not have any equity incentive plan other than the BKD Option Plan.

Note:

- (1) Option-based awards are valued at the share price on the date of the option grant.

Director Incentive Award Plans

The following table provides information concerning the incentive award plans of the Company with respect to each director (excluding Named Executive Officers) during the fiscal year ended March 31, 2018. The only incentive award plan of the Company during such fiscal years was the BKD Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED MARCH 31, 2018		
Name of Director	Option-Based Awards – Value Vested During Fiscal Year Ended March 31, 2018 (C\$)	Non-Equity Incentive Plan Compensation – Value Vested During Fiscal Year Ended January 31, 2017 (C\$)

Roger Rai	Nil	Nil
Matthew Elek	Nil	Nil
Roger Mitchell	Nil	Nil
Ben Nicholas	Nil	Nil

Note:

(1) Option-based awards are valued at the share price on the date of the option grant.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out equity compensation plan information as at the end of the fiscal year ended March 31, 2018.

Plan Category	Fiscal Year Ended	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available under equity compensation plan (excluding securities reflected in column (a)) (c)
BKD Option Plan	March 31, 2018	4,192,168	\$0.375 - \$4.73	1,300,645

Indebtedness of Directors and Executive Officers

Since the beginning of the fiscal year ended March 31, 2018 and up to the date hereof, no director, executive officer or employee or former executive officer, director or employee of the Company or any of its subsidiaries has been indebted to the Company.

Directors' and Officers' Insurance

The Company carries directors' or officers' liability insurance in the amount of CDN\$3 million for the directors and officers of the Company.

Legal Proceedings and Regulatory Actions

There were no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, during the most recently completed financial year, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated.

During the most recently completed financial year: (i) no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

Interest of Management and Others in Material Transactions

Other than as disclosed in this Circular, no director, executive officer, or shareholder who beneficially owns or controls or directs, directly or indirectly, 10% or more of the Company's BKD Shares, or any associate or affiliate of the foregoing has, or has had, any material interest, direct or indirect, in any transaction in the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected

to materially affect the Company or any of its subsidiaries and/or affiliates, except as follows or as disclosed elsewhere in this Circular.

Non-Arm's Length Party Transactions

Except as otherwise disclosed herein, the directors and senior officers of the Company and Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction completed within 24 months before the date of this Circular, or in any proposed transaction. See "*Information Concerning the Company – Management's Discussion and Analysis*".

Transfer Agent and Registrar

Computershare Investor Services Inc., at its principal offices in Montreal, Quebec is the registrar and transfer agent for the BKD Shares.

Material Contracts

The Company has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than the Transaction Agreement in connection with the Transaction, the BKD 2016 Warrant Indenture, the BKD 2017 Agency Agreement and the BKD 2017 Warrant Indenture.

Copies of these material contracts will be available for inspection without charge at the registered office of the Company's counsel at 77 King Street West, Suite 3000, Toronto, Ontario M5K 1G8 during ordinary business hours from the date hereof until the closing of the Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING AAA

AA Acquisition Group Inc. (AAA) was incorporated on April 12, 2018 under the OBCA. The address of its registered office is 5300 Commerce Court West, 199 Bay Street, Toronto, ON M5L 1B9.

AAA is a special purpose vehicle that was incorporated for the primary purpose of acquiring the share capital, trade and assets of Oryx. It raised capital so that it could pay the Oryx Deposit, being the initial consideration to the shareholders of Oryx.

AAA raised \$2,257,000 by issuing share capital at an issue price of US\$1.00 per share, of which US\$2,182,000 was collected by June 30, 2018.

A copy of the audited financial statements of AAA for the year ended June 30, 2018 and the respective notes thereto are set forth in 0 to this Circular. Management's discussion and analysis of the financial condition and results of operations of AAA for the year ended June 30, 2018 are attached to this Circular as **Error! Reference source not found.** The management's discussion and analysis should be read in conjunction with the financial statements and the accompanying notes thereto attached to this Circular as 0.

Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Information*" above.

INFORMATION CONCERNING ORYX

Name and Incorporation

Oryx Gaming International, LLC was incorporated in the state of Delaware on December 21, 2012. Its registered office is 160 Greentree Dr. Set 101, 19904 Dover, Delaware USA and its business address is 1810 E Sahara Ave, Suite 556, Las Vegas, NV, 89104.

Intercorporate Relationships

As at the date of this Circular, Oryx has two wholly owned subsidiaries. Oryx Gaming Ltd. was incorporated in Malta on March 11, 2013. Oryx razvojne storitve d.o.o was incorporated in Slovenia on April 4, 2014.

General Development of the Oryx Business

Oryx is a turnkey gaming solution provider offering a one-stop solution adaptable to various gaming markets and legislature environments. Oryx's customer base consists of online gaming operators. Oryx is incorporated in the State of Delaware and headquartered in Las Vegas. It's primary operations are provided through its wholly-owned subsidiaries in Malta and Slovenia.

The early years

Oryx was originally founded in 2010 and in 2013, it signed its first major customer and launched OnlineCasino.de. In 2015, Oryx obtained a Class 4 Malta Gaming Authority license which allows the business to host and manage remote gaming operators. Additionally in the same period, Oryx began to diversify its product offering with Crown City and the Jockey Club launches in Paraguay.

More recently

In 2016, Oryx launched a real money gaming and free play solution launched in New Jersey for Rush Street Interactive. Additionally, Oryx launched an online and mobile sportsbook for BigBetWorld.com.

2017 was a transformational year where Oryx secured numerous clients, including: Playcherry, MrGreen, JackpotJoy, Betcris, Wunderino and Wintrillions. In doing so Oryx's recurring customer base grew to more than 60 customers.

Products

The principal products and services provided by Oryx are Oryx Games, its I-Gaming Platform, its Turnkey Services and a Content Aggregator Platform, a description of which is set out below. In addition to these products and services, Oryx has developed a Sportsbook Platform.

Oryx Games

Oryx has its own in-house games studio and has developed a full range of games including slot games, table & card games and scratch card games. These games are featured on Oryx's I-Gaming Platform and are also available for use on other gaming platforms offered by third parties.

Third party content and content aggregation

In addition to Oryx's own games, Oryx has strong relationships with a number of other best-in-breed games and content providers and as a result Oryx is able to offer a 'one stop shop' to its customers. Oryx is able to pass this content through to its customers and end users through a single point of integration. To provide this service to its customers it charges a one-off integration fee per provider as well as ongoing aggregation fees.

I-Gaming Platform

Oryx offers an omni-channel and cross-product platform called the 'I-Gaming Platform' that enables operators to manage their entire product suite using one shared account and one wallet for casino, lottery, sportsbook, bingo, poker and other operations. The platform allows operators to maximize cross-sale opportunities and increase player value by using the fully-integrated set of tools and solutions to manage users, transactions, campaigns, reporting and analytics. The platform features Oryx Games and content developed by third parties. The platform offers a full payment solution integrated with a large number of payment solution providers covering local and global markets. The platform also includes a player risk profile level and an advanced rule engine for customization.

Through a single account across all products and channels, operators get a complete overview and history of customer activities, transactions, balance and personal data. This enables a personalized approach in communication with players and tailor-made offers. The platform also offers player protection features such as deposit limits, play-time limits, loss limits and reality checks for operators to encourage responsible gaming.

The I-Gaming Platform has an integrated chat function which enables quick access to customer data, enables operators to provide unrivalled customer support as well as up-selling and cross selling opportunities. The platform also has bonus and wagering management, whereby the platform can enable automatically triggered bonuses for deposits and signup promotions, manual bonuses given to players by customer support, bonus code and many other flexible bonus configurations.

With respect to reporting and business intelligence, there is a sophisticated business intelligence tool which can create insightful dashboards and reports on customer behavior, financial transactions, gaming income, bets, detailed statistics of game-play, all with flexible filtering and grouping options, as well as campaigns performance reporting.

The I-Gaming Platform contains an affiliate management system and portal to enable operators to build productive relationships with affiliates using redirect or download links, direct marketing CDs, coupon codes, as well as real-time earning and payment reporting.

The I-Gaming Platform also has online functions which are applied to land-based operators. The I-Gaming Platform enables player management for retail operations, connected with online operation, supporting both account based and anonymous play.

The I-Gaming Platform also provides for an integrated land-based self-serve betting system with support for cash-in and cash out components, anonymous play (cash and cashless play support) and account play (registration, login, deposit and fund transfers).

Turnkey Services

Oryx is able to offer a complete solution for gaming operators through its team whereby it will manage the operators' customers and marketing communication. Additionally, Oryx's operations management services can assist with hosting and security, know-your-client requirements, payment and transaction management, customer support and risk and fraud management.

Oryx's campaign management services address retention and conversion marketing programs, VIP marketing and VIP management and provide a personalized approach to players, based on player data and correspondence history to create a strong relationship and customer loyalty. Additionally, Oryx has analytics and business intelligence services aggregate, manage and utilize significant amounts of data and prepare periodic and per-request reports and insights.

2016

- Oryx launched a real money gaming and free play solution launched in New Jersey for Rush Street Interactive
- Oryx launched an online and mobile sportsbook for BigBetWorld.com

2017

- Oryx secured numerous clients, including the following: Playcherry Limited, MrGreen, JackpotJoy, Betcris, Wunderino and Wintrillions.

2018

- Oryx was certified and/approved for UK, Croatia, Spain, Czech Republic and Colombia
- Oryx obtained a Romanian class 2 license
- Oryx secured numerous clients, including the following: Arenacasino.hr, StanleyBet.ro, GVC, Unibet, Quasar, Wplay, IsoftBet, Wetten and Interwetten

Principal Products or Services

Oryx is a turnkey gaming solution provider offering a one-step solution adaptable to various gaming markets and legislature environments. Oryx's customer base consists of online gaming operators. The principal products and services provided by Oryx are Oryx Games (defined below), the I-Gaming Platform (defined below) and its Services, each of which represents 15% or more of its revenues over the two most recently completed financial years.

In addition to these principal products and services, Oryx has developed a sportsbook platform and a content aggregator. A description of the principal products and services of Oryx is set out below:

Oryx Games

Oryx offers a full range of games including slot games, table & card games, video bingo, scratch card games, virtual sports and live dealer games ("**Oryx Games**"). These games are featured on the I-Gaming Platform and are also available for use on other gaming platforms offered by third parties.

I-Gaming Platform

Oryx offers an omni-channel and cross-product platform called the I-Gaming Platform that enables operators to manage their entire product suite using one shared account and one wallet for casino, lottery, sportsbook, bingo, poker and other operations ("**I-Gaming Platform**"). The platform allows operators to maximize cross-sale opportunities and increase player value by using the fully-integrated set of tools and solutions to manage users, transactions, campaigns, reporting and analytics. The platform features Oryx Games and content developed by third parties ("**Third Party Content**"). The platform offers a full payment solution integrated with a large number of payment solution providers covering local and global markets. The platform also includes a player risk profile level and an advanced rule engine for customisation.

Through a single account across all products and channels, operators get a complete overview and history of customer activities, transactions, balance and personal data. This enables a personalised approach in communication with players and tailor-made offers. The platform also offers player protection features such as deposit limits, play-time limits, loss limits and reality checks for operators to encourage responsible gaming.

The I-Gaming Platform has an integrated chat function which enables quick access to customer data, enables operators to provide unrivalled customer support as well as up-selling and cross selling opportunities.

The platform also has bonus and wagering management, whereby the platform can enable automatically triggered bonuses for deposits and signup promotions, manual bonuses given to players by customer support, bonus code and many other flexible bonus configurations. In addition, the platform provides for loyalty management wherein operators can set different levels for different game limits, transaction limits, bonuses, levels of service and predefined deposit amounts. The platform also allows for dynamic campaign management whereby operators can create automated or bespoke campaigns to maximize cross-selling opportunities to increase player value.

With respect to reporting and business intelligence, the I-Gaming Platform has a sophisticated business intelligence tool which can create insightful dashboards and reports on customer behaviour, financial transactions, gaming income, bets, detailed statistics of game-play, all with flexible filtering and grouping options, as well as campaigns performance reporting.

The I-Gaming Platform contains an affiliate management system and portal to enable operators to build productive relationships with affiliates using redirect or download links, direct marketing CDs, coupon codes, as well as real-time earning and payment reporting.

The I-Gaming Platform also has online functions which are applied to land-based operators. The I-Gaming Platform enables player management for retail operations, connected with online operation, supporting both account based and anonymous play.

The I-Gaming Platform also provides for an integrated land-based self-serve betting system with support for cash-in and cash out components, anonymous play (cash and cashless play support) and account play (registration, login, deposit and fund transfers).

Development and maintenance of the I-Gaming Platform is completed in-house by employees and contractors of Oryx and its subsidiaries.

Services

Oryx offers a complete solution for gaming operators through its team whereby it will manage an operator's customers and marketing communication, utilizing the I-Gaming Platform.

Oryx's operations management services assist with hosting and security, know-your-client requirements, payment and transaction management, customer support and risk and fraud management.

Oryx's campaign management services address retention and conversion marketing programs, VIP marketing and VIP management and provide a personalized approach to players, based on player data and correspondence history to create a strong relationship and customer loyalty.

Oryx's analytics and business intelligence services aggregate, manage and utilize significant amounts of data and prepare periodic and per-request reports and insights.

Revenue

Revenues from Oryx's principal products and services representing more than 15 percent or more of consolidated revenue for the two most recently completed financial years are as follows:

<i>Products & Services</i>	<i>2016</i>	<i>2017</i>
I-Gaming Platform	23%	22%
Oryx Games	5%	26%
Services	72%	46%

Operations

Development

With respect to development, Oryx develops some of its own products and subcontracts out certain development activities. Software development know-how and expertise for online gambling are contained within Oryx. The main input into the development of its products is human capital in the form of employees or contractors.

The I-Gaming Platform is owned by Oryx. All intellectual property is owned by Oryx, while physical assets for software development are owned by Oryx's subsidiaries.

Sales

Oryx sells the products it has developed (including the Oryx Games and the I-Gaming Platform) and Third Party Content within its solutions. Oryx also licenses its Oryx Games for use on other gaming platforms offered by third parties.

Oryx has payment terms of between 8 and 30 days.

Cyclical and Seasonality

Oryx's business is stable throughout the year, however; in the last three years, the last quarter of the year has proven the strongest in sales.

Real Property

Oryx has no real property or mortgages, but leases office space in Slovenia.

Employees

As at December 31, 2017, Oryx (and its subsidiaries) had a total of 67 employees.

Risk of Foreign Operations

Oryx owns 100% of its subsidiaries which are incorporated in Malta and Slovenia. The subsidiary in Slovenia is focused mainly on development services and the subsidiary in Malta is focused on sales. See "*Information Concerning the Resulting Issuer – Risks Factors Related Specifically to Oryx*" and "*Information Concerning the Resulting Issuer – Risks Factors Related to the Resulting Issuer*" for related risks including with respect to currency exchange risk.

Market

Oryx is a gaming solutions provider selling to gaming operators that are headquartered in Malta (37.5%), Germany (36.0%), Curacao (11.0%), Paraguay (5.3%), Bahamas (2.0%), Croatia (2.0%), Romania (1.5%) and Serbia (1.0%). In addition, Oryx's gaming operator customers are headquartered in the following jurisdictions, each representing less than 1% of sales for Oryx: Colombia, Czech Republic, Canada, British Virgin Islands, Netherlands, UK, Panama, Ecuador, Argentina and Slovenia.

Oryx plans to maintain its position by providing compliant, localized and unique solutions, highly adaptable to regulatory requirements and third-party integrations.

Marketing Plans and Strategies

Oryx products are licensed to tier 1 operators with Maltese licenses and local licenses in Croatia, Serbia, Romania, Spain. Oryx is planning to be ready to license its products to operators with Gibraltar licenses in the third quarter of 2018 in cooperation with Solid Gib.

Oryx has been using its expansive business network and all major international gaming exhibitions and conferences, such as the International Casinos Exhibition, Global Gaming Expo, IGB Convention and Sigma to expand its list of clients.

Oryx has an aggressive business development plan and is planning to enter the Spanish, United States, German, Swedish and Latin American markets.

Competitive Conditions

The online gaming market is extremely competitive, which growing rapidly. Oryx is a highly sought provider of content for operators targeting DACH (Germany, Austria and Switzerland), Latin America and South East Europe regions. Oryx is a primary platform option for new operators in the German, Croatian and Latin American markets.

The major competitors in its market are:

- Playtech
- NYX
- International Game Technology
- EveryMatrix
- Gaming Innovation Group

Management also believes that, while most of the customers have the option of internalizing their content development, it is not likely to happen given the specialized skills required to develop content and the need of operators to supply end-users with a large variety of games.

Proprietary Protection

Oryx's software is copyright protected. In addition, Oryx protects its knowledge base by way of trade secrets and imposing non-disclosure agreements on any party/person it is dealing with.

Oryx has a trademark registered with Slovenian Intellectual Property Office for the following:



In addition, Oryx has recently filed two more applications with the Slovenian Intellectual Property Office for the following:

- word mark "ORYX" and
- the sign .

Licenses & Registrations

Oryx has licenses, registrations and/or certificates with respect to its software and operations in the following jurisdictions: Malta, Schleswig Holstein (Germany), Romania, Slovenia, Serbia, Estonia, Croatia, Columbia, Spain and the Czech Republic ("**Oryx Licenses and Registrations**").

In connection with the Oryx Acquisition, AAA has applied for, and is awaiting, the approval of the Maltese government with respect to the Transaction. With respect to the other Oryx Licenses and Registrations, to its knowledge, no such approvals are required, but rather, a notification of the Transaction is to be provided to the respective gaming authorities.

Oryx is in process of applying for the licenses and/or registrations with respect to its software and operations in the UK and Sweden.

Regulatory Environment and Regulatory Compliance

Generally, the development, distribution and use of gaming software in the jurisdictions where Oryx conducts business are subject to licensing and regulation. Online gambling is generally authorized under license, with gaming authorities generating revenue from license fees and taxation. In order to develop and distribute Oryx's software, which is targeted to the gaming market, Oryx must comply with the applicable regulations of each jurisdiction in which Oryx seeks to conduct business activities, which in some circumstances includes the jurisdictions in which Oryx's customers conduct their activities.

Oryx operates in a complex environment, with jurisdictions adopting inconsistent approaches to regulation. In keeping with the industry standards, generally, Oryx and its commercial partners have established their core operational presence within the licensing jurisdiction of Malta, as detailed below. They will then derive revenue from players who are located in a variety of jurisdictions, having established first the extent to which such jurisdictions' laws and regulations apply and/or are enforceable and while also ensuring that their deriving such revenue is consistent with their ongoing compliance with the applicable laws in the licensing jurisdictions themselves.

While a number of European jurisdictions have enacted legislation that specifically criminalizes the activity of an unlicensed online gambling operator and have done so through legislation that is no longer subject to any challenge through any subsequent due process (for example, such a challenge could be brought where a piece of legislation has been enacted in contravention of previously issued advice from the European Commission), not all jurisdictions approach the industry in this way.

In certain territories, legislation has been enacted that may be subject to potential future challenge as to its validity (such as an aforementioned EU-law challenge). Furthermore, there may be arguments that taking business from players located in a particular unregulated jurisdiction (as defined under the risk factor heading "*Risks Relating to the Regulatory Environment in which Oryx Operates — Oryx operates in a constantly evolving online gaming and gambling regulatory environment*") would not necessarily contravene local laws, for example, on the basis that laws have not been updated to embrace remote supply and/or may not operate in such a way to be applied extra-territorially.

Nearly all the jurisdictions in which Oryx provides products to B2C operators regulate B2B gaming software developers and distributors, such as Oryx. Where B2B licensure is not required, Oryx coordinates with B2C customers to deliver products to them in a way so they may comply with the local requirements. While certain jurisdictions require B2B gaming software companies, such as Oryx, to be licensed, the focus, rigor, and licensure process, and ongoing regulation, is different for B2C businesses operating in those jurisdictions.

Oryx also takes certain precautions through common industry contract provisions and the use of a compliance plan to only do business with customers who do not operate in prohibited jurisdictions.

As Oryx grows and expands into new markets or as jurisdictions regulate their markets, Oryx may require additional gaming licenses and may be subject to different regulatory regimes.

Gaming regulations applicable to Oryx are generally focused on two areas of Oryx's operations: (i) corporate/personnel regulations; and (ii) product/technical regulations:

- Corporate/personnel regulations establish the qualifications and conditions that Oryx must satisfy with respect to the history and future conduct of business and the suitability of the individuals Oryx employs. This type of regulation is intended to ensure the integrity of participants in the gaming industry.
- Product/technical regulations are the rules related to the products Oryx may offer and the specifications those products must embody in a particular market. This type of regulation is intended to validate that the products Oryx offers to players or related services are permitted, fair and honest.

In order to maintain the Oryx Licenses and Registrations, Oryx must submit to regular monitoring of Oryx's business by gaming authorities, including regular compliance audits. In some jurisdictions, Oryx is required to submit quarterly and annual reports that detail Oryx's business activity, financial matters, and compliance processes. Certain material events, such as key employee, director or officer hirings and firings, regulatory actions, share transfers, material transactions and loans, or material litigation must be reported within short timeframes (typically within 5 and 30 days of the event).

The jurisdictions where Oryx has the Oryx Licenses and Registrations have certain regulatory obligations requiring B2B suppliers to establish internal controls to identify potential business circumstances, companies, and people that could be harmful to the gaming industry and to take appropriate action to avoid or remove Oryx from such unsuitable situations. As a result, Oryx must monitor and review itself and Oryx's customers to limit Oryx's involvement in situations where Oryx should reasonably know that its activities or Oryx's customer's activities are incompatible with its licensing requirements, which includes the ongoing use or offering of Oryx's products in jurisdictions where gambling or interactive gaming is prohibited.

Oryx's compliance plan is a comprehensive internal policy that outlines regulatory parameters for certain aspects of Oryx's business operations.

Oryx maintains and regularly updates a restricted territories list for jurisdictions where gambling or interactive gaming is prohibited. Some jurisdictions prohibit gaming in all or certain forms. In addition, by statute or other operation of law, certain jurisdictions provide a termination right available to a gaming licensee if a party to a contract is determined to be unfit for the gaming industry. Oryx does not market its offerings in jurisdictions where there are prohibitions that clearly apply to its activities and the business models it has adopted.

Oryx's payment processors and B2C customers have certain protective measures to prevent fraud and money laundering, which are required by regulation and their own internal business operations. Oryx has also adopted a fraud management policy and anti-money laundering policy to assist Oryx's customers, partners and the regulators prevent or identify illegal activity. Measures adopted under such policies include the creation of a dedicated fraud management team to monitor suspected fraudulent activity, the implementation of internal fraud reporting procedures and the use of fraud management software to timely communicate the information to the other stakeholders in these objectives.

Currently, the majority of the international operations undertaken by Oryx are licensed directly in Malta and Romania. Oryx is also certified for the UK, the State of Schleswig Holstein (Germany), Croatia, Serbia, Estonia and Latvia. In these territories, Oryx is certified to provide its services to locally licensed commercial partners. Malta is the key interactive gaming jurisdiction with comprehensive and mature interactive gaming policies and regulatory frameworks. As a result, Malta hosts and licenses many of the industry's largest operators.

Malta

The Malta Gaming Authority ("**MGA**") is the regulatory body that is responsible for the governance of all gaming activities in Malta. The MGA issues licenses for the operation of online casino games, games of chance, online sports betting and general games that utilise a random number generator. Pursuant to the remote gaming laws and regulations, any person who operates, promotes, sells, supplies or manages interactive gaming in or from Malta must obtain the appropriate license from the MGA. To qualify for a license, an applicant must be a body corporate registered and incorporated in Malta.

Applicants must provide information, including, but not limited to:

- personal financial background information;
- interest in other commercial activities;
- criminal record information;
- information concerning all pecuniary and/or equity interests; and
- any other information that the MGA requires, for every director and key official of the applicant and for every shareholder with 5 per cent. or more ownership of, or controlling interest, in the applicant. The MGA may, at its sole discretion, require that all beneficial owners of shares in the applicant's company provide such information.

Remote gambling operators are required to pay a gambling tax to the Maltese authorities. The amount of this tax varies depending on the type of license issued and maintained by the operator or software/services supplier.

A remote gaming license is to be renewed every five years from the date of issue of the license. The MGA requires that the licensee commence the renewal process at least 60 days from the date of expiry of the license. The renewal application should be accompanied by a fee of €1,500. Subject to the licensee following the proper renewal process, which include the licensee successfully completing a compliance audit, and there being no material outstanding non-compliance issues, on the date of expiry of the license, a new license is issued and the annual fee of €8,500 is payable.

Other Markets

All the gambling regulators that oversee the operations of Oryx's subsidiaries have acknowledged that remote gambling operators are required to assess the applicability and enforceability of any laws and regulations that may impact their activities, including the laws and regulations in the jurisdictions from where Oryx derives revenue and yet in which no gambling licenses are held.

Other Regulatory Regimes and Future Developments

While certain European countries, such as Malta and Gibraltar, have adopted "point-of-supply" regimes which generally permit their licensees to accept wagers from any jurisdiction that does not expressly prohibit the supply of online gaming from outside such jurisdiction, other countries, including the UK, Italy, France, Spain and Denmark, have implemented, or are in the process of implementing, "point-of-consumption" regimes which only permit the targeting of the domestic market, provided the appropriate local license is obtained and local taxes accounted for (regardless of where the operator's assets, infrastructure and employees may be located). Such licensing regimes can apply onerous compliance requirements and/or introduce product restrictions or marketing restrictions that could have an adverse effect on Oryx's operations (and correspondingly on its financial performance) were it to obtain and maintain such licenses.

Other European territories continue to defend limited licensing regimes that protect monopoly providers and, in certain jurisdictions, have combined this with an attempt to prohibit or otherwise restrict all other supplies into the territory. Restrictive approaches to the regulation of internet gambling may yet be deemed to be in potential conflict (in any specific jurisdiction) with the Treaty for the Functioning of the European Union ("TFEU") treaty laws (governing the free movement of trade and services throughout the EU) and case law rendered by the ECJ.

A challenge to the validity of any EU jurisdiction's approach to gambling regulation would focus on restrictions on the freedoms of establishment or the freedom to provide services. Restrictions usually take one of a number of forms, including: (i) granting exclusive rights in certain, or all, gambling activities to one or a few providers; (ii) implementing a blanket exclusion of all gambling activities; (iii) prohibiting, on pain of criminal penalties, the pursuit of activities in the betting and gaming sector without a license or police authorization issued by the Relevant Member State; (iv) limiting the number of licenses available to conduct particular gambling activities; (v) limiting

the duration of licenses; (vi) unfair or discriminatory procedures for awarding licenses; and/or (vii) requirement for local establishment.

A series of recent ECJ decisions have given EU member states wide latitude in regulating the online gambling market. However, a framework within which member states must operate has evolved through such jurisprudence and, once evidence of a restriction has been established, it is necessary to determine if such a restriction can be justified by the member state. As case law developed, the assessment as to whether a restriction on the European market freedoms is justified became divided into four criteria, which must be cumulatively met. Any restriction must be: (i) non-discriminatory; (ii) for the public interest; (iii) suitable (such that it achieves the purposes for which the restriction is introduced); and (iv) necessary (i.e., does not go beyond the intended purposes).

As a result of various ECJ decisions over the past several years that clearly indicated a lack of recognition by various member states of their obligations flowing from the TFEU, as highlighted in the aforementioned jurisprudence, the European Commission attempted to prompt the introduction of initiatives that would harmonize the regulation of online gambling within the EU, which is in line with the TFEU's stated objective of encouraging a free and open cross-border market. In early 2011, the European Commission's then Internal Market Commissioner, Michel Barnier, began an EU-wide consultation and review process to assess the possibility of harmonizing the regulation of certain aspects of online gambling regulation. Harmonization in the area of online gambling, however, has been met with substantial opposition in the past, and it is now considered highly unlikely that the harmonization will occur (not least as the ECJ has also made it clear, within jurisprudence, that provided it enacts legislation that is in line with the four criteria stated in the paragraph immediately above, then it is not obliged to recognize any licenses issued to a gambling operator in any other member state).

Contemporaneous with its efforts to harmonize European online gambling laws, the European Commission has initiated infringement proceedings against various member states in relation to perceived breaches of Article 56 of the TFEU, including the latest such action commenced against Sweden in late 2013, which culminated in October 2014 with a referral of Sweden to the ECJ for lack of compliance with EU law. In other cases, there has not been such action and some have not reached a conclusion. There remains an ongoing risk that any resolution of such cases will result in a regulatory regime unfavorable to Oryx or its commercial partners. In the interim period, there remains uncertainty and an unpredictability around how member states may approach the ongoing supply into their jurisdictions by operators based outside the jurisdiction. This uncertainty creates ongoing risk to the business of any operator.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Selected Information

The following information is taken from and should be read in conjunction with the unaudited financial statements of Oryx for the six month period ended June 30, 2018, the audited financial statements of Oryx for the years ended December 31, 2017 and 2016 and related notes thereto attached hereto as Schedule G and "Management's Discussion and Analysis of the Financial Condition and Results of Operations" included at Schedule H to this Circular. This table contains financial information derived from financial statements that have been prepared in accordance with IFRS.

	Period Ended June 30, 2018 (unaudited) (US\$)	Year Ended December 31, 2017 (audited) (US\$)	Year Ended December 31, 2016 (audited) (US\$)
Total revenue	9,492,725	6,644,425	4,577,868
Cost of sales	3,549,019	1,122,251	242,419
Net income (loss)	1,638,671	(13,461)	585,008
Total assets	5,719,235	3,679,275	3,581,174
Total liabilities	3,658,482	3,073,280	2,819,997

Management Discussion and Analysis

Management's discussion and analysis of the financial condition and results of operations of Oryx for the three month period ended June 30, 2018, the audited financial statements of Oryx for the years ended December 31, 2017 and 2016 are attached to this Circular as Schedule H. The management's discussion and analysis should be read in conjunction with the financial statements and the accompanying notes thereto attached to this Circular as Schedule G.

Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Information*" above.

Consolidated Capitalization

The following table sets forth Oryx's share and loan capital for and as of the end of the periods indicated. The information as at December 31, 2017 is derived from the financial statements of Oryx, which are included in this Circular.

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of December 31, 2017	Amount outstanding as of the date of this Circular, prior to giving effect to the Transaction
Oryx Shares	Unlimited	\$1,000	\$1,000
Long-term debt	N/A	\$436,377	\$375,309

Prior Sales

In the twelve month period preceding the date of this Circular, there have been no issuances from treasury of Oryx Shares.

Stock Exchange Price

There is no public market for any securities of Oryx.

Executive Compensation

The following table sets forth all annual and long term compensation for services in all capacities to Oryx for the three most recently completed financial years of Oryx in respect of each of the individuals comprised of each CEO and CFO who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), as at December 31, 2017 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of Oryx, nor acting in a similar capacity, for the most recently completed financial year ending December 31, 2017 (collectively, the "**Oryx NEO**"). Amounts below are stated in Euros (€).

NEO Name and Principal Position	Year	Salary (€)	Share-Based Awards (€)	Option-Based Awards (€)	Non-Equity Incentive Plan Compensation		Pension Value (€)	All Other Compensation (€) ⁽¹⁾	Total Compensation (€)
					Annual Incentive Plans (€)	Long-term Incentive Plans (€)			
Matevž Mazij	2015	33,065	Nil	Nil	Nil	Nil	Nil	18,500	51,565
Chief Executive Officer and Director	2016	42,564	Nil	Nil	Nil	Nil	Nil	10,500	53,064
	2017	37,928	Nil	Nil	Nil	Nil	Nil	52,000	89,928

Notes:

(1) Fees paid to Entera d.o.o., a company owned and controlled by Matevž Mazij.

Compensation Discussion and Analysis

Oryx does not have in place any formal objectives, criteria or analysis for determining or assessing the compensation of its executive officer and director, nor does it have a compensation committee.

Oryx does not have a formal compensation policy given that its Chief Executive Officer is the sole director and shareholder.

Oryx has not adopted a policy prohibiting directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in the value of Oryx's securities granted as compensation or held, directly or indirectly, by directors or officers. However, Oryx is not aware of any directors or officers having entered into this type of transaction.

Option-based or Share-based Awards

Oryx has not granted any securities-based option or share awards.

Pension Plan Benefits

Oryx does not have a pension plan that provides for payments or benefits to the Oryx NEO at, following, or in connection with retirement.

Termination and Change of Control Benefits

As at December 31, 2017, there were no written contracts or agreements that provide for payment to the Oryx NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Oryx or a change in the Oryx NEO's responsibilities.

Director Compensation

The sole director of Oryx is Matevž Mazij, whose compensation is disclosed above.

Non-Arm's Length Party Transactions

Except as otherwise disclosed herein, the directors and senior officers of Oryx and Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Circular that has materially affected or will materially affect Oryx or the Resulting Issuer. See "*Information Concerning Oryx – Management's Discussion and Analysis*".

Legal Proceedings

Oryx has not been and nor is it presently involved in any legal proceedings material to it and no such proceedings are, to the best of its knowledge, contemplated.

Material Contracts

Oryx has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than the Oryx SPA with respect to AAA's Oryx Acquisition.

A copy of the material contract will be available for inspection without charge at the registered office of the Company's counsel 77 King Street West, Suite 3000, Toronto, Ontario M5K 1G8 during ordinary business hours from the date hereof until the closing of the Transaction and for a period of 30 days thereafter.

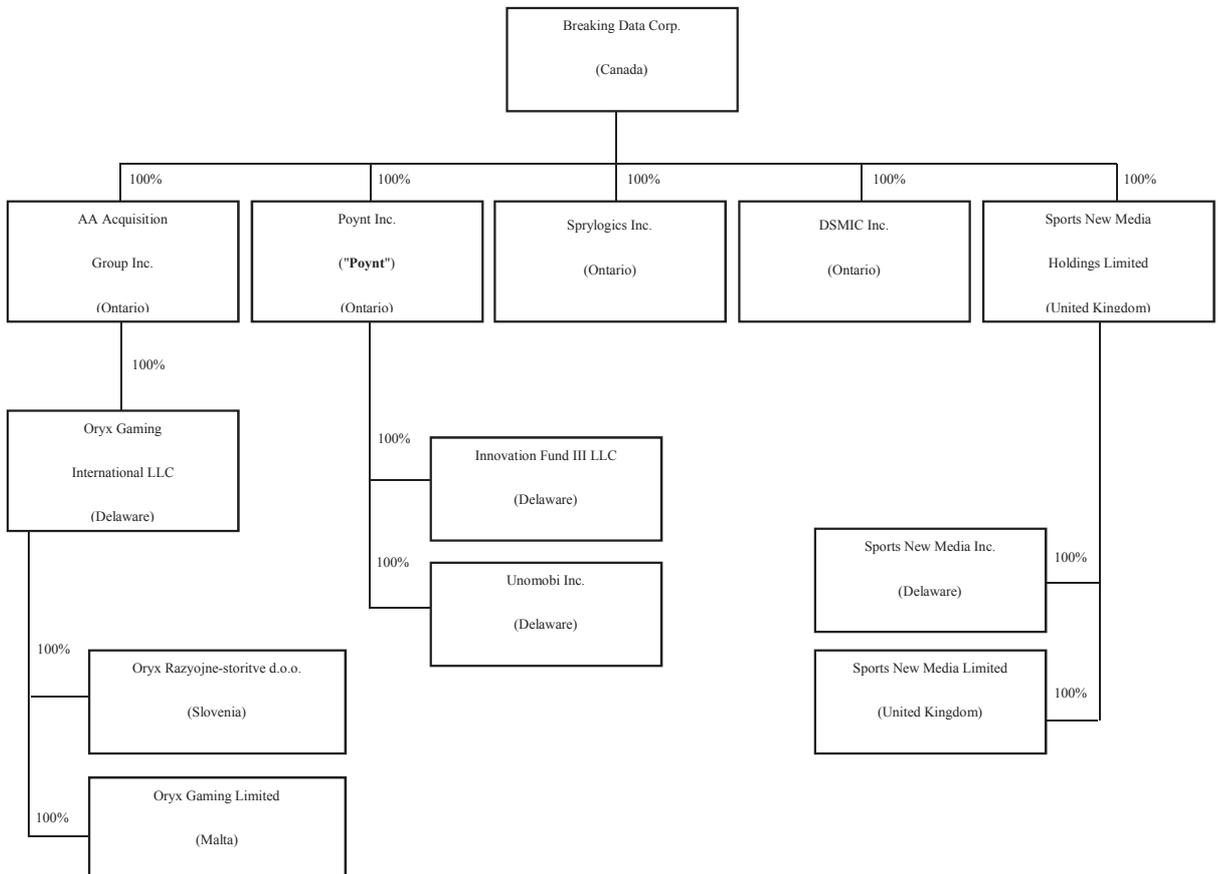
INFORMATION CONCERNING THE RESULTING ISSUER

Name and Incorporation

The Resulting Issuer will be the Company. Upon completion of the Name Change, the name of the Resulting Issuer shall be "Bragg Gaming Group Inc." The registered and head office of the Resulting Issuer will be determined prior to completion of the Transaction

Intercorporate Relationships

The following table sets out the corporate group of the Resulting Issuer following completion of the Transaction:



Narrative Description of the Business

Stated Business Objectives

The Resulting Issuer intends to initially focus on the following business objectives:

- Review the existing sales strategy for GIVEMESPORT and explore new revenue streams to maximise profitability. In addition, the Resulting Issuer will continue a detailed review of the cost base of the GIVEMESPORT business in order to maximise efficiencies across the wider group.
- Launch a sports betting product in the UK. The Resulting Issuer would execute a commercial agreement with a sports betting platform provider to operate the website on its gaming license. The Resulting Issuer would design and develop the website including integration into payment providers.
- Maximize revenue and profitability in the Oryx division. This would include leveraging the network and relationships of management, directors and consultants to facilitate introductions with a view to increasing revenue. In addition, as with GIVEMESPORT, there will be a detailed review of the cost base of the Oryx business in order to maximise efficiencies across the wider group.
- A continued investment in best of breed technology so that Oryx is able to attract new and retain existing customers. Oryx has invested heavily in software development by hiring top developers within Slovenia.

See "*Information Concerning the Company – Narrative Description of the Business*" and "*Information Concerning Oryx – Narrative Description of the Business*".

There is no assurance that the Resulting Issuer will be successful in meeting the objectives described above. See "*Information Concerning the Resulting Issuer – Risk Factors Specifically Related to Oryx*" and "*Information Concerning the Resulting Issuer – Risk Factors Relating to the Business of the Resulting Issuer*".

The Company, AAA and Oryx believe that the Resulting Issuer's working capital available to fund ongoing operations will be sufficient to meet its obligations, as currently contemplated, for a minimum of 18 months.

Description of the Securities

The Company is authorized to issue an unlimited number of common shares (referred to as "**Resulting Issuer Shares**"). The holders of Resulting Issuer Shares are entitled to one vote per Resulting Issuer Share at any meeting of the shareholders of the Resulting Issuer and to receive the property of the Resulting Issuer on liquidation, dissolution or winding-up. The Resulting Issuer Shares carry no special rights or restrictions.

Pro Forma Consolidated Capitalization

The following table sets out the *pro forma* capitalization of the Resulting Issuer as at June 30, 2018 on a consolidated basis, expressed in Canadian dollars, based on the *pro forma* consolidated financial statements contained in this Circular, after giving effect to the Transaction and the Offering (assuming aggregate gross proceeds of C\$12,000,000). This table should be read in conjunction with the Company's *pro forma* financial statements attached hereto as 0.

<u>Designation of Security</u>	<u>Amount Authorized or to be Authorized</u>	<u>Amounts after giving effect to the Transaction and the Offering</u>
Resulting Issuer Shares	Unlimited	76,334,467 ⁽¹⁾⁽²⁾⁽³⁾
Resulting Issuer Options/DSUs	15,266,893 (if each of the Option Plan Resolution and the DSU Plan Resolution is	15,266,893 ⁽²⁾

	passed)	
BKD 2016 Warrants	N/A	2,630,972
BKD 2017 Warrants	N/A	625,000
BKD Debenture Warrants	N/A	14,286
Resulting Issuer 2018 Warrants	N/A	23,529,411
BKD 2016 Compensation Option	N/A	194,444
BKD 2017 Compensation Options	N/A	131,250
Resulting Issuer 2018 Compensation Options	N/A	1,448,276 ⁽²⁾
Long-term Debt	N/A	US\$375,309

Notes:

(1) Includes: (i) the 28,676,670 BKD Shares outstanding prior to completion of the Transaction; (ii) the 21,000,000 BKD Shares to be issued in exchange for the securities of AAA; (iii) the 2,000,000 BKD Shares to be issued in connection with the Oryx Acquisition; and (iv) the 1,128,386 BKD Shares to be issued to officers and directors of Breaking Data as settlement for amounts owing. See "*Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital*".

(2) The pro-forma financial statements assumed that subscriptions in the amount of C\$12,000,000 (23,529,411 BKD Subscription Receipts) would be issued in connection with the Offering.

(3) Certain of these Resulting Issuer Shares will be held in escrow after the Completion of the Transaction (See "*Information Concerning the Resulting Issuer – Escrowed Securities*").

Fully Diluted Share Capital

The following table states the fully diluted share capital of the Resulting Issuer after giving effect to the Transaction:

	Shares Outstanding (Diluted) After Giving Effect to the Transaction and the Offering	Percentage of Fully Diluted Share Capital
Resulting Issuer Shares that have already been issued	28,676,670	23.9%
Resulting Issuer Shares to be issued in connection with the Transaction	23,000,000 ⁽¹⁾	19.1%
Resulting Issuer Shares to be issued to officers and directors for amounts owing	1,128,386	0.9%
Resulting Issuer Shares to be issued on exchange of Subscription Receipts	23,529,411 ⁽²⁾	19.6%
Subtotal: Resulting Issuer Shares issued as at the Effective Date	76,334,467	63.5%
Resulting Issuer Options/DSUs	15,266,893	12.7%
Resulting Issuer 2018 Warrants	23,529,411	19.6%
BKD 2017 Warrants	625,000	0.5%
BKD 2016 Warrants	2,630,972	2.2%
BKD Debenture Warrants	14,286	0.0%
Resulting Issuer 2018 Compensation Options	1,448,276 ⁽²⁾	1.2%

	Shares Outstanding (Diluted) After Giving Effect to the Transaction and the Offering	Percentage of Fully Diluted Share Capital
BKD 2017 Compensation Options	131,250	0.1%
BKD 2016 Compensation Options	194,444	0.1%
Total	120,174,999	100%

Notes:

- (1) Includes: (i) the 21,000,000 BKD Shares to be issued in exchange for the securities of AAA; and (ii) the 2,000,000 BKD Shares to be issued in connection with the Oryx Acquisition.
- (2) Assuming completion of the Offering for aggregate gross proceeds of C\$12,000,000.

Available Funds

The following table sets forth the estimated working capital and amounts and sources of other funds of the Resulting Issuer as at the dates indicated. See the financial statements of the Company attached hereto as 0, the financial statements of AAA attached hereto as 0, the financial statements of Oryx attached hereto as 0 and the pro forma financial statements attached hereto as 0.

Source of Funds	Available Funds on Completion of the Transaction (US\$)
Estimated working capital of BKD as at September 30, 2018	\$200,000
Estimated working capital of AAA as at September 30, 2018	nil
Estimated working capital of Oryx as at September 30, 2018	\$672,525
Estimated net proceeds from the Offering	\$9,140,072
Total Funds Available	\$10,012,597

Principal Purposes of Available Funds

The following table sets out the estimated available funds after giving effect to the Transaction and the proposed principal uses for those funds:

Use of Available Funds	Amount Assuming Completion of the Transaction (US\$)
Cash settlement of consideration/earnout	\$6,106,634
Transaction related expenditure	\$1,834,588
Total	\$7,941,222

The Resulting Issuer will spend the funds available to it upon completion of the Transaction to achieve the business objectives set out in the section entitled "*Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives.*" There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Upon completion of the Transaction, the Resulting Issuer is expected to have sufficient cash available to pay its operating and administration costs for at least the next eighteen (18) months.

Dividends

No dividends have been paid by the Company since incorporation. The future payment of dividends will be dependent upon the financial requirements to fund future growth, the financial condition of the Resulting Issuer and other factors the Board may consider appropriate in the circumstances. The Resulting Issuer does not expect to pay dividends in the immediate or foreseeable future.

Principal Security Holders

The following table sets out all holders who will own, directly or indirectly, or exercise control or direction over more than 10% of the Resulting Issuer Shares as at the Effective Date:

Name of Shareholder and Municipality of Residence	Type of Ownership	Number and Percentage of Resulting Issuer Shares ⁽¹⁾
Legacy Eight Group Ltd. Toronto, Ontario	Direct	9,304,386 (12.7%)

Notes:

(1) Non-diluted.

Directors, Officers and Promoters

The following table lists the name, municipality of residence, proposed office, principal occupation and anticipated shareholdings of each director, proposed director and proposed officer of the Resulting Issuer:

Name and Municipality of Residence	Office	Principal Occupation	Number of Resulting Issuer Shares Owned, Beneficially Held or Controlled upon completion of the Transaction and the Offering	% of Class Held or Controlled ⁽¹⁾
Dominic Mansour Oxfordshire, UK	Chief Executive Officer and Director	CEO of Legacy Eight Group Limited Former Managing Director of the Rational Group	Nil	Nil
Nick Thain London, UK	Director and Chief Executive Officer of GIVEMESPORT	Chief Executive Officer of BKD	2,747,412 ⁽³⁾⁽⁵⁾	3.7%
Jae Chalfin London, UK	Director and Chief Commercial Officer of GIVEMESPORT	Chief Commercial Officer of BKD	2,980,549 ⁽⁵⁾	4.1%
Akshay Kumar Surrey, UK	Chief Financial Officer and Corporate Secretary	CFO of Legacy Eight Group Limited Former Group Finance Director & Company Secretary of NetPlay TV plc	Nil	Nil
Marvin Igelman Thornhill, Ontario	Director	Vice Chair of BKD Former CEO of BKD	86,267 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	0.1%
Michael Galloro Toronto, Ontario	Director	President of Aloe Finance Inc.	Nil	Nil

Name and Municipality of Residence	Office	Principal Occupation	Number of Resulting Issuer Shares Owned, Beneficially Held or Controlled upon completion of the Transaction and the Offering	% of Class Held or Controlled ⁽¹⁾
Mark Munger San Diego, CA	Director	Consultant	Nil	Nil
Roger Rai Toronto, Ontario	Director	Managing Director of E.S. Rogers Enterprises	35,200 ⁽⁵⁾	0.05%

Notes:

- (1) Undiluted.
- (2) Proposed member of the Audit Committee.
- (3) 440,657 of which are owned by the Nicholas Paul Thain Family Holdover Trust, of which Mr. Thain is a beneficiary.
- (4) 100 BKD Shares are owned by Mr. Igelman indirectly through 1516713 Ontario Limited.
- (5) Upon completion of the Transaction, this individual shall receive 82,181 BKD Shares in satisfaction of a payment of £25,000.
- (6) Upon completion of the Transaction, Marvin Igelman shall receive 411,764 BKD Shares in satisfaction of a contractual payment of CAD\$210,000.

Upon completion of the Transaction, the directors and officers of the Resulting Issuer will own or control, as a group, 5,849,428 Resulting Issuer Shares (approximately 7.7% of the Resulting Issuer Shares).

Management and Board of Directors of the Resulting Issuer

Upon completion of the Transaction, it is anticipated that the Resulting Issuer's board of directors will consist of four current board members of the Corporation, being Marvin Igelman, Nick Thain, Jae Chalfin and Roger Rai, and three new board members. It is intended that the three new board members will be Dominic Mansour, Michael Galloro, Mark Munger. It is also intended that the new officers of the Resulting Issuer will be Dominic Mansour – Chief Executive Officer and Akshay Kumar – Chief Financial Officer.

Nick Thain will act as Chief Executive Officer of GIVEMESPORT and Jae Chalfin will act as Chief Commercial Officer of GIVEMESPORT.

Background on Officers and Directors***Dominic Mansour – Age 42 – Chief Executive Officer and Director***

Dominic has an extensive background of nearly 20 years in the gaming and lottery industry. Most recently, Dominic could be seen at the poker tables of Rational Group's Full Tilt where he was Managing Director and is credited with innovatively moving the business into recreational poker and launching casino products. He has a deep understanding of the online gaming sector globally having been CEO at the UK based Health Lottery, working closely with national regulated lotteries around the world at GTECH where he was VP of Product. Prior to his time at GTECH, Dominic was CEO at AIM listed NetPlay TV PLC, the company that acquired bingos.com, a business Dominic built from the ground up, using private investment.

Mr. Mansour expects to devote his full time to the Resulting Issuer.

Nick Thain – Age 38 – Director and Chief Executive Officer of SNM

Nick Thain has been the Chief Executive Officer of SNM since February 2008. Prior to which, Marketing Director, Online for IPT Limited. Nick has been involved with a range of start-ups, design, music and data, the most prominent being IPT, an AIM listed company with a market capitalisation of £200+ million. Nick has used his

marketing and technology background, coupled with a deep understanding of social media, to help grow SNM into a leading sports publisher. Mr. Thain had a Bachelor of Science from Westminster University.

Mr. Thain expects to devote his full time to the Resulting Issuer.

Jae Chalfin – Age 40 – Director and Chief Commercial Officer of SNM

Jae Chalfin is a founder of SNM and has been a director of SNM since April 2006. Having a passion and interest in the mobile-web disruption seen in media, Jae founded SNM to explore new ways to connect to the elusive sports fan in digital and mobile communication. Jae's role is as the visionary with a focus on activities relating to marketing, sales, product development to drive business growth business development, commercial partnerships and creative. Jae graduate with a bachelor of arts degree in Business and Economics from the University of Warwick (including a semester at Harvard University).

Mr. Chalfin expects to devote his full time to the Resulting Issuer.

Akshay Kumar – Age 39 – Chief Financial Officer and Corporate Secretary

Akshay brings over thirteen years' experience in the betting and gaming sector and has responsibility for accounting, financial planning and budgeting for Legacy 8. Prior to his appointment as a CFO of Legacy 8, Akshay served as CFO of NetPlay TV plc, a gaming business listed on the London Stock Exchange, where he led the sale to Betsson AB. Prior to this he was Financial Controller at Sporting Index, the sports spreadbetting specialist. Akshay is a Fellow Chartered Accountant having qualified with PwC, holds an MBA and is a member of the ICASA.

Mr. Kumar expects to devote his full time to the Resulting Issuer.

Marvin Igelman - Age 56 – Director

Marvin Igelman ventured into the technology field in 1996 and successfully founded Brandera Inc., a publicly traded company, where he served as its President and CEO operating Portfolios.com, a leading online business-to-business site for the Graphic Arts and creative community. Following the 2002 sale of Portfolios.com, Mr. Igelman served as a business development consultant for numerous technology companies, and established a number of other successful ventures including funding and serving as CEO of Unomobi Inc., a mobile advertising and messaging platform that was acquired in 2010 by Poynt Corporation. Mr. Igelman joined the Poynt Corporation executive team and board of directors, serving as its Chief Strategy Officer until June 2011. Mr. Igelman graduated from Osgoode Hall Law School in 1986, becoming a member of the Law Society of Upper Canada in 1988.

Michael Galloro – Age 43 - Director

Michael Galloro is an accomplished financial executive with over 20 years of experience. Mr. Galloro gained public markets experience engaged as a Vice President of Finance for a TSXV listed company operating in the payment processing industry. He then pursued a consulting career focused primarily on the small and mid-cap space working closely with emerging private and publicly listed companies operating globally assisting with financings, M&A, corporate structuring and go public transactions, both in Canada and the US. Michael earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the financial institutions practice for KPMG LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.

Mark Munger – Age 52 – Director

Mr. Munger is a technology and operations consultant in hospitality, gaming, and software development with over 30 years' experience in startups and established companies. He is currently Managing Partner of Valcros, LLC, a Las Vegas, Nevada based casino and technology consulting firm. He is an active advisor to Playtech Systems/Island Luck casinos and Verizon Media Group in Bahamas; CEO of Gambling with The Stars, a live dealer social casino start-up; technical consultant to Jetlag Learning, an educational software company; and board member to non-profit Sun-Rise Community Services. Mr. Munger has managed technology at several land-based casino gaming properties

including preopening design through operations. He designed building technology systems and won a "Buildy" award for his automation design of Battery Wharf, a multi-use real estate project in Boston, MA.

Roger Rai – Age 48 - Director

Mr. Rai was the Managing Director of E.S. Rogers Enterprises. In his capacity as Managing Director, Roger advised Edward Rogers, the representative controlling shareholder of Rogers Communications, on business development, revenue development, talent development and sports. Roger is also the President of R3 Concepts Inc., a company that acts as a basis for investments he makes and consulting services he provides. Mr. Rai holds a Bachelor of Arts from the University of Western Ontario.

Corporate Cease Trade Orders or Bankruptcies

Other than as set out in the Circular, no proposed director, officer or promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within ten years before the date of this Circular, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

GMFL was a joint venture company in which Sports New Media Limited, a subsidiary of SNM, held a 50% interest. Nick Thain and Jae Chalfin were directors of GMFL in 2010, when GMFL was sued in respect of a contractual dispute with a client. The Court found in favour of the claimant, GMFL was ordered to make certain payments to the claimant which it was unable to discharge and, as a result, GMFL was placed into insolvent liquidation.

Penalties or Sanctions

No individual proposed for appointment as a director or officer of the Resulting Issuer, nor any promoter of the Resulting Issuer or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder making a decision about the proposed Transaction.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such person has, within the ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter, except as follows:

In 2016, Mr. Munger executed a Deed-in-Lieu with Marriott Vacation Club International with respect to timeshare investments and "Destination Points". In 2015, Mr. Munger cancelled debts with Citibank of \$21,300 with respect to

a business credit card. In 2011, Mr. Munger settled a debt with FIA Card Services relating to a business credit card with personal liability, resulting in \$28,590 in cancelled debt.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Transaction or who may be considered promoters of the Resulting Issuer are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the CBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. The shareholders of the Resulting Issuer must appreciate that they will be required to rely on the judgment and good faith of its directors and officers in resolving any conflicts of interest that may arise.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoter of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Position	Exchange	From	To
Marvin Igelman	Catasys Inc.	Director	OTCBB	Feb 2014	July 2017
	American Apparel	Director	AMEX	June 2011	July 2014
	Jamba Juice Inc.	Director	NASDAQ	May 2011	May 2015
Roger Rai	Keek Inc.	Vice President, Business Development	TSXV	2010	2014
	SustainCo Inc.	Director	TSXV	Aug 2008	April 2016
	Stem Holdings Inc.	Director	OTCMKTS	May 2018	Present
	Scythian Biosciences Corp.	Director	TSXV	April 2018	Present
	Pinetree Capital Ltd.	Director	TSX	July 2014	February 2015
Michael Galloro	Sustainco Inc.	Director	CNSX	Mar 2012	Present
	Yangaroo Inc.	CFO	TSXV	Dec 2010	Present
	Goldstream Minerals Inc.	Director	NEX	Sep 2012	Present
	Liberty Health Sciences Inc.	Director	CNSX	Nov 2016	Present
	Infosonics Corporation	Director	NASDAQ	June 2018	Present
	Black Sparrow Capital Corp.	Director	TSXV	Nov 2011	Jan 2015
	AgriMinco Corp.	Director	TSXV	Mar 2011	July 2014

	Mahdia Gold Corp.	CFO	CNSX	Sep 2012	July 2014
	Organic Potash Corp.	Director	CNSX	Aug 2011	Oct 2015
	Alberta Oilsands Inc.	Interim CFO	TSXV	July 2012	Feb 2016
	Delavaco Residential Properties Corp.	CFO	TSXV	Jan 2014	July 2016
	Santa Maria Petroleum Inc.	Director	TSXV	May 2014	Dec 2016

Executive Compensation

Please see "*Information concerning the Company - Executive Compensation*" and "*Information Concerning Oryx – Executive Compensation*" for a discussion of the agreements with officers of the Company and Oryx. The following is the expected annual compensation each of the officers listed below. This is subject to change.

Name of Officer	Anticipated Compensation
Dominic Mansour, Chief Executive Officer	£275,000
Akshay Kumar, Chief Financial Officer	£150,000
Nick Thain, Chief Executive Officer of GIVEMESPORT	£150,000
Jae Chalfin, Chief Commercial Officer of GIVEMESPORT	£150,000
Matevž Mazij, Chief Executive Officer of Oryx	£150,000

Indebtedness of Directors, Executive Officers and Other Management

Except as disclosed below, no individual who: (a) is a director or officer of the Company, AAA or Oryx or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of the Company, Oryx or AAA was, a director or officer of the Company, AAA or Oryx; or (c) is an associate of any of the foregoing, is either: (x) indebted to the Company, Oryx or AAA or a subsidiary of either the Company, Oryx or AAA; or (t) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, Oryx or AAA as at the day of the Circular.

Resulting Issuer Option Plan

The Resulting Issuer will continue to use the BKD Option Plan, as amended by the Option Plan Resolution (the "**Resulting Issuer Option Plan**"). The purpose of the Resulting Issuer Option Plan is to offer to directors, officers, employees and consultants of the Resulting Issuer and its affiliates the opportunity to acquire a proprietary interest in the Resulting Issuer, thereby providing an incentive to such parties to promote the best interests of the Resulting Issuer and to provide the means to the Resulting Issuer to attract qualified persons.

The Resulting Issuer Option Plan provides for the issuance of up to 5,483,368 Resulting Issuer Shares (being 20% of the then issued and outstanding Resulting Issuer Shares as of the date of approval) are available for purchase upon the exercise of options awarded by the Resulting Issuer, including options previously awarded and outstanding under the former stock option plans. If the proposed resolution to amend the BKD Option Plan is passed, there will be up to 15,266,893 Resulting Issuer Shares reserved for issuance under the Resulting Issuer Option Plan.

If stock options expire or otherwise terminate for any reason without having been exercised, the number of Resulting Issuer Shares in respect of the expired or terminated stock options will again be available for the purposes of the Resulting Issuer Option Plan.

The terms of the Resulting Issuer Option Plan are the same as the BKD Option Plan as amended by the Option Plan Resolution. For a full description of the BKD Option Plan, please see the section entitled "*Information Concerning the Company – Description of Capital Structure – BKD Option Plan.*"

Options to Purchase Securities

As at the Effective Date, the Company will have reserved an aggregate of 15,266,893 Resulting Issuer Shares for issuance upon exercise of the Resulting Issuer Options pursuant to the Resulting Issuer Option Plan (assuming that the Option Plan Resolution is passed at the Meeting). Upon completion of the Transaction, it is expected that there will be options to purchase an aggregate of 3,699,668 Resulting Issuer Shares issued and outstanding pursuant to the Resulting Issuer Option Plan, of which 346,570 options have been granted to directors of the Company who will not be continuing with the Resulting Issuer (the Company has agreed that these options will remain exercisable for 12 months following the Closing Date).

Escrowed Securities

BKD Principal Escrow

A total of 3,318,911 Resulting Issuer Shares of current Principals are currently held in escrow pursuant to the BKD Escrow Agreement.

Name and Municipality of Residence of Securityholder	Number of securities remaining in escrow	Percentage of total outstanding BKD Shares remaining in escrow
Nick Thain London, UK	922,702	27.8%
Nicholas Paul Thain Family Holdover Trust	176,262	5.3%
Jae Chalfin London, UK	1,192,219	35.9%
David Berman Thornhill, Ontario	2,972	0.08%
Alex Zivkovic Toronto, Ontario	10,958	0.3%
Marvin Igelman Thornhill, Ontario	34,107	1.0%
Roger Rai Toronto, Ontario	14,080	0.4%
Matthew Elek London, UK	6,343	0.2%
Roger Mitchell Como, Italy	24,655	0.7%
Ben Nicholas London, UK	11,911	0.4%
IMG Media Ltd.	922,702	27.8%

These BKD Shares are subject to the Tier 1 Surplus Escrow requirements of the Exchange, in accordance with the BKD Escrow Agreement among the certain shareholders of the Resulting Issuer and Computershare Investor Services Inc., pursuant to the policies of the Exchange. The securities subject to Tier 1 Surplus Escrow have been released as follows:

- 10% of the securities on April 19, 2017;
- 20% of the securities on October 19, 2017; and
- 30% of the securities on April 19, 2018.

The remaining 40% of the securities will be released on October 19, 2018.

BKD Seed Share Resale Restrictions

The following seed share resale restrictions are applicable to certain BKD Shares:

Designation of class	Number of securities remaining in escrow	Resale Restrictions
BKD Shares	1,356,347	Tier 1 Value Escrow – Escrow Agreement

B.

The above securities noted were placed into escrow pursuant to the BKD Escrow Agreement and released in four releases of 25%, with the first release on April 19, 2017 and subsequent releases occurring every six months. The final 25% release is scheduled to occur on October 19, 2018.

Risk Factors Related Specifically to Oryx

Concentrated customer base accounts for significant portion of revenues

Oryx will depend on a small number of significant customers for a large portion of revenue. The business of Oryx was dependent on five customers for approximately 73% of its revenue in the fiscal year ended December 31, 2017, with the largest of such customers accounting for 40% during this period. Oryx expects such demand from a small number of customers to continue to account for a substantial portion of its revenue for the current fiscal year. In addition, Oryx's accounts receivable tend to be concentrated with a small group of customers and it expects this to continue.

The loss of any significant customer, a significant decrease in business from any such customer or a reduction in customer revenue due to adverse changes in the terms of contractual arrangements or other factors could harm its results of operations and financial condition. Revenue from individual customers may fluctuate from time to time.

Gaming industry is highly regulated

The development and distribution of gaming solutions is, in some jurisdictions, subject to extensive scrutiny and regulation on all levels of government including, but not limited to, federal, state, provincial, local and in some instances, tribal authorities. Accordingly, Oryx only conducts business in jurisdictions where gaming is legal or not strictly prohibited without a local license. Many jurisdictions require licenses, permits and documentation of suitability, demonstrating the financial stability for the providers of such gaming solutions in addition to their officers, directors, major shareholders and other key personnel. Oryx's delay or failure to obtain these licenses and approvals in any jurisdiction may prevent Oryx from distributing Oryx's solutions and generating revenues in those jurisdictions. A gaming regulatory body may refuse to issue or renew a registration, including the Oryx Licenses and Registrations, if Oryx, or one of its directors, officers, employees or associates: (i) are considered to be a detriment to the integrity or lawful conduct or management of gaming; (ii) no longer meet a registration requirement; (iii) have breached or are in breach of a condition of registration or an operational agreement with a lottery corporation; (iv) have made a material misrepresentation, omission or misstatement in an application for registration or in reply to an enquiry by a person conducting an audit, investigation or inspection under the gaming control legislation; (v) have been refused a similar registration in another jurisdiction; (vi) have held a similar registration, or license in that province or another jurisdiction which has been suspended or cancelled; or (vii) have been convicted of an offence, inside or outside of a particular jurisdiction, that calls into question Oryx's honesty or integrity or the honesty or integrity of one of Oryx's directors, officers, employees or associates.

Additionally, Oryx's solutions must be approved for use in certain jurisdictions in which they are offered; this process cannot be assured or guaranteed. Obtaining these approvals is a time consuming process that can be extremely costly and cannot be assured. A supplier of gaming solutions may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its gaming solutions by that same jurisdiction. It is unlikely, although possible, that after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, that Oryx may not obtain either of them. If Oryx fails to obtain the necessary certification, registration, license, approval or finding of suitability in a given jurisdiction, including the Oryx Licenses and Registrations, Oryx would likely be prohibited from distributing Oryx's solutions in that particular jurisdiction all together. Furthermore, some jurisdictions require license holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. Oryx may not be able to obtain all necessary registrations, licenses, permits, approvals or findings of suitability in a timely manner, or at all. Oryx's failure to obtain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on Oryx's business. Further, changes in existing gaming regulations may hinder or prevent Oryx from continuing to operate in those jurisdictions where Oryx currently carries on business, which would harm Oryx's operating results and financial condition. In particular, the enactment of unfavorable legislation or government efforts affecting or directed at suppliers or gaming operators, such as referendums to increase gaming taxes or requirements to use local distributors or service providers, may have a negative impact on Oryx's operations. Furthermore, gaming regulatory bodies may from time to time require changes to Oryx's practice in complying with the various disclosures and reporting requirements. If Oryx fails to comply with any existing or future disclosure requirements, the regulators may take action against Oryx which could ultimately include cancellation of a gaming registration, including the Oryx Licenses and Registrations.

Impact of customers' operations in unregulated or prohibited jurisdictions

Certain of Oryx's customers may, from time to time, provide gaming services to players in unregulated markets. This activity by any of Oryx's customers does not necessarily amount to an infringement of laws or regulation in a given jurisdiction, but it is not uncommon for customers to cease providing interactive gaming services in an unregulated market in response to changes or intimated changes to laws or regulation. If a customer is found to have infringed laws or regulations in an unregulated jurisdiction this could materially adversely affect Oryx's operations, financial performance and prospects.

Oryx cannot be certain that Oryx's customers will not provide interactive gaming services to end-users in markets which prohibit interactive gambling. Oryx may be considered by a regulatory body in such a restricted jurisdiction as infringing the laws or regulations of that jurisdiction on the basis that Oryx is aiding the infringement by providing products or services to that customer. If a customer is found to be operating in a prohibited market, this could materially adversely affect Oryx's operations, financial performance, reputation and prospects, as well as jeopardize any one or all of the Oryx Licenses and Registrations by virtue of Oryx's association with, or provision of products or services to, such customer.

Oryx operates in regulated jurisdictions in which existing online gaming and gambling regulations may retrench or increase.

Some countries from which the online gambling industry has historically derived revenue have introduced regulations attempting to restrict or prohibit online gaming and gambling, while other jurisdictions have taken the position that online gaming and gambling should be regulated and have adopted or are in the process of considering legislation to enable that regulation. The introduction of new gambling regulations or changes to the nature and scope of existing gaming and gambling regulations (and applicable laws and regulations more generally) in the territories in which Oryx operates or may operate or from where Oryx derives or may derive revenue could have a material adverse effect on Oryx's business, prospects, revenues, operating results and financial condition.

While certain European countries such as Malta and Gibraltar have adopted "point-of-supply" regimes which generally permit their licensees to accept wagers from any jurisdiction that does not expressly prohibit the supply of online gambling from outside such jurisdiction, other countries, including the UK, Spain and Denmark have implemented, or are in the process of implementing, "point-of-consumption" regimes which only permit the targeting of the domestic market, provided the appropriate local license is obtained and local taxes accounted for (regardless of where the operator's assets, infrastructure and employees may be located). Such licensing regimes can apply onerous compliance requirements and/or introduce product restrictions or marketing restrictions that could have an adverse effect on Oryx's operations (and correspondingly on its financial performance).

Operators within the online gambling industry, including Oryx, traditionally have based their own risk rationales on a remoteness of supply, adopting a "country of origin" approach that justifies supplying gambling services into a jurisdiction unless there was something within the laws of that jurisdiction that explicitly outlawed such provision, and explicitly applied to such inward supply emanating from outside its borders.

Other European territories continue to defend limited licensing regimes that protect monopoly providers or favour local incumbents and, in certain jurisdictions, have combined this with an attempt to prohibit or otherwise restrict operators established and licensed in other countries from offering gaming or gambling products into the territory entirely.

A number of jurisdictions do not agree with this justification but have historically been unable to prevent inward remote supply due to a lack of extra-territorial enforceability of their laws. As a result, a number of jurisdictions have sought to regulate online gambling whilst a small number of other jurisdictions have sought to expand their existing legislation to explicitly prohibit such inward supply. Some jurisdictions include wording in their legislation which seeks to apply it extra territorially, thereby challenging the aforementioned country-of-origin approach. Conflict of law arguments do continue to arise, however, notably in the European Union where Member States remain subject to the TFEU and jurisprudence in the ECJ has applied EU freedom principles to the online gambling industry and eroded any protectionism where identified.

Future legislative initiatives and court decisions may have a material impact on Oryx's operations and financial results. There is a risk that governmental authorities may view the Group as having violated their local gaming regulations and laws if they fail to comply with local rules and requirements, including those relating to the licenses they hold. There is also a risk that civil and criminal proceedings, including class actions brought by or on behalf of prosecutors or public entities, incumbent monopoly providers, or private individuals, could be initiated against the Group and its internet service providers, credit card processors, advertisers and others involved in the online gaming and gambling industry. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed on the Group or its business partners, and may divert the attention of key executives of the Group. Such proceedings could have a material adverse effect on the Group's business, prospects, revenues, operating results and financial condition as well as its reputation.

There can be no assurance that prohibitive legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Group's business to regulate various aspects of the internet or the online gaming and gambling industry (or that existing laws in those jurisdictions will not be interpreted negatively). Compliance with any such legislation may have a material adverse effect on the Group's business, financial condition and results of operations, either as a result of determining that a jurisdiction should be blocked, or because a local license may be costly to obtain and/or such licenses may contain other commercially undesirable conditions.

In addition, certain countries in which laws currently prohibit or restrict online gaming or the marketing of those services, or protect monopoly providers of gaming or gambling services, may implement changes to open their markets through the adoption of competitive licensing and regulatory frameworks. While these changes may provide growth opportunities for Oryx, a new licensing and regulatory regime adopted in any such country may not grant a license to Oryx or may impose onerous conditions such as a requirement to locate significant technical infrastructure within the relevant territory or establish and maintain real-time data interfaces with the regulator, together with enforcement sanctions for breach thereof, taxation liabilities that make the market unattractive to Oryx, or impose restrictions that limit its ability to offer certain of its key products or to market its products in the way it would wish

to do so. Moreover, licensing regimes may require licensees to ring-fence player liquidity, as has happened in the development of the Italian and French licensing regimes, and limitations on player liquidity could have a detrimental effect on Oryx's wider business, particularly in relation to liquidity-reliant product verticals, such as bingo. There is also an associated cost with creating specific bespoke, localized platforms.

If regulation is liberalized or clarified in some jurisdictions, then Oryx may face increased competition from other providers. The opening of new markets, and the clarification of restrictions surrounding online gaming and gambling in other markets where the legal position is currently unclear, may encourage new entrants to the online gaming sector or strengthen the position of competing operators. A significant increase in competition may have a material adverse effect on Oryx's business, prospects, revenues, operating results and financial condition.

Oryx derives revenues from players located in jurisdictions in which Oryx does not hold a license

In certain jurisdictions, online gaming and gambling is either not regulated at all, is subject to very limited regulation, or its legality is unclear. These jurisdictions are commonly referred to in the gaming industry as "unregulated jurisdictions". It is perhaps misleading to refer to Oryx's derivation of revenues from such jurisdictions as being "unregulated". The relevant transactions and the associated player relationships that underpin them are, in fact, regulated in either Malta or Gibraltar, being the jurisdictions in which Oryx either holds point-of-supply licenses or in which its commercial partners do. As such, such transactions are in fact heavily regulated but are not themselves regulated in the jurisdiction within which the player is ultimately located. There is a risk that such jurisdictions may enact regulations relating to online real money or social gaming and that Oryx may be required to register its activities or obtain licenses (or obtain further registrations or licenses, as applicable), pay taxes, royalties or fees, or that the operation of online gaming and gambling businesses in such jurisdictions may be prohibited entirely. The implementation of additional regulatory requirements or payments in such jurisdictions may have an adverse effect on the viability of Oryx's operations, business, or financial performance. Where Oryx or its partners fail to obtain the necessary registrations or licenses, make the necessary payments, or operate in a jurisdiction where online gaming and gambling is deemed to be or becomes prohibited, Oryx or its partners may be subject to investigation, penalties or sanctions, or be forced to discontinue operations entirely, which may negatively impact Oryx's business, prospects, revenues, operating results and financial condition.

Certain of Oryx's technology providers, payment processing partners, or other suppliers of content or services (collectively, "**Infrastructure Services**") may cease to provide, or limit the availability of, such Infrastructure Services to the extent Oryx derives revenue from, or makes such Infrastructure Services available to customers in, unregulated jurisdictions. Were Oryx's access to such Infrastructure Services to become unavailable or limited as a result of operations servicing customers located in unregulated jurisdictions, Oryx's business, prospects, revenues, operating results and financial condition may be adversely affected. There is also a risk that they may not be able to source suitable or economical replacements if such Infrastructure Services becomes unavailable.

Unregulated jurisdictions may lack or have diminished regulations relating to, amongst other things, consumer protection, the prevention of money-laundering, game fairness and technology or data security which may be detrimental to customers. There is a risk that unscrupulous online gaming and gambling operators that actually operate from within unregulated jurisdictions may fail to maintain effective policies, procedures and safeguards in the aforementioned areas and that the actions or omissions of such unscrupulous operators may damage the reputation of all online gaming and gambling businesses operating in unregulated jurisdictions or lead to the adoption of new regulations. This may negatively impact the Group's business, prospects, revenues, operating results and financial condition.

Oryx faces the risk of revocation or non-renewal of its online gambling licenses and approvals

Where jurisdictions regulate online gambling, the application process and ongoing compliance obligations require licensees to demonstrate the suitability, responsibility, character and financial stability of online gambling operators in addition to their officers, directors, major shareholders and other key personnel. Regulated jurisdictions can have different regulations and regulatory processes for online gambling. This finding of suitability process may be expensive and time-consuming. Oryx's delay or failure to obtain these licenses and approvals in any jurisdiction may prevent it from operating and generating revenues in those jurisdictions. A gaming regulatory body may refuse to issue or renew a registration if, for example, Oryx, or one of its directors, officers, employees or associates: (i) is

considered to be a detriment to the integrity or lawful conduct or management of gaming; (ii) no longer meets a registration requirement; (iii) has breached or is in breach of a condition of registration or an operational agreement with a lottery company; (iv) has made a material misrepresentation, omission or misstatement in an application for registration or in reply to an enquiry by a person conducting an audit, investigation or inspection under the gaming control legislation; (v) has been refused a similar registration in another jurisdiction; (vi) has held a similar registration, or license in that province or another jurisdiction which has been suspended or cancelled; or (vii) has been convicted of an offence that calls into question Oryx's honesty or integrity or the honesty or integrity of one of its directors, officers, employees or associates.

In addition, gaming licenses held by Oryx on which Oryx relies, may not be renewed or may be revoked for a variety of reasons, including the failure by Oryx's directors, officers or senior management or significant shareholders or other investors to adequately comply with the suitability, information reporting or other requirements of licensing and regulatory authorities. Such revocation or non-renewal may materially adversely affect the operations, financial performance and prospects of Oryx. In addition, the revocation or non-renewal of these gaming licenses or any other license which may become material to Oryx may lead to adverse publicity and could adversely impact Oryx's ability to successfully maintain current licenses, apply for future licenses in jurisdictions where they currently have a license or jurisdictions in which they may seek licenses in the future. The occurrence of any of these events could result in increased costs, reputational damage to Oryx, may cause their other licenses to be subject to review or revocation and could materially adversely affect their operations, financial performance and prospects. Moreover, renewal or replacement of any licenses may be on terms that are less favourable to Oryx, which could have a material adverse effect on their business, prospects, revenues, operating results and financial condition.

The regulatory environment regarding the internet and electronic commerce is continually evolving and the application of existing laws can be uncertain

In addition to regulations pertaining specifically to online gambling, Oryx may become subject to any number of laws and regulations that may be adopted with respect to the internet and electronic commerce generally. New laws and regulations that address issues such as consumer protection, user privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security and the characteristics and quality of online products and services may be enacted. As well, current laws, which predate or are incompatible with the internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the internet and electronic commerce is fluid and uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are actually applicable to the remote supply of online gambling content and products. The adoption of new laws or regulations relating to the internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the internet for gaming and gambling to the extent it would indirectly impact such activities, and result in a decrease in the demand for Oryx's products and services, increase its cost of doing business or could otherwise have a material adverse effect on Oryx's business, prospects, revenues, operating results and financial condition.

Reputational challenge of dealing in the gaming industry

The gaming industry is subject to negative publicity relating to perceptions of underage gaming, exploitation of vulnerable customers and the historical link of the gaming industry to criminal enterprise. As a supplier to the industry, such negative publicity can affect Oryx's reputation and correspondingly affect Oryx's financial performance.

Typically, under the terms of the applicable laws and the Oryx Licenses and Registrations, Oryx must avoid making the promotion or advertisement of gaming that is directed at or could be directed at underage players. To the extent that Oryx's respective sites are accessed by minors and/or problem gamblers, brand reputation could be tarnished. Situations can arise where minors or compulsive gamblers could access Oryx's websites or those of Oryx's customers. Where they do so, as well as negative publicity and potential regulatory censure, all of which would have a corresponding detrimental effect on Oryx.

Tax risks

Changes from time to time in the interpretation of, amendments to, or guidance relating to, existing tax laws, or the introduction of new tax legislation may have a material adverse effect on Oryx and on the value of the Resulting Issuer Shares.

There can be no assurance that the levels of taxation to which Oryx is subject will not be increased or changed, which could have a material adverse effect on the amount of tax payable by Oryx and Oryx's financial condition and results of operations.

End-users are located in a number of different jurisdictions. Revenues earned from end-users located in a particular jurisdiction may give rise to the imposition of direct, indirect or turnover taxes in that jurisdiction. In addition, as customers need to continue to obtain local licenses to enable them to target specific markets, they may be obliged to pay non-gaming local taxes too. This potentially could erode customers' margins for particular markets, which in turn may affect the financial viability of a specific market, and/or result in the customer wishing to renegotiate its arrangements with Oryx.

If Oryx is found to be, or one of Oryx's subsidiaries is found to be, or to have been, a tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, this may have a material adverse effect on the amount of tax payable by Oryx. Furthermore, any change in Oryx's tax status or in taxation legislation, practice or its interpretation could adversely affect the post-tax returns to shareholders.

Generally speaking, regulated gaming activities will not only be subject to direct corporate taxation, but also indirect taxes and gaming duties. As the regulatory environment continues to develop, it is becoming clear that the taxation environment may become less favorable, as jurisdictions seek to impose their own regulation and taxation regimes on what was, traditionally, an offshore activity. As a consequence of an increased taxation burden affecting customers and/or Oryx, Oryx may see a reduction in related revenue share or a pressure to re-negotiate with key customers.

Money laundering/fraudulent activity

Online transactions may be subject to sophisticated schemes or collusion to defraud, launder money or other illegal activities. There is a risk that Oryx's products or systems may be used for those purposes by Oryx's customers' players. There is also a risk that Oryx will be subject to fraudulent activities by Oryx's employees. Any exposure to fraud and/or money laundering could subject Oryx to financial losses, business disruption and damage to Oryx's reputation. In addition, there is a risk that Oryx may be subject to investigation and sanctions by a regulator and/or to civil and criminal liability if Oryx has failed to comply with Oryx's legal obligations relating to the reporting of money laundering or other offences.

Oryx has implemented policies and procedures designed to minimise the risk of fraud and money laundering, including conducting anti-money laundering checks on Oryx's customers. However, there can be no guarantee that these policies and procedures will be effective in all cases.

Legislative interpretation may result in criminality of activities

Oryx generates the majority of its income through licensing Oryx's technology and games to enable gaming operators to provide gaming services to customers where such services are dependent on that software and the functionality it provides. One of the consequences of Oryx's supply of operational gaming software to customers is the potential regulatory risk associated with doing so. While in many jurisdictions laws and regulations may not specifically apply to gaming software licensors (as distinct from its customers' delivery to end customers), this is not universally the case and, indeed, some jurisdictions have sought to regulate or prohibit such supply explicitly.

Furthermore, Oryx relies on the continuity of supply by Oryx's customers to their end-users using the gaming related software and technology which Oryx licenses. Laws and regulations relating to the supply of gaming services are

complex, inconsistent and evolving and Oryx may be subject to such laws either directly through explicit service provision or indirectly insofar as it has assisted the supply to customers who are themselves subject to such laws.

Operators within the remote gaming industry have sought, in the past, to justify their activities by asserting that if remote gaming is permitted from the country of origin (i.e., from the point of supply) then the laws in the country of receipt would have to specifically outlaw the activity of the customer (remotely accessing interactive gaming services) or an entity in that jurisdiction or have the authority to implement laws that impacted outside the jurisdiction in order to render the activity illegal, or entitle the country of receipt to assert jurisdiction. Operators have sought to reduce any associated risks of jurisdictions forming a contrary view by limiting or omitting to have physical presence in such jurisdictions where any connected activities are not clearly legal. There are a number of jurisdictions that consider this rationale to be unjustified. Indeed in some territories, laws have been passed to expressly criminalize the provision of (and sometimes the participation in) gaming, irrespective of where the operator is located and licensed. For the greater part, these laws have not been tested. Some jurisdictions seek to regulate gaming; others seek to prohibit it. There is a corresponding, continuing risk to any participant in the gaming industry (be they an operator, supplier or other service provider) that jurisdictions in which customers are located may seek to argue that such a participant was acting illegally in accepting or assisting in the acceptance of wagers from its citizens or in the manner in which it operates gaming networks. This could lead to actions being brought against customers which, in turn, could have a detrimental effect on the financial performance and Oryx's reputation. Similarly, where supply by Oryx to the customer is critical to the gaming transaction, one cannot rule out the risk that direct enforcement action will be taken against Oryx or any of Oryx's employees and directors.

Many jurisdictions have not updated their laws to address the supply of remote gaming, which by its nature is a multi-jurisdictional activity. Moreover, the legality of interactive gaming and the provision of software, services and gaming network management is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agents including in relation to determining in which jurisdiction the gaming takes place and therefore which law applies. This uncertainty creates a risk for Oryx that even in instances where older laws have not been updated to address new technology, courts may interpret older legislation in an unfavorable way and determine customers' and/or Oryx's activities to be illegal. This could lead to actions being brought against customers and/or Oryx or any of Oryx's employees and directors, all or any of which may, individually or collectively, have a detrimental effect on Oryx's financial performance and Oryx's reputation.

Oryx's seek to keep abreast of legal and regulatory developments affecting the gaming industry as a whole. However, Oryx does not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where Oryx's customers derive business and, correspondingly, from where Oryx may derive revenue. Oryx adapts its regulatory policy and, therefore, the scope of Oryx's ongoing monitoring on the basis that an individual market's materiality to both any relevant customer and to Oryx may change. As such, Oryx may receive revenue from customers' dealing in jurisdictions where Oryx may be unaware of the full extent of enforcement risk.

Oryx's employees and directors are not located, nor does Oryx have tangible assets or physical presence, in jurisdictions where the directors are aware of any material legal or regulatory risk associated with such location, nor does Oryx conduct activities where Oryx's support of customers is also explicitly illegal. Where appropriate and where Oryx is able, Oryx takes the additional precautionary step of blocking wagers from such jurisdictions. When appropriate, Oryx reviews the regulatory rationale of customers but, given that day-to-day management of operational risk will remain in the purview of customers, Oryx protects itself through contractual mechanisms explicitly allowing Oryx to suspend or terminate services.

Despite the monitoring undertaken by Oryx and the precautions Oryx takes as to the location of employees or assets, there remains a prospect that, in the event of legislation being interpreted in an unfavorable or unanticipated way, such measures are not sufficient and result in actions being brought against Oryx or Oryx's employees and directors, all of which would have a detrimental effect on the financial performance and Oryx's reputation. Furthermore, similar actions could be brought against customers with the consequence that revenue streams from such customers may be frozen or traced at the behest of authorities even if none of Oryx's entities are made a party to any legal proceedings against any such customer. Customers may also face problems in legitimately moving monies in and out of certain jurisdictions which will impact upon payments from customers. Finally, there is also a risk that Oryx's directors or employees or individuals engaged by Oryx (or directors, employees or individuals connected to any

customer) may face extradition, arrest and/or detention in (or from) such territories even if they are only temporarily present.

Regulatory perception of gaming operators and suppliers, and their respective regulatory risk

While from a gaming regulatory perspective, operators that directly provide gaming services to their customers are generally perceived to be exposed to a greater degree of enforcement risk than their suppliers, in some jurisdictions laws extend to directly impact such gaming suppliers. Furthermore, a supplier's nexus with a particular jurisdiction may expose it to specific enforcement risks, irrespective of whether there has been an attempt to bring proceedings against any supported operator.

The interactive gaming market has developed such that the nature of some of the services undertaken by suppliers on behalf of operators places them closer to the actual customer transaction, arguably rendering them quasi-operators in their own right. A number of fundamental points have begun to emerge from these market developments. Suppliers cannot claim ignorance of, or indifference to, the origin of an operator's business. Indeed, enforcement proceedings brought against an operator may result in action being taken against a supplier (and even brought in the absence of the former). From a reputational and risk perspective, therefore, it is not sufficient for a supplier to avoid evaluating the risks associated with the businesses of the entities it supplies.

Ultimately, the market may view, or in the future may view, the regulatory risk associated with the business of supplying software and services to gaming operators as being comparable with the regulatory risk attaching to operators themselves. In such circumstances, there is an associated risk that investors may apply valuation methods to any such supplier that are the same as the valuation methods used to value operators, and which build in the same regulatory risk even though, in many territories, such suppliers would be considered sufficiently removed from the transactional activity to warrant the application of a discrete risk analysis.

Evolving nature of gaming regulation

The application of laws designed to enshrine trade freedoms is the subject of ongoing and developing jurisprudence which, ultimately, may result in a regulatory environment that impacts negatively on multi-national stakeholders in the gaming industry such as Oryx and Oryx's customers.

The way in which gaming laws are evolving is unpredictable and in some instances, laws have appeared to have been fully implemented by certain jurisdictions in contravention of the jurisprudence and guidance given by related jurisdictions, even following review and comment on draft laws and regulations. As a result, Oryx and its customers remain subject to some ongoing uncertainty and to the associated risks that such laws may, ultimately, be interpreted and implemented in a disadvantageous way.

While much global legislative action focuses on liberalizing interactive gambling regulations, in many cases these efforts move slowly, and it may take many years for markets to actually open up to licensed competitors even after laws pass. In addition, there is still potential for legislation that is intended to reduce or eliminate interactive gambling. Furthermore, credit card companies have tightened restrictions on the use of credit cards for interactive gambling transactions.

Risk Factors Related to the Resulting Issuer

The Resulting Issuer's stock price

There has been significant volatility in the market prices of technology companies' securities. Various factors and events may have a significant impact on the market price of the Resulting Issuer Shares. These factors include:

- fluctuations in the Resulting Issuer's operating results and revenues generated by its marketed products, including those to be marketed by the Resulting Issuer;
- announcements of technological innovations, acquisitions or licensing by the Resulting Issuer or competitors of the Resulting Issuer;

- published reports by securities analysts;
- commercial success of the Resulting Issuer's products and services;
- developments in patent or other proprietary rights;
- developments in the Resulting Issuer's relationships with collaborative partners;
- announcements by the Resulting Issuer's collaborative partners regarding the Resulting Issuer's products and services;
- developments in new or pending litigation; and
- general market conditions.

Failure to realize anticipated benefits of the transaction

The ability of the Resulting Issuer to realize the anticipated benefits of the Transaction will depend, to a large extent, on the combined company's ability to integrate the businesses of Oryx and the Company. The combination of two independent businesses is a complex, costly and time-consuming process. As a result, the Resulting Issuer will be required to devote significant management attention and resources to integrating their business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively, would restrict the realization of the full expected benefits. The failure to meet the challenges involved in integrating the two businesses and to realize the anticipated benefits of the Transaction could cause an interruption of, or a loss of momentum in, the activities of the combined company and could adversely affect the results of operations of the combined company.

In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships and diversion of management's attention. The difficulties of combining the operations of the companies include, among others:

- diversion of management's attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the combination of the businesses of Oryx and the Company;
- difficulties in the integration of operations and systems;
- conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in keeping existing customers and obtaining new customers;
- potential unknown liabilities or larger liabilities than projected, adverse consequences and unforeseen increased expenses associated with the Transaction; and
- coordinating a geographically dispersed organization.

Many of these factors will be outside the control of the Resulting Issuer, and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the business, financial condition and results of operations of the combined company. In addition, even if the operations of the businesses of the Company and Oryx are integrated successfully, the full benefits of the Transaction may not be realized, including the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame, or at all. Additional unanticipated costs may be incurred in the integration of the businesses of the Company and Oryx. All of these factors could cause dilution to the earnings per share of the combined company, decrease or delay any potential accretive effect of the Transaction and negatively impact the price of the Resulting Issuer Shares following the Transaction.

The benefits described in this Circular are also subject to a variety of other factors, many of which are beyond the Company's and Oryx's ability to control, such as changes in the rate of economic growth in jurisdictions in which the Resulting Issuer will do business, the financial performance of the combined business in various jurisdictions, currency exchange rate fluctuations, and significant changes in trade, monetary or fiscal policies, including changes in interest rates, and tax law of the jurisdictions in which the combined company will do business. The impact of these factors, individually and in the aggregate, is difficult to predict, in part because the occurrence of the events or

circumstances described in such factors may be interrelated, and the impact to the combined company of the occurrence of any one of these events or circumstances could be compounded or, alternatively, reduced, offset, or more than offset, by the occurrence of one or more of the other events or circumstances described in such factors.

Costs of the Transaction

The Company, AAA and Oryx will incur substantial expenses in connection with completion of the Transaction, and over a period of time following the completion of the Transaction, the Resulting Issuer further expects to incur substantial expenses in connection with coordinating the businesses, operations, policies and procedures of Oryx and the Company. While the Resulting Issuer has assumed that a certain level of transaction and coordination expenses will be incurred, there are a number of factors beyond the Resulting Issuer's control that could affect the total amount or the timing of these Transaction and coordination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses may exceed the costs historically borne by the Company, AAA and Oryx.

The Transaction may not be accretive

The issuance of new BKD Shares in connection with the Transaction could have the effect of depressing the market price of the Resulting Issuer Shares.

In addition, the Resulting Issuer could also encounter additional transaction-related costs or other factors. All of these factors could cause dilution to the Resulting Issuer's earnings per share or decrease or delay any potential accretive effect of the Transaction and cause a decrease in the market price of the Resulting Issuer Shares following the Transaction.

The Resulting Issuer may not be able to protect its intellectual property rights and could be at risk of infringing third-party intellectual property rights

The Resulting Issuer's ability to compete effectively depends, among other things, on the Resulting Issuer's ability to protect, register and enforce (as appropriate), the Resulting Issuer's intellectual property rights, including, in particular, the Resulting Issuer's intellectual property rights relating to Oryx's software. Initiating and maintaining suits against third parties that may infringe upon the Resulting Issuer's intellectual property rights will require substantial financial resources. The Resulting Issuer may not have the financial resources to bring such suits and if the Resulting Issuer does bring such suits, the Resulting Issuer may not prevail. The Resulting Issuer's inability to protect these rights and related expenses involved could have an adverse impact on the Resulting Issuer's operations, financial performance and prospects.

The Resulting Issuer faces the risk that the Resulting Issuer's intellectual property rights may be infringed by a third-party, and there can be no assurance that the Resulting Issuer will successfully prevent or restrict any such infringing activity. The costs incurred in bringing or defending any infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Resulting Issuer may result in royalties or damages being payable and/or the Resulting Issuer being required to cease using any infringing intellectual property or embodiments of any such intellectual property (such as software). If any of the Resulting Issuer's intellectual property is held to be infringing, there can be no assurance that the Resulting Issuer will be able to develop or obtain (on favorable terms or at all) alternative non-infringing intellectual property.

The Resulting Issuer may receive, from time to time, letters from patent holders alleging that certain of the Resulting Issuer's products and services infringe the patent rights of third parties. Some of these may result in litigation proceedings being commenced against any member of the Resulting Issuer and the Resulting Issuer's directors, or settlements for amounts that may be material to the Resulting Issuer. The Resulting Issuer will need to divert resources to address any such claims that may arise. In addition, because patent applications can take many years to issue, there may be applications now pending of which the Resulting Issuer is unaware, which might later result in issued patents that the Resulting Issuer's solutions may infringe. If any of the Resulting Issuer's solutions infringe a valid patent, the Resulting Issuer could be prevented from distributing that particular product, unless and until the Resulting Issuer can obtain a license or redesign the product in question to avoid infringement. A license may not be

available or may require the payment by the Resulting Issuer of substantial royalties. Additionally, the Resulting Issuer may not be successful in any attempt to redesign the infringing product. Infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the Resulting Issuer may not have the financial and human resources to defend itself against any infringement suits that may be brought against the Resulting Issuer.

There can be no assurance that third parties will not independently develop or have not so developed similar or equivalent software to the Resulting Issuer's software, or will not otherwise gain access to the Resulting Issuer's source code, software or technology.

There can be no assurance that the Resulting Issuer's registered intellectual property is valid or enforceable and such intellectual property may be subject to challenge or circumvention by third parties. The Resulting Issuer has not registered all intellectual property rights that are registrable and which are material to the Resulting Issuer's business and no assurance can be given that any applications for registration made by the Resulting Issuer will be successful, as applied for or at all.

Moreover, due to the differences in foreign patent, trademark, trade dress, copyright and other laws concerning rights, the Resulting Issuer's intellectual property may not receive the same degree of protection in foreign countries as it would in Canada or the U.S. The Resulting Issuer's failure to possess, obtain or maintain adequate protection of the Resulting Issuer's intellectual property rights for any reason in these jurisdictions could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

The directors consider the Resulting Issuer's know-how, copyright in software, copyright in data and other intellectual property to be a competitive advantage and key to its success to date and future prospects. The Resulting Issuer takes prudent steps to protect the Resulting Issuer's intellectual property. However, the Resulting Issuer's failure or inability to protect the Resulting Issuer's intellectual property rights, including the Resulting Issuer's rights in know-how or trade secrets, and in particular intellectual property relating to the Resulting Issuer's technology and code could have a material adverse effect on the Resulting Issuer's operations, financial performance and prospects.

Lastly, the Resulting Issuer also relies on trade secrets and know-how. As protection, the Resulting Issuer requires its employees and independent contractors to enter into confidentiality and intellectual property assignment agreements, however it cannot be assured that the obligations therein will be maintained and honored. In spite of confidentiality agreements and other methods of protecting trade secrets, the Resulting Issuer's proprietary information could become known to or independently developed by competitors.

The Resulting Issuer operates in a new and developing industry

The industries within which the Resulting Issuer operates are relatively new and rapidly evolving and as such it is difficult to predict the prospects for growth in these industries. If these industries grow more slowly than anticipated or the Resulting Issuer's existing offerings lose, or its new offerings fail to achieve market acceptance, the Resulting Issuer may be unable to achieve its strategic objectives, which could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Competition

The industries within which the Resulting Issuer operates are rapidly evolving and intensely competitive, and are subject to changing technology, shifting user needs, and frequent introductions of new offerings. The Resulting Issuer's current and potential competitors include large and established companies as well as other start-up companies. Certain competitors have more established relationships and greater financial resources and they can use their resources against the Resulting Issuer in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development and advertising. Emerging start-ups may be able to innovate and provide offerings faster than the Resulting Issuer can. If competitors are more successful than the Resulting Issuer in developing compelling offerings, the Resulting Issuer's revenue and growth rates could be negatively affected. There is no assurance that the Resulting Issuer will be able to maintain or grow its position in the marketplace.

Restricted ability to enforce contracts in certain jurisdictions

The legal framework, ways of working and conduct of business affairs in certain jurisdictions can differ from what may be considered as standard market practice in other jurisdictions in which the Resulting Issuer operates. To the extent that such agreements may be subject to any default, dispute or enforcement action, its recourse to local courts or other enforcement bodies to enforce its rights under such agreements may be limited by virtue of the perceived closed nature of such businesses and communities. The Company and Oryx have sought to mitigate such risks in the course of commercially settling the existing relevant contracts and will seek to do so in any future relevant contract being mindful of the circumstance as a matter of prudent business conduct however any inability on the Resulting Issuer's part to enforce its contracts could have a direct effect on the revenue generated under such contracts. Furthermore, any deterioration, for any reason, in the strong business relationships which the Resulting Issuer currently enjoys with its customers could harm its business reputation and have a material adverse effect on its operations, financial performance and prospects.

Loss of license

The Oryx Licenses and Registrations, and the gaming licenses of any of its customers may be revoked. Such revocation may materially adversely affect Oryx's operations, financial performance, and prospects. The revocation of a gaming license could also result in reputational damage to Oryx, may cause Oryx's other licenses to be subject to review and could materially adversely affect Oryx's operations, financial performance and prospects.

Mobile device users may choose not to allow advertising

The success of GIVEMESPORT's business model depends on its ability to deliver targeted, highly relevant ads to users of the Resulting Issuer's mobile sports applications and website. Targeted advertising is done primarily through analysis of data, much of which is collected on the basis of user-provided permissions. This data might include a mobile device's location or data collected when users view an advertisement or when they click on or otherwise engage with an advertisement. Users may elect not to allow data sharing for targeted advertising for a number of reasons, such as privacy concerns, or pricing mechanisms that may charge the user based upon the amount or types of data consumed. In addition, the designers of mobile device operating systems are increasingly promoting features that allow device users to disable some of the functionality, which may impair or disable the delivery of advertisements to their devices, and device manufacturers may include these features as part of their standard device specifications. Although the Resulting Issuer is not aware of any such products that are widely used in the market today, as has occurred in the online advertising industry, companies may develop products that enable users to prevent advertisements from appearing on their mobile device screens. If any of these developments were to occur, it could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Limited long-term agreements

The Resulting Issuer's success requires it to maintain and expand its current client relationships and to develop new relationships. Company's and Oryx's contracts generally do not include long-term obligations requiring its partners to purchase from, or do business with the Company or Oryx, and may be cancelled upon short or no notice and without penalty. As a result, the Resulting Issuer may have limited visibility as to its future revenue streams. The Resulting Issuer cannot ensure its clients will remain clients or that the Resulting Issuer will be able to replace, in a timely or effective manner, departing clients with new clients that generate comparable revenue. Any non-renewal, renegotiation, cancellation or deferral of significant contracts that in the aggregate account for a significant amount of revenue could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Impact of laws

The Resulting Issuer and its subsidiaries are incorporated under the laws of, and/or will operate offices in, Canada, the United Kingdom, the United States, Slovenia and Malta]. The Resulting Issuer and its subsidiaries are and will be subject to a variety of laws in Canada, the United Kingdom, the United States, Slovenia, Malta, jurisdictions

where it holds the Oryx Licenses and Registrations, and abroad, including laws regarding privacy, intellectual property, taxation and distribution that are continuously evolving and developing. The scope, enforcement and interpretation of the laws that are or may be applicable to the Resulting Issuer and its subsidiaries are often uncertain and may be conflicting. It is also likely that as business grows and expands, the Resulting Issuer will become subject to laws and regulations in additional jurisdictions. Compliance with applicable laws or regulations could be very difficult or liability could arise under these laws or regulations, including due to amendments to or evolving interpretation and enforcement of such laws and regulations. As a result, the Resulting Issuer could be directly harmed, and may be forced to implement new measures to reduce the exposure to this liability. This may require substantial resources to be expended, which could harm the business, financial condition and results of operations of the Resulting Issuer.

Additional capital requirements

The Resulting Issuer has limited financial resources and may require substantial additional equity or debt financing in order to carry out its business objectives, including the continued development of new and upgraded functionality of the Resulting Issuer's offerings. There can be no assurance that debt or equity financing or cash generated by operations would be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it would be on terms acceptable to the Resulting Issuer. Failure to obtain sufficient financing may result in the delay or indefinite postponement of development or production on any or all of the Resulting Issuer's offerings which could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Brand development

The brand identities that the Company and Oryx have developed have significantly contributed to the success of its businesses. Maintaining and enhancing its brands is critical to expanding the Resulting Issuer's base of customers, users, end users, advertisers and partners, as applicable. The Resulting Issuer believes that the importance of brand recognition will increase due to the relatively low barriers to entry in its industries. The brands may be negatively impacted by a number of factors, including product malfunctions, delivery of incorrect information, data privacy and security issues. If the Resulting Issuer fails to maintain and enhance its brands, or if the Resulting Issuer incurs excessive expenses in this effort, it could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations. Maintaining and enhancing its brands will depend largely on the Resulting Issuer's ability to be a technology leader and to continue to provide high-quality products and services, which the Resulting Issuer may not do successfully.

Dependence on key personnel and employees

The success of the Resulting Issuer is dependent on the services and performance of key executives, including the directors and officers of the Resulting Issuer and a small number of highly skilled and experienced executives and personnel. The Resulting Issuer strongly depends on the business and technical expertise of its management and key personnel. Due to the relatively small size of the Resulting Issuer, the loss of any of these individuals or the Resulting Issuer's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. The competition for highly skilled technical, research and development, management and other employees is high and there can be no assurance that the Resulting Issuer will be able to engage the services of such personnel or retain its current personnel.

Rapid technology developments

The industries within which the Resulting Issuer operates are characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with the technological developments, achieve product acceptance and remain relevant to users and therefore attractive to customers and advertisers, the Resulting Issuer will need to continue developing new and upgraded functionality of its offerings and adapt to new business environments and competing technologies and offerings developed by its competitors. The process of developing new technology is complex and uncertain. To the extent the Resulting Issuer is not able to adapt to new technologies and/or standards, experiences delays in implementing adaptive measures or fails to accurately predict emerging technological trends and the changing

needs of end-users, this could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

The Resulting Issuer has developed and is continuing to develop a number of offerings incorporating advanced technologies and it will pursue those offerings that it expects to have the best chance for success based on the Resulting Issuer's expectations of future market demand. The development and application of new technologies involve time, substantial costs and risks. There can be no certainty that the Resulting Issuer will be able to develop new offerings and technologies to keep up-to-date with developments in the industries within which it operates and, in particular, to launch such offerings or technologies in a timely manner or at all. There can be no certainty that such offerings will be popular with end-users or that such offerings or new technologies will be reliable, robust and not susceptible to failure. Any of these factors could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Defects in offerings

The Resulting Issuer's offerings are highly complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Defects, errors or bugs found in the Resulting Issuer's new offerings could delay commercial release for an extended period of time. Errors or defects may be found in new offerings after launch and, even if discovered, the Resulting Issuer may not be able to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and failures in the Resulting Issuer's offerings could result in loss of or delay in end user acceptance of its offerings and may harm the Resulting Issuer's reputation. Correcting such errors and failures in its offerings could require significant expenditures by the Resulting Issuer, involving cost or time and effort of personnel. The consequences of such errors, failures and claims could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

User data

The Resulting Issuer may require the registration of its users or end users prior to accessing its offerings or certain features of its offerings and it may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Resulting Issuer's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Resulting Issuer's data or its user's data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Resulting Issuer's terms of service or policies, could damage the Resulting Issuer's reputation and the Resulting Issuer's brands and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Resulting Issuer in connection with such incidents, which could cause the Resulting Issuer to incur significant expense and liability or result in orders or consent decrees forcing the Resulting Issuer to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

The Resulting Issuer transmits and stores a large volume of data in the course of supporting its offerings. The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk that these laws may be interpreted and applied in a manner that is not consistent with the Resulting Issuer's data protection practices and results in additional compliance or changes in the Resulting Issuer's business practices, or both, and liability or sanction under these laws. In addition, because its offerings are accessible in many jurisdictions, certain foreign jurisdictions may claim that the Resulting Issuer is required to comply with local laws, even where the Resulting Issuer has no local operating entity, employees, infrastructure or other physical presence in those jurisdictions.

Reliance on collaborative partners

The Resulting Issuer expects to rely on collaborative arrangements to provide services and to develop and commercialize some of its offerings in the future. There can be no assurance that the Resulting Issuer will be able

to negotiate acceptable collaborative arrangements, that such collaborative arrangements will be successful or that the Resulting Issuer would not be required to relinquish certain material rights to its offerings. In addition, there can be no assurance that the Resulting Issuer's collaborative partners will not pursue alternative technologies or develop alternative offerings either on their own or in collaboration with others, including the Resulting Issuer's competitors. To the extent that the Resulting Issuer succeeds in entering into collaborative arrangements, it will be dependent on the efforts of third parties for the continued development of certain offerings.

Additionally, the Resulting Issuer employs agents and subcontractors as part of the delivery of the Resulting Issuer's services to its customers and as part of the development and commercialization of the Resulting Issuer's offerings. The ultimate liability for the performance of the agents or subcontractors lies with the Resulting Issuer. Further, the Resulting Issuer's business model is based on the distribution of its products and services by third parties, including communication network providers, web hosting providers and operating system manufacturers. If these third parties are not successful in distributing the Resulting Issuer's products and services it could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Management of growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The Resulting Issuer'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 Resulting Issuer 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 Resulting Issuer may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Resulting Issuer'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 Resulting Issuer 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 Resulting Issuer will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Resulting Issuer's operations or that the Resulting Issuer will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

New business areas and geographic markets

The Resulting Issuer's growth strategy is dependent upon expanding its offerings into new business areas or new geographic markets. There can be no assurance that these new business areas and geographic markets will generate the anticipated volume of customers, users or revenue. In addition, any expansion into new business areas or geographic markets could expose the Resulting Issuer to new risks, including compliance with applicable laws and regulations, changes in the regulatory or legal environment; different customer preferences or habits; adverse exchange rate fluctuations; adverse tax consequences; differing technology standards or end-user requirements and capabilities; difficulties staffing and managing foreign operations; infringement of third party intellectual property rights; the cost of localising software (including translations) or otherwise adapting its products and services for new markets; difficulties collecting accounts receivable; or difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner. These factors could cause the Resulting Issuer's expansion into new business areas or geographic markets to be unsuccessful or less profitable than its existing markets, or could cause the Resulting Issuer's operating costs to increase unexpectedly or its revenues to decrease, any of which could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

The Resulting Issuer expects that a majority of its future revenue will be derived from its business operations outside of Canada. Execution of this business strategy is subject to a variety of risks, including operating and technical problems, regulatory uncertainties and possible delays. If the Resulting Issuer does proceed to operate in different international regions, revenues earned may decrease in the future for a variety of reasons, including increased competition and new entrants into geographic markets in which the Resulting Issuer

operates or intends to operate. Depending on the countries involved, any or all of the foregoing factors could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. In addition, there can be no assurance that laws or administrative practices relating to taxation, foreign exchange or other matters in countries within which the Resulting Issuer intends to operate will not change. Any such change could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Operational and financial infrastructure

The Resulting Issuer is subject to growth-related risks, capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage 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. This expansion may require the Resulting Issuer to commit financial, operational and technical resources in advance of an increase in the size of the business, with no assurance that the volume of business will increase or that such initiatives to improve and upgrade its systems and infrastructure will be successful. The inability to deal with this growth or any failure in these initiatives could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Information technology defects

The integrity, reliability and operational performance of the Resulting Issuer's content aggregation, parsing and distribution and other operational information technology ("IT") systems are critical to the Resulting Issuer's ability to serve its businesses. The Resulting Issuer's IT systems may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any failure of these IT systems or the telecommunications and/or other third party infrastructure on which such systems rely, as described in "*— Reliance on Third-Party Owned Communication Networks*" could lead to significant costs and disruptions that could reduce the Resulting Issuer's revenue, harm the Resulting Issuer's business reputation and have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

The Resulting Issuer has procedures and measures in place to protect against network or IT system failure or disruption. However, those procedures and measures may not be effective to ensure that the Resulting Issuer is able to carry on its business in the ordinary course if they fail or are disrupted. In addition, the Resulting Issuer's IT systems may not be effective in detecting any intrusion or other security breaches, or safeguarding against sabotage, hackers, denial of service attacks, viruses or cybercrime. Any failure in these protections could harm the Resulting Issuer's business reputation and have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Technological change

The technology industry is susceptible to technological advances and the introduction of new offerings utilizing new technologies. Further, the investigative research 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 Resulting Issuer will depend on its ability to secure technological superiority in its offerings and maintain such superiority in the face of new offerings. While the Resulting Issuer believes that its offerings will be competitive, no assurances can be given that the offerings of the Resulting Issuer will be commercially viable or that further modification or additional offerings will not be required in order to meet demands or to make changes necessitated by developments made by competitors which might render the offerings of the Resulting Issuer less competitive, less marketable, or even obsolete over time.

The future success of the Resulting Issuer will be influenced by its ability to continue to develop new competitive offerings. Although the Resulting Issuer is committed to the development of new offerings and the improvement of its existing offerings, there can be no assurance that these research and development activities will prove profitable, or that offerings or improvements resulting there from, if any, will be successfully produced and marketed. The investigative research 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 Resulting Issuer's offerings obsolete or have a negative impact on sales margins the Resulting Issuer's offerings may command. The Resulting Issuer's performance will depend, in part, on its ability to enhance its existing offerings, develop new technology that addresses the sophisticated and varied needs of its prospective customers and end users 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 Resulting Issuer will be successful in using new offerings effectively or adapting to consumer requirements or emerging industry standards.

Reliance on third-party owned communication networks

The delivery of the Resulting Issuer's offerings and a significant portion of the Resulting Issuer's revenues are dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given of the continued use and expansion of these networks as a medium of communications for the Resulting Issuer.

Effective delivery of the Resulting Issuer's products and services through the Internet is dependent on Internet service providers continuing to expand high-speed Internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access the Resulting Issuer's content. Changes in access fees to distributors, such as the Resulting Issuer or its service providers, or a departure from "net neutrality" (the principle that all forms of Internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or its governing regulations, as described in "*— Governmental Regulation of the Internet*" below, could result in increased costs to the Resulting Issuer. All of these factors are out of the Resulting Issuer's control and the manifestation of any of them could ultimately have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of the Resulting Issuer's offerings, additional and unexpected expenses to fund further development or to add programming personnel to complete a development project, loss of revenue which could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Governmental regulation of the internet

Governments and regulatory authorities in some jurisdictions in which the Resulting Issuer's content originates or its users reside, impose rules and regulations affecting the third-party-owned communications networks over which the Resulting Issuer's services are accessed, including Internet and mobile connectivity, and affecting the content distributed to the public as part of the Resulting Issuer's offerings. In certain circumstances this governmental regulation of the Internet, which is frequently controversial, protects the Resulting Issuer's activities from certain tactics by competitors or potential competitors. Should efforts to overturn this governmental regulation prove successful, network services providers could impose restrictions that adversely impact the Resulting Issuer's ability to deliver content on an equal footing with other audiovisual media providers, which could have an adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Network services and media distribution are frequently subject to particular rules or regulations. Guidelines or rules are in place in a number of jurisdictions, with varying degrees of enforcement, with respect to both network services, including network neutrality and media, including content exclusivity and standards. However, although regulatory schemes can vary significantly from jurisdiction to jurisdiction, the Resulting Issuer is not aware of regulations in any material jurisdiction that would require it to be licensed to carry on its activities over the public Internet in those jurisdictions, except with respect to the Oryx Licenses and Registrations.

Currency Fluctuations

The Resulting Issuer's reporting currency will be in U.S. dollars but an increasing proportion of the Resulting Issuer's revenue may be earned and expenses may be incurred in other currencies, including the Canadian dollar, the pound sterling and the euro. The movement of any of these currencies against the Canadian dollar could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Changes in Taxation

Changes in taxation rates or law, or misinterpretation of the law or any failure to manage tax risks adequately could result in increased charges, financial loss, including penalties and reputational damage, and which could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Risk of Litigation

The Resulting Issuer may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Resulting Issuer is unable to resolve these disputes favourably, it could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, recorded and reported and assets are safeguarded against unauthorized or improper use. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Credit Risk

Credit risk is the risk of financial loss to the Resulting Issuer if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Resulting Issuer's receivables from customers. The Resulting Issuer's exposure to credit risk is influenced by the individual characteristics of each customer. Although the Resulting Issuer expects to establish an allowance for doubtful accounts that represents its estimate of potential credit losses in respect of accounts receivables and historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographical area, there is no assurance that the allowance for doubtful accounts will be sufficient to cover credit losses in the future and future credit losses could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Liquidity Risk

Liquidity risk is the risk that the Resulting Issuer will not be able to meet its financial obligations as they fall due. The Resulting Issuer's approach to managing liquidity is to ensure it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions, without incurring unacceptable losses or risking damage to the Resulting Issuer's reputation. There is no assurance that the Resulting Issuer's approach to managing liquidity will prove successful and should the Resulting Issuer be unable to meet its liabilities when due it could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Conflicts of Interest

Certain proposed directors and officers of the Resulting Issuer may become associated with other reporting issuers or other companies which may give rise to conflicts of interest. In accordance with the CBCA, directors who have a

material interest or any person who is a party to a material contract or a proposed material contract with the Resulting Issuer 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 Resulting Issuer, 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 Resulting Issuer.

Interests of Experts

As at the date hereof, MNP LLP, auditor of the Company, AAA and Oryx have reported that they are independent of each of the Company, AAA and Oryx in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

Auditor, Transfer Agents and Director

The Resulting Issuer's auditor will continue to be MNP LLP, Chartered Accountants, whose principal office is located in Toronto, Ontario.

The Resulting Issuer's transfer agent and registrar will continue to be Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

Other Material Facts

To the best of the knowledge of management of the Corporation and Oryx, there are no other material facts about the Company, Oryx or the Transaction that are not already disclosed in this Circular.

GLOSSARY

In this Circular, unless there is something in the subject matter or context inconsistent therewith, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

"**AAA**" means AA Acquisition Group Inc.;

"**AAA Shares**" means the common shares in the capital of AAA;

"**Affiliate**" means an affiliate within the meaning of the *Securities Act* (Ontario);

"**Amalco**" means the company resulting from the Amalgamation, to be named "Oryx Holdings Inc.";

"**Amalco Shares**" means the common shares of Amalco;

"**Amalgamation**" means the amalgamation of AAA and BKD Subco pursuant to the OBCA on the terms set forth in the Transaction Agreement and the Amalgamation Agreement;

"**Associate**" means an associate within the meaning of the *Securities Act* (Ontario);

"**Audit Committee**" means the audit committee of the Company;

"**B2B**" means business to business;

"**B2C**" means business to consumer;

"**BKD 2016 Compensation Options**" means compensation options of the Company that were issued as partial consideration to agents involved in the October 2016 private placement financing of the Company. Each BKD Compensation Option is exercisable into one BKD Share and one BKD Warrant at an exercise price of \$2.40 until October 31, 2018;

"**BKD 2016 Warrant Indenture**" means the warrant indenture dated October 31, 2016 between the Company and Computershare Trust Company of Canada as amended or supplemented from time to time;

"**BKD 2016 Warrants**" means the warrants to purchase BKD Shares. Each warrant is governed by the BKD 2016 Warrant Indenture and is convertible into one BKD Share at an exercise price of \$2.40 until October 31, 2018;

"**BKD 2017 Agency Agreement**" means the agency agreement dated March 17, 2017 between the Company, SNM, Clarus Securities Inc. and Haywood Securities Inc. with respect to the subscription receipt financing of BKD ;

"**BKD 2017 Compensation Options**" means compensation options of the Company exercisable into one BKD Share and one-half of one BKD 2017 Warrant, at an exercise price of \$4.00 until April 6, 2019;

"**BKD 2017 Warrant Indenture**" means the warrant indenture dated March 17, 2017 between the Company and Computershare Trust Company of Canada as amended or supplemented from time to time;

"**BKD 2017 Warrants**" means the warrants to purchase BKD Shares. Each warrant is governed by the BKD 2017 Warrant Indenture and is convertible into one BKD Share at an exercise price of \$7.00 until April 6, 2019;

"**BKD Debenture Warrants**" 14,286 Warrants, each exercisable into a BKD Share at an exercise price of \$5.00 per share until November 30, 2018, and 15,000 Warrants, each exercisable into a BKD Share at an exercise price of \$5.00 per share until December 5, 2018;

"**BKD Escrow Agreement**" means the escrow agreement dated April 13, 2017 between the Company, certain securityholders and the Escrow Agent;

"**BKD Option Plan**" means the fixed stock option plan of the Company;

"**BKD Shareholders**" means the holders of BKD Shares on the Record Date;

"**BKD Shares**" means the common shares in the capital of the Company;

"**BKD Subco**" means 2659456 Ontario Corp., a corporation incorporated under the OBCA and a wholly-owned subsidiary of BKD;

"**BKD Warrants**" means warrants to purchase BKD Shares;

"**Board**" means the board of directors of the Company;

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time;

"**Closing**" means the completion of the Amalgamation on the terms and subject to the conditions set forth in the Transaction Agreement and in the Amalgamation Agreement;

"**Closing Date**" means November 12, 2018, or such other date as determined by the Company and AAA;

"**Company**" means Breaking Data Corp., prior to the completion of the Transaction;

"**Computershare**" means Computershare Investor Services Inc.;

"**Control Person**" means a control person within the meaning of the *Securities Act* (Ontario);

"**DSU Plan Resolution**" means the resolution approving the Resulting Issuer Plan, as more fully described under the section "*Special Business to be Conducted at the Meeting - Approval of the Resulting Issuer DSU Plan*";

"**Effective Date**" means the date shown on the Certificate of Amalgamation issued by the Director under the OBCA giving effect to the Amalgamation, or such earlier or later date as the parties may mutually agree in writing.

"**Escrow Agent**" means Computershare Investor Services Inc.;

"**IFRS**" means generally accepted accounting principles as set out in the Canadian Institute of Chartered Accountants Handbook – Accounting for an entity that prepares its financial statements in accordance with the International Financial Reporting Standards, at the relevant time, applied on a consistent basis;

"**I-Gaming Platform**" has the meaning ascribed to such term under the section "*Information Concerning Oryx – Principal Products and Services*";

"**IT**" means information technology;

"**KAVO**" means K.A.V.O. Holdings Limited;

"**Letter of Intent**" means the letter of intent dated May 25, 2018 between the Company and AAA with respect to the Transaction;

"**Material Adverse Effect**" means any event or change that, individually or in the aggregate with other events or changes, is or would reasonably be expected to be, materially adverse to the business, operations, assets, condition (financial or otherwise) or liabilities, whether contractual or otherwise, of any party, as the case may be; provided that a Material Adverse Effect shall not include an adverse effect resulting from a change (i) that arises out of a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a party to the other party prior to the date of the Transaction Agreement; (ii) that results from conditions affecting the business of Oryx, including changes in government policies or programs or taxes; (iii) that results from general

economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States; (iv) that arises from a decline in the trading price of BKD Shares, or (v) that is a direct result of any matter permitted by this Agreement or consented to in writing by the applicable party;

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*;

"**Name Change**" means the name change of BKD to "Bragg Gaming Group Inc.";

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*;

"**NI 54-101**" means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines*;

"**OBCA**" means the *Business Corporations Act* (OBCA), as amended from time to time;

"**Offering**" means the offering expected to be completed in November 2018 of Subscription Receipts, for aggregate gross proceeds of up to C\$12,000,000;

"**Option Plan Resolution**" means the resolution approving the BKD Option Plan, as more fully described under the section "*Special Business to be Conducted at the Meeting - Approval of Amendment to the BKD Option Plan*";

"**Oryx**" means Oryx Gaming International LLC;

"**Oryx Acquisition**" means the acquisition by AAA of all of the issued and outstanding Oryx Shares, pursuant to the Oryx SPA;

"**Oryx Games**" has the meaning ascribed to such term under the section "*Information Concerning Oryx – Principal Products and Services*";

"**Oryx Licenses and Registrations**" has the meaning ascribed to such term under the section "*Information Concerning Oryx - Licenses & Registrations*";

"**Oryx Malta**" means Oryx Gaming Limited;

"**Oryx Shares**" means the membership interests of Oryx;

"**Oryx Slovenia**" means Oryx razvojne storitve d.o.o.;

"**Oryx SPA**" means the securities purchase agreement dated August 17, 2018 between AAA, as purchaser, KAVO, as vendor and Matevž Mazij, as founder;

"**Outside Date**" means November 30, 2018 or such later date as may be agreed to in writing by AAA and BKD;

"**Person**" means a Company or individual;

"**Resulting Issuer**" means the Company after giving effect to the Transaction and the Offering;

"**Resulting Issuer 2018 Warrants**" means the warrants to purchase Resulting Issuer Shares issuable on the conversion of the Special Warrants. Each warrant will be governed by the Warrant Indenture and will be convertible into one Resulting Issuer Share at an exercise price of \$0.76 until two (2) years from the completion of the Offering;

"Resulting Issuer DSU Plan" means the Deferred Share Unit Plan of the Resulting Issuer to be approved pursuant to the DSU Plan Resolution;

"Resulting Issuer Escrow Agreement" means the escrow agreement in the form of the Exchange's Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain securityholders of the Resulting Issuer prior to the Completion of the Transaction;

"Resulting Issuer Shares" means the common shares of the Resulting Issuer after giving effect to the Transaction;

"Resulting Issuer Option Plan" means the BKD Option Plan after giving effect to the Option Plan Resolution;

"Securities Laws" means, collectively, the applicable securities laws and regulations of the provinces of Canada together with the by-laws, policies, rules, guidelines, notices, rulings, orders, interpretation notes and comfort letters of the securities commission or similar regulatory authority in the applicable provinces of Canada, the TSXV and all other self-regulatory organizations in Canada;

"SEDAR" means the System for Electronic Document Analysis and Retrieval;

"SNM Transaction" means the acquisition by the Company of SNM;

"Special Warrants" means the special warrants to be issued by the Company on conversion of the Subscription Receipts pursuant to the Offering;

"Subscription Receipts" means subscription receipts of the Company, expected to be issued pursuant to the Subscription Receipts Indenture, at a purchase price of \$0.51 per Subscription Receipt. Each Subscription Receipt will be automatically exchange for one Special Warrant for no additional consideration on the completion of the Transaction;

"Subscription Receipts Indenture" means the subscription receipts indenture to be entered into in connection with the Offering between the Company and the Subscription Receipt Agent, pursuant to which the Subscription Receipts will be issued;

"Subscription Receipt Agent" means Computershare Trust Company of Canada;

"Transaction" means the Amalgamation, the Oryx Acquisition and the Offering;

"Transaction Agreement" means the transaction agreement dated August 21, 2018 between the Company and AAA, as the same may be amended, supplemented or restated from time to time;

"TSXV" or "Exchange" means the TSX Venture Exchange;

"Warrant Indenture" means the warrant indenture to be entered into in connection with the Offering between BKD and Computershare Trust Company of Canada and will govern the terms of the Resulting Issuer 2018 Warrants issuable on conversion of the Subscription Receipts.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements and management discussion and analysis. Copies of the Company's financial statements and management discussion and analysis may be obtained, without charge, upon request to the Company at 64 Jardin Drive, Suite 2A, Concord, Ontario L4K 3P3.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in

the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Form of Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

Board Approval

The board of directors of each of the Company, AAA and Oryx have approved the contents and mailing of this Circular. Where information contained in this Circular rests particularly within the knowledge of a person other than the Company, AAA or Oryx, the Company, AAA and Oryx have relied upon information furnished by such person.

CERTIFICATE OF BREAKING DATA CORP.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Breaking Data Corp. assuming completion of the Transaction.

(signed) "*Nick Thain*"

(signed) "*David Berman*"

Nick Thain
Chief Executive Officer

David Berman
Chief Financial Officer

On behalf of the Board of Directors:

(signed) "*Marvin Igelman*"

(signed) "*Jae Chalfin*"

Marvin Igelman
Director

Jae Chalfin
Director

CERTIFICATE OF ORYX GAMING INTERNATIONAL LLC

The foregoing document, as it relates to Oryx Gaming International LLC, constitutes full, true and plain disclosure of all material facts relating to the securities of Oryx Gaming International LLC.

(signed) "*Matevž Mazij*"

Matevž Mazij

Chief Executive Officer and Sole Director

CERTIFICATE OF AA ACQUISITION GROUP INC.

The foregoing document, as it relates to AA Acquisition Group Inc., constitutes full, true and plain disclosure of all material facts relating to the securities of AA Acquisition Group Inc.

(signed) "*Dominic Mansour*"
Dominic Mansour
Chief Executive Officer

(signed) "*Akshay Kumar*"
Akshay Kumar
Chief Financial Officer

On behalf of the Board of Directors

(signed) "*Adam Arviv*"
Adam Arviv
Director

SCHEDULE "A"
TEXT OF TRANSACTION RESOLUTION

Text of Transaction Resolution

BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of Breaking Data Corp. (the "Company") that:

- (a) the issuance of an aggregate of 21,000,000 common shares of the Company be issued in accordance with the transaction agreement (the "**Transaction Agreement**") dated August 21, 2018 between the Company and AA Acquisition Group Inc. is hereby authorized and approved;
- (b) any director or officer of the Company be, and such director or officer of the Company hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to do all things and execute all instruments necessary or desirable to give effect to this special resolution; and
- (c) notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they hereby are, authorized and empowered to revoke this special resolution at any time before it is acted upon without further approval of the shareholders of the Company.

The Board recommends that BKD Shareholders vote **FOR** the Transaction Resolution. BKD Shares **represented by proxies in favour of the management nominees will be voted FOR the Transaction Resolution, unless a BKD Shareholder has specified in his proxy that his, her or its BKD Shares are to be voted against such resolution.**

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with National Instrument 52-110 Audit Committees ("**NI 52-110**").

1 MANDATE AND OBJECTIVES

The mandate of the audit committee of the Company (the "Committee") is to assist the board of directors of the Company (the "Board") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- 1.1 serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- 1.2 ensure the independence of the Company's external auditors; and
- 1.3 provide better communication among the Company's auditors, the management and the Board.

2 COMPOSITION

The Committee shall be comprised of at least three (3) Directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of NI 52- 110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders' meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

3 MEETINGS AND PROCEDURES

- 3.1 The Committee shall meet at least once annually or more frequently if required.
- 3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.
- 3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

4 DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

4.1 **Financial Statements and Disclosure Matters**

- (a) review the Company's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Company publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;

4.2 **External Auditors**

- (a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- (b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Company that may impact their objectivity and independence;
- (d) consult with the external auditors about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (e) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (f) review the audit plan for the year-end financial statements and intended template for such statements;
- (g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Company or its subsidiary entities. The pre-approval requirement The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes no more than five percent (5%) of the total amount of fees paid by the Company and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company or its subsidiary entities as non-audited services at the time of the engagement; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

4.3 **Financial Reporting Processes**

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

Establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting control

SCHEDULE "C"
BREAKING DATA FINANCIAL STATEMENTS

See attached.

BREAKING DATA CORP.

CONSOLIDATED
FINANCIAL STATEMENTS

Years ended
March 31, 2018 and 2017

BREAKING DATA CORP.

MANAGEMENT'S REPORT

These consolidated financial statements form the basis for all of the financial information that appears in this report. The consolidated financial statements and all the information in this report are the responsibility of the management of Breaking Data Corp. and have been reviewed and approved by the Board of Directors. The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities. MNP LLP, the Company's auditors, has audited these consolidated financial statements.

Management has prepared the consolidated financial statements according to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Under these standards, management has made certain estimates and assumptions that are reflected in the consolidated financial statements and notes. Management believes that these consolidated financial statements fairly present Breaking Data Corp.'s consolidated statements of financial position, statements of loss and comprehensive loss, changes in shareholders' equity and cash flows. In order to ensure the accuracy and objectivity of information included in the consolidated financial statements, management has implemented a system of internal controls designed to provide reasonable assurance that the consolidated financial statements are accurate and complete in all material respects. Management is of the opinion that these internal controls provide reasonable assurance regarding complete and accurate maintenance of accounting records necessary for the preparation of the consolidated financial statements.

The Board of Directors exercises its responsibility over the consolidated financial statements through the Company's Audit Committee. The Audit Committee reviews the consolidated financial statements and recommends their approval to the Board of Directors.

Per: *"Nick Thain"*
Nick Thain
Chief Executive Officer

"David Berman"
David Berman
Chief Financial Officer

Date: July 30, 2018

Independent Auditors' Report

To the Shareholders of Breaking Data Corp.:

We have audited the accompanying consolidated financial statements of Breaking Data Corp., which comprise the consolidated statements of financial position as at March 31, 2018 and 2017, and the consolidated statements of loss and other comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Breaking Data Corp. as at March 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Breaking Data Corp.'s ability to continue as a going concern.

MNP LLP

Mississauga, Ontario

Chartered Professional Accountants

July 30, 2018

Licensed Public Accountants

MNP

Breaking Data Corp.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in United States Dollars (Note 2))

	As at March 31, 2018	As at March 31, 2017
ASSETS	\$	\$
Current assets		
Cash	2,288,853	266,447
Trade and other receivables	1,577,652	940,308
Prepaid expenses, deposits and other assets	365,326	63,626
	4,231,831	1,270,380
Equipment, net of depreciation (Note 5)	104,405	21,540
Intangible assets (Note 6)	2,115,852	-
Goodwill (Note 3)	6,354,300	-
	12,806,388	1,291,920
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (Note 15)	1,610,051	2,041,335
Debentures (Note 7)	-	1,519,438
	1,610,051	3,560,773
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 8)	28,551,592	6,247,296
Warrants (Note 10)	4,406,796	-
Contributed surplus (Note 9 and 11)	4,537,045	515,178
Equity portion of convertible debentures (Note 7)	-	208,678
Deficit	(26,414,233)	(9,270,261)
Accumulated other comprehensive income (Note 2)	115,137	30,256
	11,196,337	(2,268,853)
	12,806,388	1,291,920
GOING CONCERN (Note 1)		
COMMITMENTS (Note 18)		
SUBSEQUENT EVENTS (Note 21)		

ON BEHALF OF THE BOARD:

"Nick Thain"

"Roger Mitchell"

The accompanying notes are an integral part of these consolidated financial statements

Breaking Data Corp.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in United States Dollars (Note 2))

	Year ended March 31, 2018	Year ended March 31, 2017
	\$	\$
Revenue	8,363,234	4,244,095
Cost of Goods Sold	4,473,323	2,119,419
Gross Margin	3,889,911	2,124,675
Expenses		
General and administrative	1,587,939	529,133
Salaries and subcontractors (Note 15)	4,493,461	2,203,695
Stock-based compensation	3,254,148	25,429
Professional fees	520,269	564,542
Sales and marketing	743,562	269,918
Accretion on debentures (Note 7)	172,811	44,230
Interest and financing fees (Note 7)	23,464	226,889
Foreign exchange loss	142,165	8,218
Amortization of intangible assets (Note 6)	430,770	-
Gain on sale of equipment (Note 5)	(15,336)	-
Depreciation of equipment (Note 5)	13,921	41,093
Total Expenses	11,367,174	3,913,147
NET LOSS BEFORE CHANGE IN FAIR VALUE, TRANSACTION AND ACQUISITION COSTS	(7,477,263)	(1,788,471)
Change in fair value of goodwill (Note 3)	8,933,700	-
Transaction and acquisition costs (Note 13)	772,875	-
NET LOSS FROM CONTINUING OPERATIONS FOR THE YEAR	(17,183,838)	(1,788,471)
Net income from discontinued operations (Note 4)	39,866	-
Cumulative translation adjustment	84,881	611,537
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(17,059,091)	(1,176,934)
Basic and diluted net loss per share from continuing operations (Note 12)	(0.63)	(0.13)
Basic and diluted net income per share from discontinued operations (Note 12)	0.00	-
Weighted average number of shares	27,396,185	13,559,735

The accompanying notes are an integral part of these consolidated financial statements

Breaking Data Corp.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (Note 2))

	Common Shares Number	Common Shares \$	Warrants \$	Contributed Surplus \$	Equity component of convertible debt \$	Accumulated other comprehensive income \$	Deficit \$	Total Shareholders' Equity (Deficit) \$
Balance, March 31, 2017	13,569,735	6,247,296	-	515,178	208,678	30,256	(9,270,261)	(2,268,853)
Exercise of stock options (Note 3)	315,670	217,519	-	(163,198)	-	-	-	54,321
Shares issued for conversion of SNM debt on April 11, 2017 (Note 3)	304,534	417,929	-	-	(57,325)	-	-	360,604
Shares issued related to Reverse take over transaction on April 11, 2017 (Note 3)	11,834,124	16,174,627	3,577,315	930,917	(151,353)	-	-	20,531,506
Shares issued related to financing on April 11, 2017, net of issue costs (Note 8)	1,250,000	3,112,892	-	-	-	-	-	3,112,892
625,000 warrants issued for shares related to financing on April 11, 2017 (Note 8)	-	(757,866)	757,866	-	-	-	-	-
200,000 shares issued for advisory services related to financing on April 11, 2017 (Note 8)	200,000	447,238	-	-	-	-	-	447,238
131,250 broker warrants 131,250 shares issued related to financing on April 11, 2017 (Note 8)	-	(124,826)	124,826	-	-	-	-	-
Exercise of warrants (Note 8)	91,248	217,089	(53,211)	-	-	-	-	163,878
Shares issued for payment of accounts payable (Note 8)	121,359	197,575	-	-	-	-	-	197,575
Shares issued related to financing on January 23, 2018, net of issue costs (Note 8)	1,000,000	2,402,119	-	-	-	-	-	2,402,119
Stock-based compensation (Note 11)	-	-	-	3,254,148	-	-	-	3,254,148
Cumulative translation adjustment	-	-	-	-	-	84,881	-	84,881
Net loss from continuing operations for the year	-	-	-	-	-	-	(17,183,838)	(17,183,838)
Net income from discontinued operations for the year	-	-	-	-	-	-	39,866	39,866
Balance, March 31, 2018	28,676,670	28,551,592	4,406,796	4,537,045	-	115,137	(26,414,233)	11,196,337

The accompanying notes are an integral part of these consolidated financial statements

Breaking Data Corp.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

For the years ended March 31, 2018 and 2017

(Expressed in United States Dollars (Note 2))

	Common Shares Number	Common Shares \$	Warrants \$	Contributed Surplus \$	Equity component of convertible debt \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total Shareholders' Equity (Deficit) \$
Balance, March 31, 2016	13,559,735	6,247,296	-	489,749	50,980	(581,281)	(7,481,790)	(1,275,046)
Stock-based compensation (Note 1)	-	-	-	25,429	-	-	-	25,429
Issuance of convertible debentures (Note 7)	-	-	-	-	157,698	-	-	157,698
Cumulative translation adjustment	-	-	-	-	-	611,537	-	611,537
Net loss for the year	-	-	-	-	-	-	(1,788,471)	(1,788,471)
Balance, March 31, 2017	13,559,735	6,247,296	-	515,178	208,678	30,256	(9,270,261)	(2,268,853)

The accompanying notes are an integral part of these consolidated financial statements

Breaking Data Corp.**CONSOLIDATED STATEMENTS OF CASH FLOWS**
(Expressed in Unites States Dollars (Note 2))

	Year ended March 31, 2018	Year ended March 31, 2017
	\$	\$
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Net loss for the year	(17,183,838)	(1,788,471)
Items not affecting cash		
Amortization of intangible assets (Note 6)	430,770	-
Depreciation of equipment (Note 5)	13,921	41,093
Accretion of debentures (Note 7)	172,811	44,230
Stock-based compensation (Note 9)	3,254,148	25,430
Gain on disposal of equipment (Note 5)	(15,336)	-
Change in fair value of goodwill (Note 3)	8,933,700	-
Common shares issued for advisory services (Note 8)	447,238	-
Net change in non-cash working capital items related to operations (Note 14)	(1,162,966)	362,362
Cash used in operating activities for continuing operations	(5,109,552)	(1,315,356)
Cash from discontinued operations (Note 4)	39,866	-
Cash used in operating activities	(5,069,686)	(1,315,356)
FINANCING ACTIVITIES		
Proceeds from debentures (Note 7)	-	1,365,292
Repayment of debentures (Note 7)	(274,813)	(54,270)
Proceeds from private placement (Note 8)	2,402,119	-
Proceeds from exercised options (Note 9)	54,321	-
Proceeds from exercised warrants (Note 10)	163,878	-
Proceeds from the issuance of common shares and share purchase warrants, net of issuance costs (Note 8)	3,112,892	-
Cash provided by financing activities	5,458,397	1,311,022
INVESTING ACTIVITIES		
Purchase of equipment (Note 5)	(94,811)	(9,491)
Additions in intangible assets (Note 6)	(455,277)	-
Cash acquired from business combination (Note 3)	2,077,727	-
Cash provided by (used) in investing activities	1,527,639	(9,491)
EFFECT OF CURRENCY TRANSLATION	106,056	39,397
INCREASE IN CASH FOR THE YEAR	2,022,406	25,572
CASH, BEGINNING OF YEAR	266,447	240,875
CASH, END OF YEAR	2,288,853	266,447

The accompanying notes are an integral part of these consolidated financial statements

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the years ended March 31, 2018 and 2017 (Expressed in United States Dollars (NOTE 2))

1. BASIS OF PRESENTATION AND GOING CONCERN

Nature of operations

Breaking Data Corp. ("BDC" or the "Company") is a technology provider of a range of Artificial Intelligence ("AI") services including; semantic search, machine learning and natural language processing ("NLP"). The Company's technology platform has many practical applications, in multiple business and consumer verticals that are immersed in massive media and data rich settings. The Company's showcase app, BreakingSports, utilizes AI, semantic machine learning and NLP to track social media in a fully automated, real-time manner for significant sports information and events and distributes summarized information through real-time push notifications to consumers.

On April 11, 2017, the Company completed the acquisition of Sports New Media Holdings Limited ("SNM"). The transaction was effected by way of securities exchange between the Company and SNM. Concurrent with the closing of this transaction the Company also completed a financing for \$3,751,500 (\$5,000,000 CAD) with issuance of 1,250,000 units at a price of \$3.00 (\$4.00 CAD). 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. SNM is a technology company with a focus on content business that owns and operates the website www.givemesport.com, a leading content provider of sports news. SNM conducts its operations through two wholly owned subsidiaries, Sports New Media Ltd. and Sports New Media Inc. Pursuant to the share exchange, the Company was identified as the acquiree for accounting purposes and the transaction constituted a reverse take-over of Breaking Data Corp. and was accounted for as a business combination (Note 3). As such, the comparative period and balances in these consolidated financial statements are that of SNM.

The consolidated financial statements of the Company comprise the accounts of Breaking Data Inc., Devesys Technologies Inc. ("DTI"), Poynt Inc., Sports New Media Holdings Limited ("SNM") and DSMIC Inc. ("DSMIC"), the Company's wholly owned subsidiaries, as well as Unomobi Inc., Innovation Funds III Inc., Sports New Media Limited and Sports New Media Inc., additionally 100% owned subsidiaries and holding companies of the main subsidiaries noted above. On November 30, 2017, the Company sold DTI as a result of a decline in business activity (Note 4) and DTI is presented as discontinued operations.

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

Going Concern

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. If the going concern assumption is not appropriate, material adjustments to the consolidated financial statements could be required.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

1. BASIS OF PRESENTATION AND GOING CONCERN (continued)

As at March 31, 2018, the Company had positive working capital of \$2,621,780 (March 31, 2017 – negative working capital of \$2,290,393), an accumulated deficit of \$26,414,233 (March 31, 2017 - \$9,270,261) and negative cash flows from operations of \$5,069,686 (March 31, 2017 - \$1,315,356). These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing. To date, management of the Company has been successful in raising capital through equity or debt financings. However, there is no assurance that the Company will continue to be successful in raising capital in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on July 30, 2018.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Breaking Data Inc., Poynt Inc. (“Poynt”), Unomobi Inc., Innovation Fund III LLC, Devesys Technologies Inc. (“DTI”), Sports New Media Holdings Limited (“SNM”), Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc., from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation. On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc., as a result of a decline in business activity, and its operating results are disclosed as discontinued operations (note 4).

Basis of Presentation

The accompanying 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.

Presentation Currency and Functional Currency

For the year ended March 31, 2018, 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 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 consolidated financial statements are represented in USD which has been applied retroactively.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The functional currency of the Company and its subsidiary Poynt is the CAD. The functional currency of DTI is the US dollar. The functional currency of the acquired companies SNM, 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 year 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 year). All resulting exchange rate differences are recorded in accumulated other comprehensive income.

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 consolidated statements 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 consolidated statements of loss and comprehensive loss as a bargain purchase gain.

Equipment

Equipment is stated at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset is as follows:

Equipment	Straight-line over 3 years
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BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Company's revenue is derived from programmatic advertising, branded content and social media management, advertising revenues derived from its Poynt app, sales of software licenses, sales of software maintenance agreements, software customization services, technical support services, consulting services and interest earned on short-term investments.

The Company recognizes revenue to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. Revenue is generally recognized when the service is performed, all significant contractual obligations have been satisfied and the collection is reasonably assured.

The Company recognizes advertising revenue as it is earned based on monthly reporting and reconciliation with the customer, and advertising revenue from the Poynt app as it is earned based on monthly reporting and reconciliation with the customers. Cost of revenue associated with advertising revenues on the Poynt app consist of data feed costs incurred to provide the service and advertising to the end user of the Poynt app. These costs are recorded in the period incurred.

Revenue from the DTI business represents licensing of software products and is recognized when the Company has delivered the software and has satisfied all contractual obligations. The fair value of service maintenance agreements included with the licenses is deferred and recognized on a straight-line basis over the term of the contract. Revenue from the sale of stand-alone service maintenance agreement is also deferred and recognized on a straight-line basis over the term of the contract. These contracts are normally of one year in duration. Cash received in respect of these agreements prior to the recognition of revenue is included in deferred revenue. The Company discontinued operations of DTI on November 30, 2017 (Note 4).

The Company recognizes revenue relating to custom software development, consulting and technical support services as it is earned based on when the work has been completed. Cost of revenue associated with these services relate to payroll and consulting costs.

Invoice discounting

The Company has determined that it has retained the risks and rewards of ownership with respect to invoices included in the invoice discounting program, accordingly, amounts due in respect of invoice discounting are separately disclosed as current liabilities and included in trade payables and accrued liabilities. The Company can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade receivables remains with the Company. The Company regularly reviews its funding requirements to ensure they are competitive in the marketplace.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

The Company's intangible assets are comprised of deferred patent costs related to patents not yet granted, patents, development costs related to the artificial intelligence business, and intellectual property relating to proprietary technology acquired on the reverse takeover transaction in the year (Note 3).

The Company capitalizes the costs of intangible assets if and only if:

- a) It is probable that the expected future economic benefits attributable to the asset will flow to the entity; and
- b) The cost of the asset can be measured reliably.

Certain costs incurred in connection with the development of artificial intelligence platforms are capitalized to intangible assets as development costs. Intangible assets are recorded at cost, which consists of directly attributable costs necessary to create such intangible assets, less accumulated amortization and accumulated impairment losses, if any. The costs mainly include the salaries paid to the software developers and consulting fees.

These costs are recognized as development costs assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product;
- It can be demonstrated how the software product will generate future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the products are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

With the reverse take-over transaction completed on April 11, 2017, the Company commissioned an independent valuation of the assets in order to assign values to the intellectual property related to the proprietary technology acquired on RTO.

For the year ended March 31, 2018, the Company capitalized development costs of \$455,277 (2017 - \$nil).

Amortization of intangibles

The Company is amortizing its intangibles using the straight-line method.

Patents	straight-line over 3 years
Development costs	straight-line over 5 years
Intellectual property	straight-line over 5 years

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research costs

Expenditures on research activities is recognized in the consolidated statements of loss and comprehensive loss as an expense in the period in which it is incurred since such costs do not meet the criteria for capitalization listed above .

Goodwill

Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable assets acquired and liabilities assumed, and is an indefinite life intangible asset, and accordingly is not amortized but is assessed for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amount may exceed its recoverable amount.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in consolidated statements of loss and comprehensive loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in income or loss for the period.

The Company completed its annual impairment test as at March 31, 2018, and no impairment was considered necessary.

Provisions

Provisions are recognized when the Company has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. Additionally, the Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Onerous Contracts:

A provision for onerous contracts would be recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision would be measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company would recognize any impairment loss on the assets associated with the contract.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Tax on income is accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Equity

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. Contributed surplus includes amounts in connection with conversion options embedded in compound financial instruments, stock-based compensation and the value of expired options and warrants. Deficit includes all current and prior period income and losses.

Warrants

The Company accounts for warrants using the Black-Scholes pricing model at the date of issuance. If and when warrants ultimately expire, the applicable amounts are transferred to contributed surplus.

Stock-based compensation

The Company has a stock option plan for directors, officers and employees. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over each tranche's vesting period, based on the number of awards expected to vest, with the offset credited to contributed surplus. The number of awards expected to vest is reviewed quarterly, with any impact being recognized immediately. When options are exercised, the amount received is credited to share capital and the fair value attributed to these options is transferred from contributed surplus to share capital.

Use of estimates and judgment

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the amounts reported in the accompanying audited consolidated financial statements and notes to those statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. Areas where estimates are significant to these consolidated financial statements are as follows:

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- (a) Goodwill and intangibles with indefinite useful lives is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (patents, intellectual property) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of comprehensive loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates, differences in these estimates and assumptions could have a significant impact on the consolidated financial statements. See note 3 for further information on the annual goodwill impairment test.
- (b) Significant judgment is involved in the determination of useful life for the computation of depreciation of equipment and amortization of intangible assets. No assurance can be given that actual useful lives will not differ significantly from current assumptions.
- (c) The estimates used in determining the stock option and warrant fair values, utilizes estimates made by management in determining the appropriate input variables in the Black-Scholes valuation model.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income and in equity. Where

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss.

Other financial liabilities: This category includes all other financial liabilities all of which are recognized at amortized cost using the effective interest method.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Fair value through profit or loss
Trade and other receivables	Loans and receivables

Financial liabilities:	Classification:
Trade payables and accrued liabilities	Other financial liabilities
Debentures	Other financial liabilities

Financial instruments recorded at fair value in the consolidated statements of financial position are classified according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

The Company's cash is classified using Level 1 inputs.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment - financial assets

Financial assets other than those carried at fair value through profit or loss are assessed at the end of each reporting period to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Company maintains an allowance for doubtful accounts at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than the full amount due on its trade receivables. The Company considers evidence of impairment for receivables at both a specific asset and a collective level. All individually significant receivables are assessed for specific impairment. Individual overdue accounts are reviewed, and allowances are recorded against trade receivables, when known that they are not collectible in full. All individually significant receivables found not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified. In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses, if any, are recognized in profit or loss and are reflected in a reduction in the carrying value of the asset. Interest on the impaired asset continues to be recognized through the accretion of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed during the period of that event.

Loss per share

Basic loss per share is calculated on the basis of losses attributable to the holders of common shares, divided by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares are exercised or converted to common shares. Diluted loss per share is equal to basic loss per share when the effect of dilutive securities is anti-dilutive.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 for periods beginning on or after January 1, 2018. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning April 1, 2018 and has assessed that there is no material impact to the consolidated financial statements upon adoption of this standard.

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. The Company does not expect the timing and amount of revenue recognized to be materially affected as a result of the adoption of this standard.

IFRS 16 replaces IAS 17, Leases was released in January 2016. This standard will bring most leases on -balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Adoption of IFRS 16 is mandatory and will be effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in United States Dollars (NOTE 2))

3. REVERSE TAKEOVER 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 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 \$360,604.
- 4,599,662 common shares were issued for the acquisition of DSMIC by the Company. DSMIC holds a CAD\$1,750,000 debenture which was convertible into common shares of SNM (Note 7). Upon closing of the transaction, the debenture is eliminated upon consolidation. As a result of the Company 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 exercise 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, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 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 (Note 10).
- 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 (Note 9).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the years ended March 31, 2018 and 2017 (Expressed in United States Dollars (NOTE 2))

3. REVERSE TAKEOVER TRANSACTION ("RTO") (continued)

- Pursuant to a consulting agreement, the Company issued 200,000 shares at a fair value of \$2.24 (\$2.98 CAD) per share with an amount of \$447,238 recorded to share capital. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisor of the Company which was recorded in the consolidated statements of loss and comprehensive loss 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 based on one post-consolidation share for every ten pre-consolidation shares. These 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 was 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 of \$350,000 equal to 7% of the gross proceeds raised under the Offering. In addition, the Agents were issued 131,250 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 take-over 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.

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3. REVERSE TAKEOVER TRANSACTION (“RTO”) (continued)

The allocation of the purchase price to the estimated fair value of net assets acquired is as follows on April 11, 2017:

Purchase price:

Common shares	\$	16,174,627
Warrants		3,577,315
Common share purchase options		<u>779,564</u>
Total purchase price	\$	<u>20,531,506</u>

Fair value of assets acquired and liabilities assumed:

Cash	\$	2,077,727
Accounts Receivable		133,959
Debenture and accrued interest		1,363,642
Prepaid expenses and deposits		126,668
Deferred patent costs		74,498
Accounts payable and accrued liabilities		(164,790)
Deferred revenue		(85,458)
Debentures (Note 7)		<u>(258,854)</u>
Net assets acquired and liabilities assumed		<u>3,267,392</u>
Fair value of intangible assets		
Intellectual property		<u>1,951,040</u>
Notional fair value of goodwill	\$	15,313,074
Adjustment to fair value of goodwill		(8,933,700)
Foreign currency translation		<u>226,074</u>
Fair value of goodwill	\$	<u>6,153,300</u>

The Company finalized its assessment of the purchase price allocation during the quarter ended March 31, 2018. This resulted in an adjustment being recorded to the previously presented June 30, September 30 and December 31, 2017 consolidated statements of financial position between goodwill and intangible assets. The consideration paid was also adjusted from the previous consolidated statements of financial position and statement of changes in shareholders equity for the periods ended June 30, September 30 and December 31, 2017 based on the fair value of the business acquired. Intangible assets of intellectual property and goodwill have been separately accounted for. Intellectual property representing proprietary technology is being amortized over a useful life of 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies. The Company recorded an adjustment to fair value of goodwill of \$8,933,700 on acquisition resulting in a fair value of goodwill of \$6,153,300 at the acquisition date of April 11, 2017. As at March 31, 2018, based on the foreign exchange rate at year end goodwill is \$6,354,300.

If the acquisition had occurred on April 1, 2017, management estimated that the Company's consolidated revenue and consolidated loss from continuing operations would be \$nil and \$533,227, respectively, for the year ended March 31, 2018. Management has determined these amounts based on internally prepared financial results.

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3. REVERSE TAKEOVER TRANSACTION (“RTO”) (continued)

forma results reflect adjustments and other costs associated with the acquisitions assuming the fair value used in the purchase price allocation occurred on April 1, 2017. These pro-forma results may not necessarily be indicative of actual results had the acquisition occurred on April 1, 2017.

At March 31, 2018, the Company assessed for impairment the recoverable amount of goodwill for Breaking Data Corp. The Company applied the value in use method in completing its analysis. This method uses a five year, and related terminal value, discounted future cash flow model with multiple scenarios. The cash flow forecast was extrapolated beyond the five year period using an estimate long-term growth rate of 3%. The key assumptions used in the discounted future cash flow model included projections surrounding revenue growth.

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth ranging from -4% to 185% and pre-tax discount rate of 19.57%. The Company performed its annual impairment test as at March 31, 2018 and no impairment was considered necessary.

4. DISCONTINUED OPERATIONS

On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc. (“DTI”), as a result of a decline in business activity. The operating results of DTI have been presented in the consolidated financial statements as a discontinued operations.

The following table summarizes the operations of DTI as classified as discontinued operations for the years ended March 31, 2018 and 2017.

Results of discontinued operation	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	\$ 139,361	-
Expenses	123,681	-
Net income from discontinued operations	15,680	-
Gain on disposal of net assets	24,186	-
Total net income from discontinued operations	\$ 39,866	-
Basic and diluted net income per share	\$ 0.00	-

Due to accumulated net losses in the past, there is not income tax expense recorded in respect of the discontinued operations.

DTI had current assets of \$21,062 and current liabilities of \$45,248 as at November 30, 2017. It did not have any non-current assets. These amounts have been treated as a disposal unit with consideration received of \$1, resulting in a \$24,186 gain on disposal of net assets. The sale has not been classified as held-for-sale because their carrying amount will be principally recovered through continuing use, being the collection of cash and receivables and the settlement of liabilities.

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4. DISCONTINUED OPERATIONS (continued)

The following table summarizes the net cash flows attributable to discontinued operations for the years ended March 31, 2018 and 2017.

	Year ended March 31, 2018	Year ended March 31, 2017
Cash from discontinued operations	\$ 39,866	-
Cash from financing activities	-	-

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5. <u>EQUIPMENT</u>	Total Equipment
Cost	\$
As at March 31, 2016	209,525
Additions	9,508
Written down fully depreciated assets	(3,338)
Foreign translation adjustment	(27,145)
As at March 31, 2017	188,550
Additions	94,811
Disposals	(3,108)
Write down of fully depreciated assets	(131,443)
Foreign translation adjustment	18,890
As at March 31, 2018	167,700
 Accumulated Depreciation	
As at March 31, 2016	146,379
Depreciation	41,165
Foreign translation adjustment	(20,533)
As at March 31, 2017	167,011
Depreciation	13,921
Written down fully depreciated assets	(130,158)
Foreign translation adjustment	12,521
As at March 31, 2018	63,295
 Net Book Value	
As at March 31, 2017	21,540
As at March 31, 2018	104,405

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. <u>INTANGIBLE ASSETS</u>	Development Costs	Intellectual Property	Patents	Total Intangible Assets
Cost	\$	\$	\$	\$
As at March 31, 2016	-	-	-	-
As at March 31, 2017	-	-	-	-
Acquired through reverse takeover transaction	-	1,951,040	74,498	2,025,538
Additions	446,861	-	8,416	455,277
Foreign currency translation	(2,385)	69,761	3,972	71,348
As at March 31, 2018	444,476	2,020,801	86,886	2,552,163
Accumulated Amortization				
As at March 31, 2016	-	-	-	-
As at March 31, 2017	-	-	-	-
Amortization	18,304	393,745	18,721	430,770
Foreign currency translation	1,067	3,019	1,455	5,541
As at March 31, 2018	19,371	396,764	20,176	436,311
Net Book Value				
As at March 31, 2017	-	-	-	-
As at March 31, 2018	425,105	1,624,037	66,710	2,115,852

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. DEBENTURES

Debenture date	January 27 to February 29, 2016 (a)	October 18, 2016 (b)	December 15, 2016 (b)	April 11, 2017 (c)	Total
As at March 31, 2016	288,918	-	-	-	288,918
Face value of debenture upon issuance	47,455	568,578	825,789	-	1,441,821
Less: Discount	(19,947)	(60,827)	(81,371)	-	(162,145)
Book value of debenture upon initial recognition	316,426	507,751	744,418	-	1,568,594
Accretion expense during year	15,863	14,521	13,924	-	44,308
Foreign currency translation	(38,916)	(22,246)	(32,302)	-	(93,464)
As at March 31, 2017	293,372	500,026	726,040	-	1,519,438
Accretion expense during the year	61,777	45,199	65,834	-	172,811
Foreign currency translation	(2,594)	(3,036)	(4,412)	-	(10,043)
	352,555	542,189	787,462	-	1,682,206
Conversion of debt on business combination and elimination (Note 3)	(352,555)	(542,189)	(787,462)	-	(1,682,206)
Retained through business combination (Note 3)				258,854	258,854
Foreign currency translation				15,959	15,959
Repayment of debt				(274,813)	(274,813)
As at March 31, 2018	-	-	-	-	-

- (a) During the year ended March 31, 2017, SNM issued \$47,455 of convertible debentures. The debentures bore interest at 10% per annum, payable quarterly maturing on December 31, 2018. SNM used the residual method to allocate the liability and equity portion of the convertible debentures. The fair value of the liability was measured using a discounted cash flow method using an estimated cost of borrowing of 18%.

In connection with the reverse takeover transaction, this debenture was converted into common 304,534 common shares of the Company (Note 3). A residual amount of \$57,325 was transferred from equity component of convertible debt to share capital. SNM recorded accretion expense totaling \$61,777 (2017 - \$15,863) during the year.

- (b) During the year ended March 31, 2017, SNM issued a \$1,394,367 (\$1,750,000 CAD) bridge convertible note to DSMIC Inc. ("DSMIC") based in Canada with 10% interest per annum, payable quarterly. The Company received the first tranche of \$568,578 (\$700,000 CAD) on October 18, 2016 and the second tranche of \$825,789 (\$1,050,000 CAD) on December 15, 2016.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. DEBENTURES (continued)

The Company used the residual method to allocate the liability and equity portion of the convertible debentures. The fair value of the liability was measured using a discounted cash flow method using an estimated cost of borrowing of 18%. A residual amount of \$151,353 was transferred from equity component of convertible debt to contributed surplus. The Company recorded accretion expense totaling \$111,033 during the year. Subsequent to the RTO transaction on April 11, 2017, the debenture is recorded at face value and eliminated upon consolidation.

- (c) As part of the reverse takeover transaction, the Company retained a convertible debenture in the net amount of \$258,854 (\$345,000 CAD). The debenture had a term of one year, interest at 8% per annum, convertible into units of the Company at \$2.63 (\$3.50 CAD) per unit, with each unit comprised of one common share and one-half warrant, with each full warrant exercisable into a common share at an exercise price of \$3.75 (\$5.00 CAD) per share for a period of 12 months from conversion of the debenture. The debenture was due on January 18, 2017 and was repaid in full on February 16, 2018. Beyond the initial term there was additional interest of 2.5% per annum in addition to the base interest of 8%.

During the year ended March 31, 2018 the Company recorded \$23,464 (2017 - \$130,618) of interest expense related to debentures.

8. SHARE CAPITAL

Authorized - Unlimited common shares

Issued and outstanding	Number of shares #	Amount \$
Balance, March 31, 2016 and 2017	13,559,735	6,247,296
Exercise of stock options (a)	315,670	217,519
Shares issued for conversion of SNM debt (a)	304,534	417,929
Reverse takeover transaction (a)	11,834,124	16,174,627
Private placement financing, net of issue costs (b)	1,250,000	3,112,892
Warrants issued related to financing (b)	-	(757,866)
Broker warrants issued related to financing (b)	-	(124,826)
Shares issued for advisory services (c)	200,000	447,238
Shares issued for payment of accounts payable (e)	121,359	197,575
Warrants exercised (f)	91,248	217,089
Private placement financing, net of issued costs (g)	1,000,000	2,402,119
Balance, March 31, 2018	28,676,670	28,551,592

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8. SHARE CAPITAL (continued)

- (a) On April 11, 2017, the Company completed the acquisition of Sports New Media Holdings Limited ("SNM"). The transaction was affected 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 following occurred:
- an aggregate of 11,834,124 common shares of the Company were issued, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 CAD) per common share.
 - 304,534 common shares of the Company were issued upon conversion of SNM convertible debt with a face value of \$360,604. A residual value of \$57,325 was transferred from equity component of convertible debt to share capital on conversion of this debt.
 - 315,670 common shares were issued for the exercise of stock options for proceeds of \$54,321.
- (b) On March 17, 2017, the Company closed the first tranche of private placement financing. The Company issued 1,000,000 subscription receipts of the Company at a price of \$3.00 (\$4.00 CAD) per Subscription Receipt to raise aggregate gross proceeds of \$3,000,000 (\$4,000,000 CAD).

The financing was completed in connection with the Company's acquisition of SNM. Each Subscription Receipt automatically converted into 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 \$280,000 or 7% of the gross proceeds raised. In addition, the Agents were issued 70,000 compensation options equal in number to 7% of the total number of Subscription Receipts sold, 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.

On April 6, 2017, the Company closed the second tranche of private placement financing. The Company issued 250,000 subscription receipts of the Company at a price of \$3.00 (\$4.00 CAD) per subscription receipt to raise aggregate gross proceeds of \$750,000 (\$1,000,000 CAD). 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 \$4,000,000 (\$5,000,000 CAD).

The financing was completed in connection with the Company's acquisition of SNM. Each Subscription Receipt automatically converted into one unit of the Company immediately following the completion of the transaction on April 11, 2017. Each Unit was comprised of one common share and one-half of one warrant, with each whole warrant exercisable into a common share of BDC until April 6, 2019 at an exercise price of \$5.25 (\$7.00 CAD) per share.

The Agents were paid a cash commission equal to \$70,000 or 7% of the gross proceeds raised. In addition, Agents were issued 17,500 compensation options equal in number to 7% of the total number of Subscription Receipts sold

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8. SHARE CAPITAL (continued)

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 until April 6, 2019.

- (c) In connection with the Transaction, and pursuant to a consulting agreement, the Company issued 200,000 shares and were issued at a fair value of \$2.24 per share (\$2.98 CAD) for a total of \$447,238. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisory of the Company which was recorded in transaction and acquisition costs in the consolidated statements of loss and comprehensive loss.
- (d) 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 based on one post-consolidation share for every ten pre-consolidation shares. These consolidated financial statements reflect the consolidation.
- (e) On July 14, 2017, the Company issued 121,359 common shares at fair value 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.
- (f) 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.
- (g) On January 23, 2018, the Company closed a private placement financing. Pursuant to the offering, the Company issued 1,000,000 common shares at a price of \$2.41 (\$3.00 CAD) for aggregate gross proceeds of \$2,414,190 (\$3,000,000 CAD) less issue costs of \$12,071.
- (h) As at March 31, 2018, the Company had 9,562,623 common shares held in escrow.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. COMMON SHARE PURCHASE OPTIONS

On March 31, 2017, the Company's shareholders approved and adopted a Fixed Stock Option Plan (the "2017 Plan") for directors, officers, employees and consultants to replace its previous Fixed Stock Option Plan, pursuant to which 5,492,813 Common Shares (being twenty percent (20%) of the issued and outstanding Common Shares as of the date of approval) are available for purchase upon the exercise of options awarded by the Company, including options previously awarded and outstanding under the former Stock Option Plans.

The Plan provides that other terms and conditions may be attached to stock options, such terms and conditions to be referred to in a schedule attached to the option certificate. The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

- (i) the number of options awarded in a one-year period to any one consultant exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);
- (ii) the aggregate number of options awarded in a one-year period to eligible persons undertaking investor relations activities exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);
- (iii) the aggregate number of Common Shares reserved for issuance to any one individual upon the exercise of options awarded under the Plan or any previously established and outstanding stock option plans or grants, exceeding five percent (5%) of the issued shares of the Company (calculated at the time of award) in a one-year period.

The following table summarizes outstanding options as at March 31, 2018 and 2017:

	Year ended March 31, 2018			Year ended March 31, 2017		
	Number of Options Outstanding	Exercise Price	Weighted-Average Remaining Life	Number of Options Outstanding	Exercise Price	Weighted-Average Remaining Life
Directors and Officers	2,641,570	\$1.90 - \$2.55	8.52 years	46,570	\$0.375 - \$2.50	7.15 years
Consultants and Employees	1,550,598	\$0.375 - \$4.65	8.52 years	418,415	\$0.375 - \$2.50	7.15 years
Total	4,192,168	\$0.375 - \$4.73	8.52 years	464,985	\$0.375 - \$2.50	7.15 years

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9. COMMON SHARE PURCHASE OPTIONS (continued)

The following table summarizes the Company's stock options activity for the years ended March 31, 2018 and 2017:

	Year ended March 31, 2018			Year ended March 31, 2017		
	Number of Options	Exercise Price	Weighted-Average Exercise Price	Number of Options	Exercise Price	Weighted-Average Exercise Price
Outstanding, beginning of year	464,985	\$0.375 - \$2.50	\$0.73	464,985	\$0.375 - \$2.50	\$0.73
Granted on business acquisition	217,722	\$0.375	\$0.375			
Exercised on business acquisition (a)	(315,670)	\$0.375	\$0.73	-	-	-
Granted (b)	4,352,500	\$1.35 - \$4.73	\$1.72	-	-	-
Cancelled (c)	(527,369)	\$0.375 - \$4.73	(\$2.82)			
Outstanding, end of year	4,192,168	\$0.375 - \$4.73	\$1.50	464,985	\$0.375 - \$2.50	\$0.73

(a) Prior to the business acquisition, during the period April 1, 2017 to April 11, 2017, 217,722 common share options were granted, and then 315,670 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 \$779,564 was credited to contributed surplus with a corresponding increase to goodwill (Note 3). The following assumptions were used in the Black Scholes pricing model: expected dividend yield of 0%, expected volatility of 107.9% - 134.1%, expected life of 0.5 – 4.5 years, risk free interest rates of 0.69%-1.06%.

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.

The fair value of the options total \$6,357,637 and vest over three years. The fair value was estimated on the date of grant using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 243%, risk free interest rates of 1%, and expected life of 10 years.

(c) During the year ended March 31, 2018, 527,369 options were cancelled with exercise prices ranging from \$0.375 to \$4.73.

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10. WARRANTS

The following table summarizes activity of the Company's warrants, exercisable for common shares:

	Number of Warrants	Exercise Price	Weighted-Average Remaining Life	Black-Scholes Valuation Inputs				
				Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
March 31, 2017	-	-	-					
Granted on business acquisition (a)	2,751,506	\$1.80-\$3.75	0.47 years	0%	1.0%	9-18 months	240%	0%
Granted on financing (b)	625,000	\$5.25	0.19 years	0%	1.8%	24 months	245%	0%
Exercised (c)	(91,248)	(\$1.80)						
March 31, 2018	3,285,258	\$1.80-\$5.25	0.67 years					

The following table summarizes activity of the Company's finder's warrants, exercisable for Units:

	Number of Finders Warrants	Exercise Price	Weighted-Average Remaining Life	Black-Scholes Valuation Inputs				
				Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
March 31, 2016 and 2017	-	-	-					
Granted on business acquisition (a)	194,444	\$3.75	0.35 years	0%	1.0%	18 months	240%	0%
Granted on financing (b)	131,250	\$3.00	0.41 years	0%	1.8%	24 months	245%	0%
March 31, 2018	325,694	\$3.00-\$3.75	0.76 years					

- (a) 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 - \$3.75 (\$2.40 - \$5.00 CAD) per share were issued. These warrants expire between November 30, 2017 and October 31, 2018.

Using the Black-Scholes model a total of \$3,577,315 was credited to warrants with a corresponding increase to goodwill (Note 3). The following assumptions were used in the Black Scholes pricing model: expected dividend yield of 0%, expected volatility of 107.4% - 114.3%, expected life of 0.6 – 1.6 years, risk free interest rates of 0.61%-0.69%.

- (b) 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.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

10. WARRANTS (continued)

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.

(c) During the year ended March 31, 2018, 91,248 warrants were exercised for total proceeds of \$163,878. The Company included the proceeds in share capital and in addition, credited share capital for the original warrant value of \$53,211 with a corresponding reduction to warrants.

11. CONTRIBUTED SURPLUS

As a result of the vesting of stock options during the year ended March 31, 2018, \$3,254,148 (2017 - \$25,429) was recorded as stock-based compensation expense with the same amount credited to contributed surplus.

12. NET LOSS PER SHARE

There is no difference between the basic and diluted loss per share as the effect of the stock options, warrants and debt conversion options would be anti-dilutive.

13. TRANSACTION AND ACQUISITION COSTS

All costs related to the acquisition of "SNM" have been expensed as incurred and charged to transaction and acquisition costs in the consolidated statement of loss and comprehensive loss. These costs are not in the ordinary course of operation and the Company does not expect these costs to recur on a regular basis.

14. SUPPLEMENTARY CASH FLOW INFORMATION

The changes in non-cash working capital items comprise the following:

	Year ended March 31, 2018	Year ended March 31, 2017
Increase in trade and other receivables	\$ (542,733)	\$ (398,969)
Decrease (increase) in prepaid expenses, deposits and other assets	36,042	(12,523)
Increase (decrease) in trade payables and accrued liabilities	(656,275)	773,854
	\$ (1,162,966)	\$ 362,362

Supplemental non-cash items;

Common shares issued for advisory services of \$447,238 (2017 - \$nil).

Common shares issued for payment of accounts payable of \$197,275 (2017 - \$nil).

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

15. RELATED PARTY BALANCES AND TRANSACTIONS

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

- a. As at March 31, 2018, the Company had \$71,225 (March 31, 2017 - \$71,592) of accounts payable due to four officers of the Company and one director of the Company.
- b. Salaries and subcontractors' expenses of \$977,227 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 year ended March 31, 2018 (March 31, 2017 - \$374,924 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 year ended March 31, 2018 (March 31, 2017 – nil). The options are exercisable at a price of \$1.47, vest over 3 years and expire in 10 years.

16. 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 year ended March 31, 2018, comprising head office and general operations of Breaking Data and Poynt Inc. in Canada, Sports New Media operating segment which provides sports new content in the United Kingdom. The Company's revenues are earned in the following geographical areas for the years ended March 31, 2018 and 2017:

Revenue from external customers

	Year ended March 31, 2018	Year ended March 31, 2017
North America	\$ 1,417,057	\$ 440,387
Europe (excluding United Kingdom)	534,712	574,664
United Kingdom	6,411,465	3,229,044
	\$ 8,363,234	\$ 4,244,095

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 year ended March 31, 2018, sales from two significant customers amounted to \$3,823,743 and \$1,018,124 representing 46% and 12% of total revenues (2017 - \$1,423,750 and \$307,921 representing 34% and 7%).

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the years ended March 31, 2018 and 2017 (Expressed in United States Dollars (NOTE 2))

17. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash, trade and other receivables and trade payables and accrued liabilities, and debentures. The fair values of financial instruments not measured at fair value through profit or loss approximate their carrying values due to the short-term nature of these financial instruments. Except as otherwise noted, the Company is not exposed to significant risks in relation to its financial instruments. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Currency Risk - The Company is exposed to certain currency risks in that the value of certain financial instruments will fluctuate due to changes in foreign exchange rates. In addition, the Company purchases and sells materials and products in CAD and GBP and has certain salary and commission expenses in those currencies. The Company does not employ any hedging strategies to mitigate the effects of its currency risks. The Company is exposed to certain currency risks in that the value of certain financial instruments will fluctuate due to changes in foreign exchange rates. In addition, the Company purchases and sells materials and products in dollars and has certain salary and commission expenses in that currency. The Company does not employ any hedging strategies to mitigate the effects of its currency risks. The Company's presentation currency is USD. The Company's functional currency for its subsidiary Breaking Data Inc. is the Canadian dollar, and SNM is the British Pound. Breaking Data Inc. and SNM net monetary assets in the British Pound and Canadian dollar at March 31, 2018 are GBP 402,676 and \$CAD 2,659,116 (March 31, 2017 – GBP (614,698) and \$CAD nil). The impact of a 10% strengthening of the Canadian dollar or British Pound on monetary assets and liabilities at March 31, 2018 would result in a foreign exchange difference of approximately GBP 40,268 and \$CAD 265,911 impacting the consolidated statement of loss and comprehensive loss (March 31, 2017 – GBP (61,470) and \$CAD nil). A 10% weakening of the Canadian dollar or British Pound would have an equal and opposite impact. Management believes the impact of a strengthening or weakening of any other foreign currencies on monetary assets and liabilities would not be material.

Liquidity Risk - The Company is exposed to liquidity risk to the extent that it is required to meet its financial obligations as these become due. The Company's approach to managing liquidity risk is to ensure that it has sufficient cash and other current financial assets to meet its obligations when due, without incurring unacceptable losses or damage to the Company's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through a combination of cash management and access to additional capital. As at March 31, 2018, the Company has a working capital surplus of \$2,621,780 (March 31, 2017 – negative working capital of \$2,290,392). See additional disclosure related to going concern in Note 1.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

17. FINANCIAL INSTRUMENTS (continued)

Credit Risk - The Company manages its credit risk relating to its trade receivables through credit approval and monitoring procedures, including senior management prior approval of all sales. The carrying amount of trade receivable and unbilled revenue, recorded in the consolidated financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk. As at March 31, 2018 \$84,790 (March 31, 2017 - \$8,501) of accounts receivable were outstanding greater than 90 days. The allowance for doubtful accounts at March 31, 2018 was \$262,888 (2017 - \$ Nil) which is based on management's judgement and pertains to one vendor

Interest Rate Risk - Interest rate risk is the risk that the value of financial instruments may fluctuate due to changes in market interest rates. The Company has no interest earning instruments as at March 31, 2018 (March 31, 2017 - \$nil).

The Company's management monitors interest rate fluctuations on a continuous basis and acts accordingly.

Concentration Risk - The Company is exposed to concentration risk as it has a reliance on certain customers which represent greater than 10% of total revenue and accounts receivable. The Company continues to expand its customer base to reduce this reliance (Note 16).

18. COMMITMENTS

The Company has a contingent commitment to pay \$39,830 (\$50,000 CAD) upon realization and recognition of its first \$398,300 (\$500,000 CAD) in patent licensing revenue, on certain patents and an additional \$39,830 (\$50,000 CAD) upon realization and recognition of an additional \$403,000 (\$500,000 CAD) in patent licensing revenue from any of these patents. As of March 31, 2018, no patent licensing revenue has been realized or recognized.

19. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support its sales and research and development activities, salaries and general and administrative expenses, working capital and overall capital expenditures, including those associated with intangible assets. The Board does not establish quantitative return on capital criteria for management, but relies on the expertise of the Company's management to sustain future development of the business.

The Company is currently dependent on external financing to fund some of its activities and in order to carry out its business plan, and will spend its working capital and additional financing as discussed in Note 1. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the year ended March 31, 2018. The Company is not subject to externally imposed capital requirements. In the management of capital, management considers the Company's capital to be comprised of all components of shareholders' equity.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

20. INCOME TAXES

A reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2017 – 26.5%) to the effective tax rates us as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Net loss from continuing operations before income taxes	\$ 17,183,838	\$ 1,788,471
Expected income tax recovery at statutory rates	\$ (4,553,720)	\$ (473,950)
Effect on income taxes of:		
Difference in foreign tax rates	288,670	116,250
Change in fair value of goodwill	2,367,430	-
Tax effect of acquired intangibles	548,800	-
Share issue costs and financing costs	(393,960)	-
Share-based compensation and non-deductible expenses	906,320	43,070
Change in tax benefits not recognized	836,460	314,630
Income tax expense	\$ -	\$ -

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

20. INCOME TAXES (continued)

Deferred tax

The following table summarized the components of deferred tax:

	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax assets		
Non-capital losses carried forward	\$ 425,970	\$ -
Deferred tax liabilities		
Intangible assets	\$ (425,970)	-
Net deferred tax liabilities	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Year ended March 31, 2018	Year ended March 31, 2017
Share issue costs deductible in the future	\$ 1,444,930	\$ -
Intangible assets	515,310	-
Non-capital losses carried forward (Canada)	16,449,430	-
Non-capital losses carried forward (United Kingdom)	7,336,130	4,582,492
Unrecognized deferred tax assets	\$ 19,564,070	\$ 4,582,492

The Canadian non-capital loss carry forwards expire as noted in the table below. The United Kingdom non-capital loss carry forwards indefinitely unless there is a change in ownership of the Company and a major change in the nature and conduct of the trade within three years, but can be offset only against trade income. Share issue and financing costs will be fully amortized in 2022. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

BREAKING DATA CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended March 31, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

20. INCOME TAXES (continued)

The Company's Canadian non-capital income tax losses expire as follows:

2025	\$	117,450
2026	\$	191,580
2027	\$	347,320
2028	\$	782,770
2029	\$	915,270
2030	\$	344,120
2031	\$	252,980
2032	\$	1,370,270
2033	\$	1,885,330
2034	\$	2,833,150
2035	\$	1,336,250
2036	\$	3,427,430
2037	\$	1,906,080
2038	\$	2,391,420
<hr/>		
Total	\$	18,101,420
<hr/> <hr/>		

21. SUBSEQUENT EVENTS

On April 18, 2018 the Company granted 400,000 stock options to purchase common shares of the Company to a new officer of the Company. These stock options are exercisable at \$0.78 (\$1.11 CAD) per stock option and expire in April 2028.

BREAKING DATA CORP.

INTERIM UNAUDITED CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS

Three month periods ended
June 30, 2018 and 2017

Breaking Data Corp.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

(Expressed in United States Dollars (Note 2))

	As at June 30, 2018	As at March 31, 2018
ASSETS	\$	\$
Current assets		
Cash	1,027,006	2,288,853
Trade and other receivables	2,081,011	1,577,652
Prepaid expenses, deposits and other assets	325,127	365,326
	3,433,144	4,231,831
Equipment, net of depreciation (Note 5)	144,181	104,405
Intangible assets (Note 6)	2,087,136	2,115,852
Goodwill (Note 3)	6,238,925	6,354,300
	11,903,386	12,806,388
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (Note 15)	1,418,563	1,610,051
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	28,551,592	28,551,592
Warrants (Note 10)	4,406,796	4,406,796
Contributed surplus (Note 9 and 11)	5,391,440	4,537,045
Deficit	(27,754,043)	(26,414,233)
Accumulated other comprehensive (loss) income (Note 2)	(110,962)	115,137
	10,484,823	11,196,337
	11,903,386	12,806,388

GOING CONCERN (Note 1)

COMMITMENTS (Note 17)

SUBSEQUENT EVENTS (Note 18)

ON BEHALF OF THE BOARD:

"Nick Thain"

"Roger Mitchell"

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Breaking Data Corp.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (unaudited)
(Expressed in United States Dollars (Note 2))

	three months ended June 30, 2018	three months ended June 30, 2017
	\$	\$
Revenue	2,621,552	1,456,763
Cost of Goods Sold	1,316,999	720,748
Gross Margin	1,304,553	736,015
Expenses		
General and administrative	350,759	268,829
Salaries and subcontractors (Note 15)	1,103,824	1,005,257
Stock-based compensation (Note 11)	854,395	35,615
Professional fees	72,964	124,041
Sales and marketing	109,361	132,394
Accretion on debentures (Note 7)	-	172,811
Interest and financing fees (Note 7)	-	4,095
Foreign exchange loss	25,401	(6,979)
Amortization of intangible assets (Note 6)	117,452	100,579
Depreciation of equipment (Note 5)	10,207	4,053
Total Expenses	2,644,363	1,840,695
NET LOSS BEFORE CHANGE IN FAIR VALUE OF GOODWILL, TRANSACTION AND ACQUISITION COSTS	(1,339,810)	(1,104,680)
Change in fair value of goodwill (Note 3)	-	8,933,700
Transaction and acquisition costs (Note 13)	-	772,875
NET LOSS FROM CONTINUING OPERATIONS FOR THE PERIOD	(1,339,810)	(10,811,255)
Net income from discontinued operations (Note 4)	-	13,333
NET LOSS FOR THE PERIOD	(1,339,810)	(10,797,922)
Cumulative translation adjustment	(226,099)	231,227
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(1,565,909)	(10,566,695)
Basic and diluted net loss per share from continuing operations (Note 12)	(0.05)	(0.42)
Basic and diluted net income per share from discontinued operations (Note 12)	-	0.00
Weighted average number of shares	28,676,670	25,841,073

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Breaking Data Corp.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT) (unaudited)
For the period ended June 30, 2018 and 2017
(Expressed in United States Dollars (Note 2))

	Common Shares Number	Common Shares \$	Warrants \$	Contributed Surplus \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total Shareholders' Equity (Deficit) \$
Balance, March 31, 2018	28,676,670	28,551,592	4,406,796	4,537,045	115,137	(26,414,233)	11,196,337
Stock-based compensation (Note 11)	-	-	-	854,395	-	-	854,395
Cumulative translation adjustment	-	-	-	-	(226,099)	-	(226,099)
Net loss for the period	-	-	-	-	-	(1,339,810)	(1,339,810)
Balance, June 30, 2018	28,676,670	28,551,592	4,406,796	5,391,440	(110,962)	(27,754,043)	10,484,823

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Breaking Data Corp.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT) (unaudited)
For the periods ended June 30, 2018 and 2017
(Expressed in United States Dollars (Note 2))

	Common Shares Number	Common Shares \$	Warrants \$	Contributed Surplus \$	Equity component of convertible debt \$	Accumulated other comprehensive income \$	Deficit \$	Total Shareholders' Equity (Deficit) \$
Balance, March 31, 2017	13,559,735	6,247,296	-	515,178	208,678	30,256	(9,270,261)	(2,268,859)
Exercise of stock options (Note 3)	315,670	217,519	-	(163,198)	-	-	-	54,321
Shares issued for conversion of SNIM debt on April 11, 2017 (Note 3)	304,534	417,929	-	-	(57,325)	-	-	360,604
Shares issued related to Reverse take over transaction on April 11, 2017 (Note 3)	11,834,124	16,174,627	3,577,315	930,917	(151,353)	-	-	20,531,506
Shares issued related to financing on April 11, 2017, net of issue costs (Note 8)	1,250,000	3,112,892	-	-	-	-	-	3,112,892
625,000 warrants issued for shares related to financing on April 11, 2017 (Note 8)	-	(757,866)	757,866	-	-	-	-	-
200,000 shares issued for advisory services related to financing on April 11, 2017 (Note 8)	200,000	447,238	-	-	-	-	-	447,238
131,250 broker warrants issued related to financing on April 11, 2017 (Note 8)	-	(124,826)	124,826	-	-	-	-	-
Exercise of warrants (Note 8)	65,694	152,102	(37,282)	-	-	-	-	114,820
Stock-based compensation (Note 11)	-	-	-	35,615	-	-	-	35,615
Cumulative translation adjustment	-	-	-	-	-	231,227	-	231,227
Net loss for the period	-	-	-	-	-	-	(10,797,922)	(10,797,922)
Balance, June 30, 2017	27,529,757	25,886,911	4,422,725	1,318,512	-	261,483	(20,068,183)	11,821,449

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Breaking Data Corp.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Expressed in Unites States Dollars (Note 2))

	Three months ended June 30, 2018	Three months ended June 30, 2017 <small>(Restated Note 3,4)</small>
	\$	\$
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Net loss for the period	(1,339,810)	(10,811,255)
Items not affecting cash		
Amortization of intangible assets <i>(Note 6)</i>	117,452	100,579
Depreciation of equipment <i>(Note 5)</i>	10,207	4,053
Accretion of debentures <i>(Note 7)</i>	-	172,811
Stock-based compensation <i>(Note 9)</i>	854,395 ^F	35,615
Change in fair value of goodwill <i>(Note 3)</i>	-	8,933,700
Common shares issued for advisory services <i>(Note 8)</i>	-	447,238
Net cash flow from discontinued operations <i>(Note 4)</i>	-	13,333
Net change in non-cash working capital items related to operations <i>(Note 14)</i>	(701,220)	(1,463,260)
Cash used in operating activities	(1,058,976)	(2,567,186)
FINANCING ACTIVITIES		
Proceeds from exercised options <i>(Note 9)</i>	-	54,321
Proceeds from exercised warrants <i>(Note 10)</i>	-	114,820
Proceeds from the issuance of common shares and share purchase warrants, net of issuance costs <i>(Note 8)</i>	-	3,112,892
Cash provided by financing activities	-	3,282,033
INVESTING ACTIVITIES		
Purchase of equipment <i>(Note 5)</i>	(56,629)	(16,097)
Additions in intangible assets <i>(Note 6)</i>	(131,641)	-
Cash acquired from business combination <i>(Note 3)</i>	-	2,077,727
Cash provided by (used) in investing activities	(188,270)	2,061,630
EFFECT OF CURRENCY TRANSLATION	(14,601)	141,848
(DECREASE) INCREASE IN CASH FOR THE PERIOD	(1,261,847)	2,918,325
CASH, BEGINNING OF PERIOD	2,288,853	266,447
CASH, END OF PERIOD	1,027,006	3,184,772

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BREAKING DATA CORP.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three months ended June 30, 2018 and 2017 (Expressed in United States Dollars (NOTE 2))

1. **BASIS OF PRESENTATION AND GOING CONCERN**

Nature of operations

Breaking Data Corp. ("BDC" or the "Company") is a technology provider of a range of Artificial Intelligence ("AI") services including; semantic search, machine learning and natural language processing ("NLP"). The Company's technology platform has many practical applications, in multiple business and consumer verticals that are immersed in massive media and data rich settings. The Company's showcase app, GIVEMESPORT, utilizes AI, semantic machine learning and NLP to track social media in a fully automated, real-time manner for significant sports information and events and distributes summarized information through real-time push notifications to consumers.

On April 11, 2017, the Company completed the acquisition of Sports New Media Holdings Limited ("SNM"). The transaction was effected by way of securities exchange between the Company and SNM. Concurrent with the closing of this transaction the Company also completed a financing for \$3,751,500 (\$5,000,000 CAD) with issuance of 1,250,000 units at a price of \$3.00 (\$4.00 CAD). 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. SNM is a technology company with a focus on content business that owns and operates the website www.givemesport.com, a leading content provider of sports news. SNM conducts its operations through two wholly owned subsidiaries, Sports New Media Ltd. and Sports New Media Inc. Pursuant to the share exchange, the Company was identified as the acquiree for accounting purposes and the transaction constituted a reverse take-over of Breaking Data Corp. and was accounted for as a business combination (Note 3). As such, the comparative period and balances in these interim condensed consolidated financial statements are that of SNM.

The interim condensed consolidated financial statements of the Company comprise the accounts of Breaking Data Inc., Devesys Technologies Inc. ("DTI"), Poynt Inc., Sports New Media Holdings Limited ("SNM") and DSMIC Inc. ("DSMIC"), the Company's wholly-owned subsidiaries, as well as Unomobi Inc., Innovation Funds III Inc., Sports New Media Limited and Sports New Media Inc., additionally 100% owned subsidiaries and holding companies of the main subsidiaries noted above. On November 30, 2017, the Company sold DTI as a result of a decline in business activity (Note 4) and DTI is presented as discontinued operations.

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

Going Concern

These interim condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying interim condensed consolidated financial statements. If the going concern assumption is not appropriate, material adjustments to the interim condensed consolidated financial statements could be required.

BREAKING DATA CORP.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended June 30, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

1. BASIS OF PRESENTATION AND GOING CONCERN (continued)

As at June 30, 2018, the Company had positive working capital of \$2,014,581 (March 31, 2018 – \$2,567,186), an accumulated deficit of \$27,754,043 (March 31, 2018 - \$26,414,233) and negative cash flows from operations of \$1,058,976 (2017 - \$2,487,260). These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing. To date, management of the Company has been successful in raising capital through equity or debt financings. However, there is no assurance that the Company will continue to be successful in raising capital in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These 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 interim condensed 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 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 condensed consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2018.

Principles of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Breaking Data Inc., Poynt Inc. ("Poynt"), Unomobi Inc., Innovation Fund III LLC, Sports New Media Holdings Limited ("SNM"), Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc., from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation. On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc., as a result of a decline in business activity, and its operating results are disclosed as discontinued operations (note 4).

Basis of Presentation

The accompanying interim 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 for the year ended March 31, 2018.

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For the three months ended June 30, 2018 and 2017
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Presentation Currency and Functional Currency

For the year ended March 31, 2018, the presentation currency of the Company was in U.S Dollar ("USD"), SNM previously reported using British Pounds. The change in presentation currency, which was effective for the three months ended June 30, 2017 is to better reflect the Company's business activities in conjunction with the acquisition of 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 interim condensed consolidated financial statements are represented in USD which has been applied retroactively.

The functional currency of the Company and its subsidiary Poynt is the CAD. The functional currency of DTI is the US dollar. The functional currency of the acquired companies SNM, 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 year 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 year). All resulting exchange rate differences are recorded in accumulated other comprehensive (loss) income.

Recent accounting pronouncements

Financial Instruments

Effective April 1, 2018, the Company adopted IFRS 9, Financial Instruments. In accordance with the transitional provisions, the Company adopted the standard retrospectively without restating comparatives as the change did not impact the opening balances.

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories.

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

The Company's financial instruments consist of the following:

Financial Instruments Classification	IAS 39	IFRS 9
Cash	Fair value through profit or loss	Amortized Cost
Trade and other receivables	Loans and receivables	Amortized Cost
Trade payables and accrued liabilities	Other financial liabilities	Amortized Cost

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following are the Company's new accounting policies for financial instruments under IFRS 9:

Financial assets and liabilities

Financial assets

Non-derivative financial assets within the IFRS 9 are classified as "financial assets at fair value (either through other comprehensive income ("FVOCI"), or through profit or loss ("FVPL"))", and "financial assets at amortized costs" as appropriate. The Company determines the classification of its financial assets at initial recognition based on the Company's business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of investments not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded on the interim condensed consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the interim condensed consolidated statements of earnings (loss).

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not have any financial assets classified as at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the interim condensed consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the asset.

Impairment of financial assets

The Company's only financial assets subject to impairment are trade and other receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

The expected lifetime loss of a financial asset at amortized cost, is estimated based on the expected credit loss ("ECL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade payable and accrued liabilities which are each measured at amortized cost.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the interim condensed consolidated statements of earnings (loss).

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in other income or expense in the consolidated statements of earnings (loss).

IFRS 15 – Revenue from Contracts with Customers

The Company elected to adopt IFRS15 using the modified retrospective method, with recognition of transitional adjustments in opening retained earnings on the date of initial application (April 1, 2018), without restatement of comparative figures. The adoption of IFRS 15 did not result in any changes in the timing of revenue recognition for the Company's goods and services.

Accounting Policy for Revenue Recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 16 – Accounting for Leases

IFRS 16 replaces IAS 17, Leases was released in January 2016. This standard will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Adoption of IFRS 16 is mandatory and will be effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

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3. REVERSE TAKEOVER 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 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 \$360,604.
- 4,599,662 common shares were issued for the acquisition of DSMIC by the Company. DSMIC holds a CAD\$1,750,000 debenture which was convertible into common shares of SNM (Note 7). Upon closing of the transaction, the debenture is eliminated upon consolidation. As a result of the Company 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 exercise 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, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 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 \$1.35 - \$3.75 (\$1.80 - \$5.00 CAD) per share expiring between November 30, 2017 and October 31, 2018 (Note 10).
- 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 (Note 9).

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in United States Dollars (NOTE 2))

3. REVERSE TAKEOVER TRANSACTION ("RTO") (continued)

- Pursuant to a consulting agreement, the Company issued 200,000 shares at a fair value of \$2.24 (\$2.98 CAD) per share with an amount of \$447,238 recorded to share capital. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisor of the Company which was recorded in the interim condensed consolidated statements of loss and comprehensive loss 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 based on one post-consolidation share for every ten pre-consolidation shares. These interim 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 was comprised of one common share 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 of \$350,000 equal to 7% of the gross proceeds raised under the Offering. In addition, the Agents were issued 131,250 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 the transaction constituted a reverse take-over of Breaking Data Corp. and was accounted for as a reverse take-over 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.

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3. REVERSE TAKEOVER TRANSACTION (“RTO”) (continued)

The allocation of the purchase price to the estimated fair value of net assets acquired is as follows on April 11, 2017:

Purchase price:

Common shares	\$	16,174,627
Warrants		3,577,315
Common share purchase options		779,564

Total purchase price	\$	20,531,506
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Fair value of assets acquired and liabilities assumed:

Cash	\$	2,077,727
Accounts Receivable		133,959
Debenture and accrued interest		1,363,642
Prepaid expenses and deposits		126,668
Deferred patent costs		74,498
Accounts payable and accrued liabilities		(164,790)
Deferred revenue		(85,458)
Debentures (Note 7)		(258,854)
Net assets acquired and liabilities assumed		3,267,392

Fair value of intangible assets

Intellectual property		1,951,040
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Notional fair value of goodwill	\$	15,313,074
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Adjustment to fair value of goodwill		(8,933,700)
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Foreign currency translation		226,074
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Fair value of goodwill	\$	6,153,300
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The Company finalized its assessment of the purchase price allocation during the quarter ended March 31, 2018. This resulted in an adjustment being recorded to the previously presented June 30, 2017 interim condensed consolidated statements of financial position between goodwill and intangible assets. The consideration paid was also adjusted from the previous interim condensed consolidated statements of financial position and statement of changes in shareholders equity for the period ended June 30, 2017 based on the fair value of the business acquired. Intangible assets of intellectual property and goodwill have been separately accounted for. Intellectual property representing proprietary technology is being amortized over a useful life of 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies.

The Company recorded an adjustment to fair value of goodwill of \$8,933,700 on acquisition resulting in a fair value of goodwill of \$6,153,300 at the acquisition date of April 11, 2017. In addition, there was an increase to transaction and acquisition costs of \$76,540 and amortization of proprietary technology of \$96,123 recorded as part of this final assessment of purchase price allocation. These adjustments had a total impact of \$9,106,363 on net loss for the period ended June 30, 2017. As at June 30, 2018, based on the period end foreign exchange rate goodwill is \$6,238,925.

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4. DISCONTINUED OPERATIONS

On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc. ("DTI"), as a result of a decline in business activity. The operating results of DTI have been presented in the interim condensed consolidated financial statements as a discontinued operation.

The following table summarizes the operations of DTI as classified as discontinued operations for the three months ended June 30, 2018 and 2017.

Results of discontinued operation	Three months ended June 30, 2018	Three months ended June 30, 2017
Revenue	\$ -	\$ 65,842
Expenses	\$ -	\$ 52,509
Net income from discontinued operations	\$ -	\$ 13,333
Basic and diluted net income per share	\$ -	\$ -

Due to accumulated net losses in the past, there is no income tax expense recorded in respect of the discontinued operations.

The following table summarizes the net cash flows attributable to discontinued operations for the three months ended June 30, 2018 and 2017.

	Three months ended June 30, 2018	Three months ended June 30, 2017
Cash flows from discontinued operations	\$ -	\$ 13,333

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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5. <u>EQUIPMENT</u>	Total Equipment
Cost	\$
As at March 31, 2017	188,850
Additions	94,811
Disposals	(3,108)
Write down of fully depreciated assets	(131,443)
Foreign translation adjustment	18,590
As at March 31, 2018	167,700
Additions	56,629
Foreign translation adjustment	(10,628)
As at June 30, 2018	213,701
Accumulated Depreciation	
As at March 31, 2017	167,011
Depreciation	13,921
Write down of fully depreciated assets	(130,158)
Foreign translation adjustment	12,521
As at March 31, 2018	63,295
Depreciation	10,207
Foreign translation adjustment	(3,982)
As at June 30, 2018	69,520
Net Book Value	
As at March 31, 2018	104,405
As at June 30, 2018	144,181

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6. <u>INTANGIBLE ASSETS</u>	Development Costs	Intellectual Property	Patents	Total Intangible Assets
Cost	\$	\$	\$	\$
As at March 31, 2017	-	-	-	-
Acquired through reverse takeover transaction	-	1,951,040	74,498	2,025,538
Additions	446,861	-	8,416	455,277
Foreign currency translation	(2,385)	69,761	3,972	71,348
As at March 31, 2018	444,476	2,020,801	86,886	2,552,163
Additions	124,750	-	6,891	131,641
Foreign currency translation	(15,649)	(42,521)	(2,602)	(60,772)
As at June 30, 2018	553,577	1,978,280	91,174	2,623,032
Accumulated Amortization				
As at March 31, 2017	-	-	-	-
Amortization	18,304	393,745	18,721	430,770
Foreign currency translation	1,067	3,019	1,455	5,541
As at March 31, 2018	19,371	396,764	20,176	436,311
Amortization	11,856	100,942	4,654	117,452
Foreign currency	(1,465)	(15,056)	(1,346)	(17,867)
As at June 30, 2018	29,762	482,650	23,484	535,896
Net Book Value				
As at March 31, 2018	425,105	1,624,037	66,710	2,115,852
As at June 30, 2018	523,815	1,495,630	67,691	2,087,136

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7. DEBENTURES

Debenture date	January 27 to February 29, 2016 (a)	October 18, 2016 (b)	December 15, 2016 (b)	April 11, 2017 (c)	Total
As at March 31, 2017	293,372	500,026	726,040	-	1,519,438
Accretion expense during the year	61,777	45,199	65,834	-	172,811
Foreign currency translation	(2,594)	(3,036)	(4,412)	-	(10,043)
	352,555	542,189	787,462	-	1,682,206
Conversion of debt on business combination and elimination (Note 3)	(352,555)	(542,189)	(787,462)	-	(1,682,206)
Retained through business combination (Note 3)				258,854	258,854
Foreign currency translation				15,959	15,959
Repayment of debt				(274,813)	(274,813)
As at March 31 and June 30, 2018	-	-	-	-	-

- (a) During the year ended March 31, 2017, SNM issued \$47,455 of convertible debentures. The debentures bore interest at 10% per annum, payable quarterly maturing on December 31, 2018. In connection with the reverse takeover transaction, this debenture was converted into common 304,534 common shares of the Company (Note 3).
- (b) During the year ended March 31, 2017, SNM issued a \$1,394,367 (\$1,750,000 CAD) bridge convertible note to DSMIC Inc. ("DSMIC") based in Canada with 10% interest per annum, payable quarterly. In connection with the RTO transaction on April 11, 2017, the debenture is recorded at face value and eliminated upon consolidation.
- (c) As part of the reverse takeover transaction, the Company retained a convertible debenture in the net amount of \$258,854 (\$345,000 CAD). The debenture was repaid in full on February 16, 2018.

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8. SHARE CAPITAL

Authorized - Unlimited common shares

Issued and outstanding	Number of shares #	Amount \$
Balance, March 31, 2017	13,559,735	6,247,296
Exercise of stock options (a)	315,670	217,519
Shares issued for conversion of SNM debt (a)	304,534	417,929
Reverse takeover transaction (a)	11,834,124	16,174,627
Private placement financing, net of issue costs (b)	1,250,000	3,112,892
Warrants issued related to financing (b)	-	(757,866)
Broker warrants issued related to financing (b)	-	(124,826)
Shares issued for advisory services (c)	200,000	447,238
Shares issued for payment of accounts payable (e)	121,359	197,575
Warrants exercised (f)	91,248	217,089
Private placement financing, net of issued costs (g)	1,000,000	2,402,119
Balance, March 31, 2018 and June 30, 2018	28,676,670	28,551,592

(a) 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 following occurred:

- an aggregate of 11,834,124 common shares of the Company were issued, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 CAD) per common share.
- 304,534 common shares of the Company were issued upon conversion of SNM convertible debt with a face value of \$360,604. A residual value of \$57,325 was transferred from equity component of convertible debt to share capital on conversion of this debt.
- 315,670 common shares were issued for the exercise of stock options for proceeds of \$54,321.

(b) On March 17, 2017, the Company closed the first tranche of private placement financing. The Company issued 1,000,000 subscription receipts of the Company at a price of \$3.00 (\$4.00 CAD) per Subscription Receipt to raise aggregate gross proceeds of \$3,000,000 (\$4,000,000 CAD).

The financing was completed in connection with the Company's acquisition of SNM. Each Subscription Receipt automatically converted into 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.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in United States Dollars (NOTE 2))

8. SHARE CAPITAL (continued)

The Agents were paid a cash commission equal to \$280,000 or 7% of the gross proceeds raised. In addition, the Agents were issued 70,000 compensation options equal in number to 7% of the total number of Subscription Receipts sold, 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.

On April 6, 2017, the Company closed the second tranche of private placement financing. The Company issued 250,000 subscription receipts of the Company at a price of \$3.00 (\$4.00 CAD) per subscription receipt to raise aggregate gross proceeds of \$750,000 (\$1,000,000 CAD). 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 \$4,000,000 (\$5,000,000 CAD).

The financing was completed in connection with the Company's acquisition of SNM. Each Subscription Receipt automatically converted into one unit of the Company immediately following the completion of the transaction on April 11, 2017. Each Unit was comprised of one common share and one-half of one warrant, with each whole warrant exercisable into a common share of BDC until April 6, 2019 at an exercise price of \$5.25 (\$7.00 CAD) per share.

The Agents were paid a cash commission equal to \$70,000 or 7% of the gross proceeds raised. In addition, Agents were issued 17,500 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 until April 6, 2019.

- (c) In connection with the Transaction, and pursuant to a consulting agreement, the Company issued 200,000 shares and were issued at a fair value of \$2.24 per share (\$2.98 CAD) for a total of \$447,238. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisory of the Company which was recorded in transaction and acquisition costs in the interim condensed consolidated statements of loss and comprehensive loss.
- (d) 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 based on one post-consolidation share for every ten pre-consolidation shares. These interim condensed consolidated financial statements reflect the consolidation.
- (e) On July 14, 2017, the Company issued 121,359 common shares at fair value 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.
- (f) 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.
- (g) On January 23, 2018, the Company closed a private placement financing. Pursuant to the offering, the Company issued 1,000,000 common shares at a price of \$2.41 (\$3.00 CAD) for aggregate gross proceeds of \$2,414,190 (\$3,000,000 CAD) less issue costs of \$12,071.
- (h) As at June 30, 2018, the Company had 9,562,623 common shares held in escrow.

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9. COMMON SHARE PURCHASE OPTIONS

On March 31, 2017, the Company's shareholders approved and adopted a Fixed Stock Option Plan (the "2017 Plan") for directors, officers, employees and consultants to replace its previous Fixed Stock Option Plan, pursuant to which 5,492,813 Common Shares (being twenty percent (20%) of the issued and outstanding Common Shares as of the date of approval) are available for purchase upon the exercise of options awarded by the Company, including options previously awarded and outstanding under the former Stock Option Plans.

The Plan provides that other terms and conditions may be attached to stock options, such terms and conditions to be referred to in a schedule attached to the option certificate. The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

- (i) the number of options awarded in a one-year period to any one consultant exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);
- (ii) the aggregate number of options awarded in a one-year period to eligible persons undertaking investor relations activities exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);
- (iii) the aggregate number of Common Shares reserved for issuance to any one individual upon the exercise of options awarded under the Plan or any previously established and outstanding stock option plans or grants, exceeding five percent (5%) of the issued shares of the Company (calculated at the time of award) in a one-year period.

The following table summarizes outstanding options as at June 30, 2018 and March 31, 2018:

	Period ended June 30, 2018			Year ended March 31, 2018		
	Number of Options Outstanding	Exercise Price	Weighted-Average Remaining Life	Number of Options Outstanding	Exercise Price	Weighted-Average Remaining Life
Directors and Officers	2,941,570	\$1.90 - \$2.55	8.39 years	2,641,570	\$1.90 - \$2.55	8.52 years
Consultants and Employees	1,550,598	\$0.375 - \$4.65	8.39 years	1,550,598	\$0.375 - \$4.65	8.52 years
Total	4,492,168	\$0.375 - \$4.73	8.39 years	4,192,168	\$0.375 - \$4.73	8.52 years

BREAKING DATA CORP.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended June 30, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

9. COMMON SHARE PURCHASE OPTIONS (continued)

The following table summarizes the Company's stock options activity for the three months ended June 30, 2018 and year ended March 31, 2018:

	Period ended June 30, 2018			Year ended March 31, 2018		
	Number of Options	Exercise Price	Weighted-Average Exercise Price	Number of Options	Exercise Price	Weighted-Average Exercise Price
Outstanding, beginning of period	4,192,168	\$0.375 - \$2.50	\$1.50	464,985	\$0.375 - \$2.50	\$0.73
Granted on business acquisition (b)	-	-	-	217,722	\$0.375	\$0.375
Exercised on business acquisition (b)	-	-	-	(315,670)	\$0.375	\$0.73
Granted (a,c)	400,000	\$0.86	\$0.86	4,352,500	\$1.35-\$4.73	\$1.72
Cancelled (d,e)	(100,000)	(\$1.47)	(\$1.47)	(527,369)	\$0.375-\$4.73	(\$2.82)
Outstanding, end of period	4,492,168	\$0.375 - \$4.73	\$1.45	4,192,168	\$0.375 - \$4.73	\$1.50

- a) During the three months ended June 30, 2018 the Company granted 400,000 stock options to purchase common shares of the Company to a new officer of the Company. These stock options are exercisable at \$0.86 (\$1.11 CAD) per stock option and expire in April 2028. The following assumptions were used in the Black Scholes pricing model: expected dividend yield of 0%, expected volatility of 241%, expected life of 10 years, risk free interest rate of 2.28%.
- b) Prior to the business acquisition, during the period April 1, 2017 to April 11, 2017, 217,722 common share options were granted, and then 315,670 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.
- c) 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 \$779,564 was credited to contributed surplus with a corresponding increase to goodwill (Note 3). The following assumptions were used in the Black Scholes pricing model: expected dividend yield of 0%, expected volatility of 107.9% - 134.1%, expected life of 0.5 – 4.5 years, risk free interest rates of 0.69%-1.06%. 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. The fair value of the options total \$6,357,637 and vest over three years. The fair value was estimated on the date of grant using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 243%, risk free interest rates of 1%, and expected life of 10 years.
- d) During the three months ended June 30, 2018 100,000 options were cancelled with an exercise price of \$1.47.
- e) During the year ended March 31, 2018, 527,369 options were cancelled with exercise prices ranging from \$0.375 to \$4.73.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended June 30, 2018 and 2017
(Expressed in United States Dollars (NOTE 2))

10. WARRANTS

The following table summarizes activity of the Company's warrants, exercisable for common shares:

	Number of Warrants	Exercise Price	Weighted-Average Remaining Life	Black-Scholes Valuation Inputs				
				Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
March 31, 2017	-	-	-					
Granted on business acquisition (a)	2,751,506	\$1.80-\$3.75	0.27 years	0%	1.0%	9-18 months	240%	0%
Granted on financing (b)	625,000	\$5.25	0.15 years	0%	1.8%	24 months	245%	0%
Exercised (c)	(91,248)	(\$1.80)						
March 31 and June 30, 2018	3,285,258	\$1.80-\$5.25	0.42 years					

The following table summarizes activity of the Company's finder's warrants, exercisable for Units:

	Number of Finders Warrants	Exercise Price	Weighted-Average Remaining Life	Black-Scholes Valuation Inputs				
				Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
March 31, 2016 and 2017	-	-	-					
Granted on business acquisition (a)	194,444	\$1.35	0.20 years	0%	1.0%	18 months	240%	0%
Granted on financing (b)	131,250	\$3.00	0.31 years	0%	1.8%	24 months	245%	0%
March 31 and June 30, 2018	325,694	\$1.35-\$3.00	0.51 years					

(a) On April 11, 2017, in connection with the acquisition of SNM, an aggregate of 2,751,506 warrants were issued which consisted of 2,722,220 warrants with an exercise price of \$1.80 (\$2.40 CAD) expiring on October 31, 2018 and 14,286 and 15,000 warrants with an exercise price of \$3.75 (\$5.00 CAD) expiring on November 30, 2018 and December 5, 2018 respectively.

194,444 finders warrants ("RTO replacement warrants") with an exercise price \$1.35 (\$1.80 CAD) per share were issued expiring on October 31, 2018.

(b) 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.

BREAKING DATA CORP.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in United States Dollars (NOTE 2))

10. WARRANTS (continued)

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.

- (c) During the year ended March 31, 2018, 91,248 warrants were exercised for total proceeds of \$163,878. The Company included the proceeds in share capital and in addition, credited share capital for the original warrant value of \$53,211 with a corresponding reduction to warrants.

11. CONTRIBUTED SURPLUS

As a result of the vesting of stock options during the three months ended June 30, 2018, \$854,395 (2017 - \$35,615) was recorded as stock-based compensation expense with the same amount credited to contributed surplus.

12. NET LOSS PER SHARE

There is no difference between the basic and diluted loss per share as the effect of the stock options, warrants and debt conversion options would be anti-dilutive.

13. TRANSACTION AND ACQUISITION COSTS

All costs related to the acquisition of "SNM" have been expensed as incurred and charged to transaction and acquisition costs in the interim condensed consolidated statement of loss and comprehensive loss. These costs are not in the ordinary course of operation and the Company does not expect these costs to recur on a regular basis.

14. SUPPLEMENTARY CASH FLOW INFORMATION

The changes in non-cash working capital items comprise the following

	Three months ended June 30, 2018	Three months ended June 30, 2017
Increase in trade and other receivables	\$ (557,931)	\$ (212,056)
Increase in prepaid expenses, deposits and other assets	(122,505)	(243,268)
Decrease in trade payables and accrued liabilities	(20,784)	(1,007,936)
	\$ (701,220)	\$ (1,463,260)

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended June 30, 2018 and 2017
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15. RELATED PARTY BALANCES AND TRANSACTIONS

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

- a. As at June 30, 2018, the Company had \$59,471 (March 31, 2018 - \$71,225) of accounts payable due to four officers of the Company and one director of the Company.
- b. Salaries and subcontractors' expenses of \$116,472 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 three months ended June 30, 2018 (June 30, 2017 - \$92,945 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. 400,000 options were granted to directors and officers of the Company during the period ended June 30, 2018 and 2,641,570 during the year ended March 31, 2018. Options are exercisable at a price of \$.086 and \$1.47 respectively, and vest over 3 years and expire in 10 years.

16. 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 June 30, 2018 and 2017 comprising head office and general operations of Breaking Data and Poynt Inc. in Canada, Sports New Media operating segment which provides sports news content in the United Kingdom. The Company's revenues are earned in the following geographical areas for the periods ended June 30, 2018 and 2017:

	Three months ended June 30, 2018	Three months ended June 30, 2017
North America	\$ 486,304	\$ 26,475
Europe (excluding United Kingdom)	82,473	62,289
United Kingdom	2,052,775	1,367,999
	\$ 2,621,552	\$ 1,456,763

Revenue from external customers

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 three months ended June 30, 2018, sales from two significant customers amounted to \$1,092,509 and \$238,766 representing 42% and 9% of total revenues (2017 - \$746,785 and \$322,157 representing 51% and 22%).

BREAKING DATA CORP.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended June 30, 2018 and 2017

(Expressed in United States Dollars (NOTE 2))

17. COMMITMENTS

The Company has a contingent commitment to pay \$39,830 (\$50,000 CAD) upon realization and recognition of its first \$398,300 (\$500,000 CAD) in patent licensing revenue, on certain patents and an additional \$39,830 (\$50,000 CAD) upon realization and recognition of an additional \$403,000 (\$500,000 CAD) in patent licensing revenue from any of these patents. As of June 30, 2018, no patent licensing revenue has been realized or recognized.

18. SUBSEQUENT EVENTS

On August 22, 2018, the Company announced it has entered into a transaction agreement (the "Transaction Agreement") through which it will acquire all of the shares of Oryx Gaming ("Oryx").

Oryx is an international i-Gaming turnkey solution provider that offers an online, retail and mobile platform and access to diverse portfolio of proprietary and 3rd party Sportsbook, Lottery and Casino products with over 5,000 content titles included. With clients ranging from JackpotJoy Plc to GVC, it is certified, approved and licensed to provide services in Malta, Schleswig Holstein, Spain, Romania, Colombia, Croatia, Serbia, Gibraltar, UK and Slovenia.

After the completion of the acquisition of Oryx, the Company is expected to be renamed Bragg Gaming Group. Furthermore, upon completion of the Transaction, Dominic Mansour, a former chief executive of the UK's Health Lottery, will become Chief Executive of the Company, and Akshay Kumar, the former CFO of NetPlay TV plc, will become Chief Financial Officer of the Company.

Transaction Agreement details

Under the terms of the Transaction Agreement the Company will issue 21 million common shares to the shareholders of the AA Acquisition Group ("AAA") in exchange for all the shares of AAA ("the Transaction"). Legacy Eight Group Ltd. ("Legacy Eight") owns 44% of the shares of AAA, and upon completion of the Transaction would own approximately 19% of the shares of Breaking Data prior to taking into account any equity financing completed in connection with the Transaction.

AAA has entered into a Share Purchase Agreement (the "SPA") with Oryx Gaming International LLC ("Oryx") to acquire all of the shares of Oryx with the initial consideration being EUR7.5 million and the balance to be in the form of earn-outs based on the business performance of Oryx.

Financial details

> EUR1.5 million on signing of the SPA;

> EUR4.125 million on closing of the transaction;

> EUR1.875 million worth of common shares of the Company also on closing based on the 60 day volume weighted average price of the shares on the TSX Venture Exchange (the "TSXV") at the time of issuance, subject to a maximum of

BREAKING DATA CORP.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended June 30, 2018 and 2017

(Expressed in United States Dollars (NOTE 2))

18. SUBSEQUENT EVENTS (continued)

2 million shares - in the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash; and

> Earn-out payments comprised as follows: (i) after the first year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that first year, subject to Oryx having achieved EBITDA of at least EUR2 million; and (ii) after the second year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that second year, subject to Oryx having achieved EBITDA of at least EUR3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of common shares of the Company based on the 60-day volume weighted average price of the shares on the TSXV, provided that the maximum number of shares to be issued for the first earn-out payment will be 2 million shares and for the second earn-out payment will be 2.5 million shares.

The implementation of the Transaction, including the acquisition of Oryx, will be subject to the approval of at least 50% of the votes cast by holders of common shares of Breaking Data at the annual and special meeting of Breaking Data shareholders expected to take place in September 2018. In addition to the Breaking Data shareholder approval, the Transaction is also subject to financing, TSX Venture Exchange approval and certain other closing conditions customary in transactions of this nature.

SCHEDULE "D"
BREAKING DATA MANAGEMENT DISCUSSION & ANALYSIS

See attached.

BREAKING DATA CORP.

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

For the years ended March 31, 2018 AND 2017 as at July 30, 2018

Introduction

The following Management's Discussion and Analysis ("MD&A") covers the operations, financial position and operating results of Breaking Data Corp. (the "Company" or "BDC") for the years ended March 31, 2018 and 2017, 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 consolidated financial statements of the Company for years ended March 31, 2018 and March 31, 2017 and the accompanying notes which have been prepared under IFRS. These consolidated 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 year 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 audited annual statements for the year ended March 31, 2018.

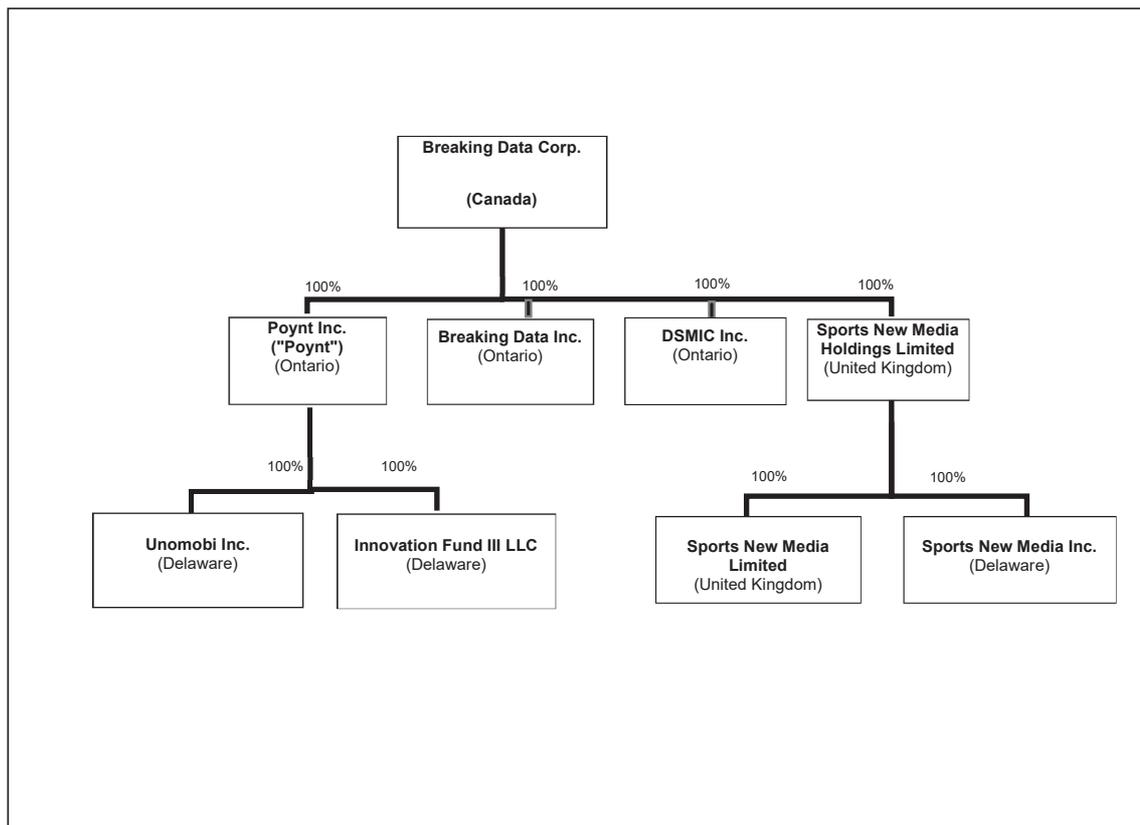
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Breaking Data Inc., Poynt Inc., Unomobi Inc., Innovation Fund III LLC, Devesys Technologies Inc. ("DTI"), Sports New Media Holdings Limited, Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc. ("DSMIC"), from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation. On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc., as a result of a decline in business activity, and its operating results are disclosed as discontinued operations (see note 4 – Discontinued Operations)

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

For the year ended March 31, 2018, 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 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 \$360,604.
 - 4,599,662 common shares were issued for the acquisition of DSMIC by the Company. DSMIC holds a CAD\$1,750,000 debenture which was convertible into common shares of SNM (Note 7). Upon closing of the transaction, the debenture is eliminated upon consolidation. As a result of the Company 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 exercise 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, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 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 (Note 10).
 - 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 (Note 9).
 - Pursuant to a consulting agreement, the Company issued 200,000 shares at a fair value of \$2.24 (\$2.98 CAD) per share with an amount of \$447,238 recorded to share capital. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisor of the Company which was recorded in the consolidated statement of loss and comprehensive loss 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 based on one post-consolidation share for every ten pre-consolidation shares. These 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 of \$350,000 equal to 7% of the gross proceeds raised under the Offering. In addition, the Agents were issued 131,250 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 take-over 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 allocation of the purchase price to the estimated fair value of net assets acquired is as follows on April 11, 2017:

Purchase price:

Common shares	\$	16,174,627
Warrants		3,577,315
Common share purchase options		779,564

Total purchase price **\$ 20,531,506**

Fair value of assets acquired and liabilities assumed:

Cash	\$	2,077,727
Accounts Receivable		133,959
Debenture and accrued interest		1,363,642
Prepaid expenses and deposits		126,668
Deferred patent costs		74,498
Accounts payable and accrued liabilities		(164,790)
Deferred revenue		(85,458)
Debentures (Note 7)		(258,854)
Net assets acquired and liabilities assumed		3,267,392

Fair value of intangible assets

Intellectual property		1,951,040
Notional fair value of goodwill	\$	15,313,074
Change in fair value of goodwill		(8,933,700)
Foreign currency translation		226,074
Fair value of goodwill	\$	6,153,300

The Company finalized its assessment of the purchase price allocation during the quarter ended March 31, 2018. This resulted in an adjustment being recorded to the previously presented June 30, September 30 and December 31, 2017 consolidated statements of financial position between goodwill and intangible assets. The consideration paid was also adjusted from the previous consolidated statements of financial position and statement of changes in shareholders equity for the periods ended June 30, September 30 and December 31, 2017 based on the fair value of the business acquired. Intangible assets of intellectual property and goodwill have been separately accounted for. Intellectual property representing proprietary technology is being amortized over a useful life of 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies. The Company recorded an adjustment to goodwill of \$8,933,700 on acquisition resulting in a fair value of goodwill of \$6,153,300 at the acquisition date of April 11, 2017. As at March 31, 2018, based on the foreign exchange rate at year end goodwill is \$6,354,300.

If the acquisition had occurred on April 1, 2017, management estimated that the Company's consolidated revenue and consolidated loss from continuing operations would be \$nil and \$533,227, respectively, for the year ended March 31, 2018. Management has determined these amounts based on internally prepared financial results.

DISCONTINUED OPERATIONS

On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc. (“DTI”), as a result of a decline in business activity. The operating results of DTI have been presented as a discontinued operations during the year ended March 31, 2018. Note 4 to the consolidated financial statements for year ended March 31, 2018 disclose the results of DTI classified as discontinued operations.

SELECTED FINANCIAL INFORMATION FOR THE YEAR

The following table provides selected consolidated financial information for the Company as at and for the years ended March 31, 2018 and 2017.

	As at and for the year ended March 31, 2018	As at and for the year ended March 31, 2017
	\$	\$
Total assets	12,806,388	1,291,920
Total liabilities	1,610,051	3,560,773
Revenue	8,363,234	4,244,095
Cost of goods sold	4,473,323	2,119,419
Total expenses	11,367,174	3,913,147
Change in fair value of goodwill	8,933,700	-
Transaction and acquisition costs	772,875	-
Net loss from continuing operations	(17,183,838)	(1,788,471)
Net income from discontinued operations	39,866	-
Net loss for the year	(17,059,091)	(1,788,471)
Basic and diluted net loss per share from continuing operations	(0.63)	(0.13)
Basic and diluted net income per share from discontinued operations	0.00	(0.00)

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 ("BDC 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 million members. In addition, GIVEMESPORT's content generates over 33 million visits (Avg; Jan-18, Feb-18, Mar-18) per month.

GIVEMESPORT's website attracts an international, mobile first audience predominantly from the UK and Europe and is one of the world's largest online sports publishers, with Alexa by Amazon ranking the website as the 661st largest in the world (March 31st, 2018) across all categories.

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.

This merger has been 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.

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 33 million monthly visitors (Avg; Jan-18, Feb-18, Mar-18) predominantly from the UK and Europe and is one of the world's largest online sports publishers. GIVEMESPORT has a global Alexa ranking of 661st (Mar 31st 2018), whereas Bleacher Report is ranked at 640th (Mar 31st 2018), CBS Sports at 588th (Mar 31st 2018) and Fox Sports at 4,495th (Mar 31st 2018).

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.

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 26.26 million fans (as of March 31st 2018). 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.

Formation

Formation is the leading branded content division for GIVEMESPORT. Covering all aspects of original and branded content, it specialises in creating a unique approach to storytelling that both resonates and influences a dedicated sports audience. From editorial to film production it caters for all brand needs and offers the opportunity to distribute to a 26M+ global social community. The Formation initiative began in the Summer of 2017 and is engaging users and serving up content. Revenue is generated by selling this branded content via advertising agencies.

The key focus as we begin to grow this aspect of the business is to widen the content opportunity for GIVEMESPORT and Formation by building out the production capabilities with a more client direct focus and approach. Formation will continue to service key agencies and promote our profile with key brands and agencies led by our commercial partnerships team. Commercial Partnerships will focus on day to day agency relations as well as reacting to the market briefs. Agency briefs will ensure that we are on the roster for key media decisions and considered for mid to top tier briefing cycles.

Additionally, the strategy is to approach SMA clients directly and creating a package of premium production with the scale of distribution – created as a one-stop purchase. This will provide a steady roster of clients and create a consistent portfolio of business and a steady flow of production to act as a foundation for the department. We anticipate that Formation will contribute significantly in the coming months, to revenues.

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, was showcased in BreakingSports App. Now, post-merger, the Company has rebranded and launched its latest mobile app, GIVEMESPORT (the "GMS App"). The GMS App is taking aim at a massive high growth sports audience with interest across the globe via all GIVEMESPORT properties.

Utilizing the Company's proprietary semantic technology, the GMS App offers the fastest news delivery to sports fans around the world. The GMS 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 GMS 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, the GMS 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, GMS 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, rumours and more.

In addition to tracking social media, the GMS 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. The GMS 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, the GMS App users are the first to know. The GMS App delivers the fastest breaking sports news and alerts to users by integrating social media sourced updates. Through specialized algorithms, the GMS App taps social media for the latest sports news and delivers it to users in a fully automated real-time manner.

On both iOS and Android platforms the newest version of GMS app has expanded capabilities that include better application layout, content caching allowing reading of content without connection to internet, improved navigation through the quick links and editable shortcuts to leagues, teams and players of interest as well as subscription suggestions based on user's location and expressed interests on Facebook.

Other GMS 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 rumors;
- 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.

Breaking Data's Artificial Intelligence Platform Solutions

Breaking Data 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.

In addition to further improvements in terms of categorizing and interpreting information written in English, the company has expanded the semantic analysis of unstructured content to include other languages, which will have significant impact in verticals such as news detection from user sources on the ground.

The Company continues to explore new and beneficial ways to exploit and deploy its existing technologies and IP with strategic partnerships and projects, some of which include initiatives with non-profit organizations in the government sector as well as initiatives in private sector.

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.

In particular, the Company has created models for various verticals (politics, terrorism, traffic, natural disasters, health, sports, entertainment, business) that are now utilized for detection of breaking news events from social media. The platform detects anomalies in flow of information per topic, entities involved, geography, correlates independent news sources to detect veracity of information and combats fake news reports through analysis of massive graph of entities to detect potential fraudulent activities. New models are in the process of being created for non-English languages which would allow even earlier detection of events for non-English speaking countries.

Company is in the process of licensing and developing comprehensive news event detection platform with private partners, which would showcase the early event detection capabilities making it the fastest source of verified news events in the world.

In October 2017 the Company announced a \$2,250,000 USD Letter of Intent for Breaking Data's event detection technology and publishing platform with a media news partner. Pursuant to the completion of definitive consulting, development and licensing agreements the Company received a non-refundable payment of \$500,000. In the quarter, the Company delivered on the consulting agreement and recognized the \$500k USD revenue. It is now, looking at the structure and potential for development and licensing agreements that could encompass an additional \$1.75m USD. To date, these additional agreements are not in place.

Breaking Data's technology platform processes global social fake news and cut through the volume of always-on social content, demonstrating a clear advantage when it comes to verifying breaking news. The technology enables partners to identify breaking events from around the world as close to real time as possible and monitor sources with geo-location accuracy.

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 year ended March 31, 2018

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 announced 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 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. 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.

On October 19, 2017 the Company announced a \$2,250,000 Letter of Intent for Breaking Data's event detection technology and publishing platform with a media news partner. Pursuant to the completion of definitive consulting, development and licensing agreements the Company received a non-refundable payment of \$500,000. Breaking Data's technology platform processes global social news and cuts through the volume of always-on social content, demonstrating a clear advantage when it comes to verifying breaking news. The technology enables partners to identify breaking events from around the world as close to real time as possible and monitor sources with geo-location accuracy.

On November 30, 2017 the Company reported that its wholly-owned subsidiary Sports New Media Holdings Limited ("SNM"), owner of GIVEMESPORT, saw its fiscal 2018 second quarter Net Advertising Revenue increase by 72% in GBP, compared to the same fiscal period last year.

GIVEMESPORT Total Net Advertising Revenue included in its unaudited management financial statements for the six months ended September 30, 2017 (and reported in USD) were \$3.264 million USD, compared \$1.955 million USD in the same period last year.

Quarterly Revenue

Period	Currency GBP	
Q2 fiscal 2018	£1,301,789	(+72% vs Q2 fiscal 2017)
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 December 29, 2017 the Company announced that GIVEMESPORT has secured exclusive free-to-air rights to broadcast the 10th Mubadala World Tennis Championship in Abu Dhabi to a huge audience of sports fans around the world in a deal that will take the tournament to around 138 countries including Canada. The multi-territory deal will see GIVEMESPORT broadcast the three-day championship on Facebook to territories including Canada, Australia, India, the Russian Federation, Israel as well as multiple territories in Eastern Europe, Central America, Asia and Eastern Europe.

On January 12, 2018 the Company announced that GIVEMESPORT's in-house content studio Formation has launched its debut original feature production "The 10." The short film, which is being streamed on Facebook, YouTube, Instagram and givemesport.com from Jan 11, and tells the story of a teenage boy who dreams of following his passion all the way to America to become a National Basketball Association superstar. Titled "The 10" to represent a basketball player's focus on making the

dunk, the film reveals the sacrifices and struggles a young player has made in his determination to pursue his passion. The film features UK Basketballer Kayne Henry-McCalla in the title in the title role and his younger brother Lorenzo Henry-McCalla playing the role of the younger boy.

On January 23, 2018 the Company announced that it closed a private placement financing. Pursuant to the offering, the Company issued 1,000,000 common shares at a price of \$2.40 (\$3.00 CAD) for aggregate gross proceeds of \$2,400,000 (\$3,000,000 CAD). The common shares issued in connection with the Offering are subject to a hold period which expires on May 23, 2018.

On January 24, 2018 the Company announced the launch of a breakthrough Artificial Intelligence-powered App focused on personalization, speed and user experience. The GIVEMESPORT Android App is now available on the Google Play Store. Powered by Breaking Data's Artificial Intelligence, Natural Language Processing and Machine Learning technology, GIVEMESPORT's App provides unrivalled access to sports news, scores, videos and stats as well as live match updates and news from trusted sources in sports. Users can access all the breaking news from their favourite sports teams, be first to receive customised notifications and alerts and optimise battery life through offline reading and state-of-the-art lean battery performance.

On February 16, 2018 the convertible debenture outstanding of \$274,813 at December 31, 2017 plus interest was repaid in full.

On March 02, 2018 the Company announced that it has qualified to trade on the OTCQX® Best Market. Breaking Data upgraded to OTCQX from the OTCQB® Venture Market under the symbol "BKDCF." U.S. investors can find current financial disclosure and Real-Time Level 2 quotes for the company on www.otcm Markets.com.

On March 6, 2018, the Company reported that its wholly-owned subsidiary Sports New Media Holdings Limited ("SNM"), owner of GIVEMESPORT, saw its fiscal 2018 third quarter Net Advertising Revenue increase by 111% in GBP, compared to the same fiscal period last year.

GIVEMESPORT Total Net Advertising Revenue included in its unaudited management financial statements for the nine months ended December 31, 2018 (and reported in USD), were \$5.662 million USD, compared to \$3.094 million USD for the same period last year. The financial filings can be found on sedar.com.

Quarterly Revenue

Period	Currency GBP	
Q3 fiscal 2018	£1,901,558	(+111% vs Q3 fiscal 2017)
Q2 fiscal 2018	£1,301,789	(+72% vs Q2 fiscal 2017)
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 March 23, 2018 the company announced that it accepted the resignation of Mr. Greg D'Alba as a director of the Corporation (effective March 1, 2018). His career commitments have become too great to continue to fulfill the requirements of his position on the board. The Company wishes to thank Mr. D'Alba for his service to the Company.

GIVEMESPORT Editorial

The three-month period end March 31, 2018 saw significant growth across our rugby union (up 414% year over year), cricket (up 160% year over year) and boxing channels (up 5% year over year), with the Six Nations, the Australian ball-tampering scandal and Groves vs Eubank Jr in particular resulting in traffic spikes. There were two new appointments within the UK editorial team including WWE lead and a junior UK writer. Particular highlights include the NBA London game, which was covered in partnership with NBA UK, and the creation of a Winter Olympics channel. In a first for GIVEMESPORT, we hosted an as-live preview show courtside before the NBA London Game (23,000 views).

GIVEMESPORT Development

During the three-month period end March 31, 2018 there was a focus on product and marketing, as well as continued upgrades to our infrastructure with the migration of all SQL databases to Google Cloud. The new article view provides a much cleaner and consistent look across all platform, from Google Accelerated Mobile Pages and Facebook to the Web. The Video Health System was a key milestone for us – a completely new product built from the ground up and proved its worth immediately. Featured Content and the Breaking news ticker were other major milestones – these will form the basis of the new Content Management System.

GIVEMESPORT Branded Content (Formation)

The three-month period end March 31, 2018 saw the Company start to activate a series of content for our partners across a wide range of brands and through a number of different formats. It was a busy quarter with a lot of branded content activations in play. We saw all the prep pre-production from Q3 with key brands such as The Royal marines and LifeProof finally coming to fruition and delivering, as well as applying new clients wins and securing further wins to place across coming months.

GIVEMESPORT Programmatic Advertising

During the three-month period end March 31, 2018, the Better Ad Coalition kicked in for all UK publishers. To adhere to this protocol the Company did significant work to ensure compliance in or order to pass all tests. Operationally we audited all our third party and ad technology vendors to ensure we are still working with partners that offer us the most value and unique demand. As a result of this work, we've added 2 new partners which we believe will bring us incremental revenue and stimulate our yields. The sales team is now focussed on selling event-based packages to our agency groups which has already begun to see succeed and we have managed to shift the composition of revenue from OMP (Open Market place) to PMP's (Private Market Place). New objectives include moving to programmatic guaranteed deals which will assist with margins, improved forecasting and the goal of speeding up the site due to direct server integration and then selling inventory at our highest price point.

GIVEMESPORT Paid Marketing

During the three-month period end March 31, 2018, this division highlights the importance of the main strategy of producing diversity in our traffic. Through this quarter we maintained traffic levels in the UK (70% of all traffic), our main revenue market, with encouraging signs late on the quarter helping to produce Q4 vs. Q3 "1% increase" in traffic. As we experience challenges, predominately from Facebook, with several key algorithm announcements and changes, the impact from these adjustments has been reduced reach for our content and has negatively affected our margins and revenue. We spend considerable time to

address these changes using machine learning and marketing strategies but these challenges are ongoing and there is no certainty that we can rectify them or mitigate lower margins and the erosion of revenues. We continue in our attempt to drive user engagement, which is the vital signal in the Facebook algorithm as well as traffic metrics. Nevertheless, the Company recognizes this as a serious challenge and threat to its growth and success. To that end we continue to explore new ways to monetize our user base and de-risk the Facebook effect on our business.

Other key highlights

Diversification to improve search results: new traffic sources AMP, Pre-installed Mobile Newsstands and GIVEMESPORT APP UK desktop: +1% increase despite major changes from Facebook, comparing Q4 with Q3. Also, search is +287% increase, comparing Q4 with Q3.

➤ FY17/18 Q4 January

Visits 22m, +68% YOY | Spend +38% YOY | Cost per Click -18% YOY

➤ FY17/18 Q4 February

Visits 25m, +103% YOY | Spend +79% YOY | Cost per Click -12% YOY

➤ FY17/18 Q4 March

Visits 23m, +90% YOY | Spend +53% YOY | Cost per Click -20% YOY

RESULTS OF OPERATIONS

	Year ended March 31, 2018	Year ended March 31, 2017	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	8,363,234	4,244,095	4,119,139	97%
Cost of goods sold	4,473,323	2,119,419	2,353,904	111%
Gross Margin	3,889,911	2,124,676	1,765,235	
	47%	50%		
Expenses				
General and administrative	1,587,939	529,133	1,058,806	200%
Salaries and subcontractors	4,493,461	2,203,695	2,289,766	104%
Stock based compensation	3,254,148	25,429	3,228,719	12697%
Professional fees	520,269	564,542	(44,273)	-8%
Sales and marketing	743,562	269,918	473,644	175%
Accretion on debentures	172,811	44,230	128,581	291%
Interest and financing fees	23,464	226,889	(203,425)	-90%
Foreign exchange loss	142,165	8,218	133,947	1630%
Amortization of intangible assets	430,770	-	430,770	100%
Gain on sale of equipment	(15,336)	-	(15,336)	-100%
Depreciation of equipment	13,921	41,093	(27,172)	-66%
Total Expenses	11,367,174	3,913,147	7,454,027	190%

Analysis of revenues and expenses

Revenues for the year ended March 31, 2018 were \$8,363,234 compared to \$4,244,095 for the year ended March 31, 2017, an increase of \$4,119,139 or 97%. This increase resulted primarily from a continuing a sustained increase in traffic to the GIVEMESPORT website, a further shift from UK desktop to UK mobile web traffic (average of 6.5m visits per month in fiscal 2017 to an average of 24m visits per month for fiscal 2018 combined with an increase in the UK mobile yield from approximately \$9.00 in fiscal 2017 to over \$18.50 in fiscal 2018). In addition, the Company has seen a contribution in revenue from its Formation division, focused on short form video production and completed a significant consulting contract in its AI division, recognized in the fourth quarter of fiscal 2018.

Cost of goods sold for the year ended March 31, 2018 were \$4,473,323 compared to \$2,119,419 for the year ended March 31, 2017 and increase of \$2,353,904 or 111%. This increase directly a result of increased revenues however at a marginally lesser proportion of revenues compared to last fiscal year. As a result, overall profit margin percentage decreased from 50% to 47% from last fiscal 2017 to this fiscal 2018. This is due, in part, to increased competition with Facebook and a change within Facebooks paid algorithms. The Company continues to monitor and adjust for these changes and intends for these adjustments to combat and improve margins, yield and other key levers in the programmatic division. In addition, some lower than expected margins materialized from the Formation division and short form video production as the Company started this initiative. These margins should also improve as the business division gains further traction.

General and administrative expenses were \$1,587,939 for the year ended March 31, 2018 compared to \$529,133 for the year ended December 31, 2016, representing an increase of \$1,058,807 or 200%. 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 a direct result of maintaining 2 offices. Also in the U.K with a transition to a larger office space, the Company incurred duplicate rent costs which will continue to impact general and administrative expenses through to December 2018. After December 2018, rent costs will be normalized. During the fourth quarter of the year ended March 31, 2018, Management took a provision for bad debts in the amount of \$262,888 relating to one specific long standing vendor who declared bankruptcy. In addition, two 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. While costs savings initiatives are underway, the UK office has grown and expanded into new space so the rent costs will increase on a comparative basis in the coming quarters.

Additionally, the increase in general and administrative expense also was in part, due to 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 9-month period ended December 31, 2017 the Company spent \$143,917 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 \$4,493,961 for the year ended March 31, 2018, compared to \$2,203,695 for the year ended March 31, 2017, an increase of \$2,289,766 or 104%. 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 year ended March 31, 2018 includes 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 BDC operations and their subsidiaries. During the year, the Company deferred a total of \$446,861 relating to salaries and consulting fees relating to development on proprietary technology and these costs are included in intangibles assets on the statement of financial position.

Stock-based compensation was \$3,254,148 for the year ended March 31, 2018 compared to \$25,429 for the year ended March 31, 2017, an increase of \$3,228,719. 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 the vesting of these share purchase options issued during the year that did not exist in the same fiscal period last year.

Professional fees for the year ended March 31, 2018 were \$520,269 compared to \$564,542 for the year ended March 31, 2018, a decrease of \$44,273 or 8%. The decrease in professional fees during the year was mainly due to various legal costs incurred pre-RTO compared to various legal costs incurred post-RTO including 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 \$743,562 for the year ended March 31, 2018, compared to \$269,918 for the year ended March 31, 2017, an increase of \$473,644 or 175%. 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 fiscal year.

Accretion on debentures was \$172,211 for the year ended March 31, 2018 compared to \$44,230 for the year ended March 31, 2017, an increase of \$128,581 or 291%. This expense is a non-cash item. The increase in accretion this fiscal year was primarily attributed the accelerated accretion on debentures that were satisfied immediately prior to the RTO transaction.

Interest and financing fees was \$23,464 for the year ended March 31, 2018 compared to \$226,889 for the year ended March 31, 2017, a decrease of \$203,425 or 90%. This decrease was as a result of the larger outstanding balance of the debentures during last fiscal year compared to this fiscal year. Prior to the RTO in early April 2017, the majority our outstanding debentures were satisfied resulting in only a few days interest on debenture in this fiscal year. The only remaining debenture amount outstanding after the RTO was in the amount of \$258,854 which was repaid in full on February 16, 2018.

Foreign exchange loss was \$142,165 for the year ended March 31, 2018 compared to \$8,218 for the year ended March 31, 2017, a change of \$143,947. These 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 and were impacted by the increase in value of the British Pound during the year and the weakening of the Canadian dollar to both the British Pound and US dollar.

Amortization of intangibles was \$430,770 for the year ended March 31, 2018 compared to \$nil for the year ended March 31, 2017. Amortization relates to development costs, patent costs and intellectual property which were acquired as part of the RTO transaction. There were no development costs or intellectual property prior to this year, nor amortization of patent costs as they did not relate to SNM which is the legacy reporting entity for comparative purposes. Amortization for this fiscal year consisted of \$19,371 for Development Costs, \$396,794 for Intellectual Property and \$20,176 for Patents.

Gain on sale of equipment was \$15,336 during the year ended March 31, 2018 compared to \$nil the prior year and relates to a gain on the sale of equipment in the SNM business.

Depreciation of equipment was \$13,921 for the year ended March 31, 2018 compared to \$41,093 for the year ended March 31, 2017, a decrease of \$27,172 or 66%. The decrease is a result of the depreciation of specific equipment assets as balances diminish and the sale of equipment noted above.

Adjustment to fair value of goodwill

Adjustment to fair value of goodwill was \$8,933,700 for the year ended March 31, 2018 compared to \$nil for the year ended March 31, 2017. On April 11, 2017 the Company completed the RTO transaction. At that time in its quarterly filings (Note 3 - Reverse Takeover Transaction) the Company reported a deemed fair value of goodwill and other intangibles based on the implied purchase price and the assets and liabilities acquired.

Following the transaction, the Company engaged a third-party business valuation firm to provide an analysis and conclusion on the fair value of the purchase consideration and to test the goodwill amount initially recorded. Their methodology included a Discounted Cash Flow model ("DCM") and incorporated Weighted Average Return on Assets ("WARA"), an Internal Rate of Return ("IRR") and Weighted Average Cost of Capital ("WACC").

The Company finalized its assessment of the purchase price allocation during the quarter ended March 31, 2018. This resulted in an adjustment being recorded to the previously presented June 30, September 30 and December 31, 2017 consolidated statements of financial position between goodwill and intangible assets. The consideration paid was also adjusted from the previous consolidated statements of financial position and statement of changes in shareholders equity for the periods ended June 30, September 30 and December 31, 2017 based on the fair value of the implied purchase price. Intangible assets of intellectual property and goodwill have been separately accounted for. Intellectual property representing proprietary technology is being amortized over a useful life of 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies. The Company recorded an adjustment to the fair value of goodwill of \$8,933,700 on acquisition resulting in a fair value of goodwill of \$6,153,300 at the acquisition date of April 11, 2017. As at March 31, 2018, based on the foreign exchange rate at year end goodwill is \$6,354,300. The Company performed its annual impairment test as at March 31, 2018 and no impairment was considered necessary.

Liquidity and Capital Resources

For the year ended March 31, 2018, there was a net cash used in operating activities of \$5,069,686 compared to \$1,315,356 for the year ended March 31, 2017, a difference of \$3,754,330.

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

- 1) An increase in the net loss to \$17,183,838 for the year ended March 31, 2018 compared to a net loss of \$1,788,471 for the year ended March 31, 2017 which accounts for an increase of \$15,395,367. The net loss of \$17,183,838 includes \$8,933,700 adjustment for change in value of goodwill and \$772,875 of transaction and acquisition costs related to the RTO. On a comparative basis, net loss before change in value of goodwill and transaction and acquisition costs of \$7,477,263 is higher than \$1,788,471 by \$5,688,792, due to several expenses that were higher overall as a result of the business combination, as discussed in the analysis of expenses above as well as several non-cash items that are noted below including amortization of intangible assets, stock based compensation and accretion of debentures;
- 2) Net cash outflow resulting from the net change in non-cash working capital items related to operations of \$1,162,966 for the year ended March 31, 2018 compared to \$362,362 for the year ended March 31, 2017, which accounts for an increase in cash outflow of \$1,525,328 in non-cash working capital items that are added to cash flow from operations primarily due to higher accounts receivables and prepaid expenses.
- 3) A decrease in depreciation of equipment from \$41,093 for the year ended March 31, 2017, to \$13,921 for the year ended March 31, 2018, accounts for a decrease of \$27,172 in a non-cash item that is added back to cash flow from operations;
- 4) A gain on disposal of equipment of \$15,336 for the year ended March 31, 2018 compared to \$nil for the year ended March 31, 2017;

Offset by:

- 5) An increase in the accretion of debentures from \$44,230 for the year ended March 31, 2017 to \$172,811 for the year ended March 31, 2018 accounts for an increase of \$128,581 in a non-cash item added back to cash flow from operations;
- 6) An increase in the impairment of goodwill from \$nil for the year ended March 31, 2017 to \$8,933,700 for the year ended March 31, 2018 a non-cash item added back to cash flow from operations;

- 7) An increase in amortization of intangible assets of \$430,770 for the year ended March 31, 2018 compared to \$nil for the year ended March 31, 2017 which accounts for an increase of \$430,770 in non-cash items that are added back to cash flows from operations;
- 8) An increase in the non-cash stock-based compensation of \$3,254,148 for the year ended March 31, 2018, compared to \$25,429 for the year ended March 31, 2017, accounts for an increase of \$3,228,718 in non-cash item that is added back to cash flows from operations.
- 9) The addition of \$447,238 related to common shares issued for advisory services pursuant to the RTO transaction which closed during the year ended March 31, 2018.
- 10) An increase in cash from discontinued operations of \$39,866 for the year ended March 31, 2018 compared to nil in the year ended March 31, 2017.

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

Increase in net loss before change in value of goodwill and transaction and acquisition costs	\$ 15,395,367
Higher outflows in non-cash working capital	1,525,328
Lower depreciation of equipment	27,172
Gain on disposal of equipment	15,336
Higher accretion of debentures	(128,581)
Change in value of goodwill	(8,933,700)
Higher amortization of intangible assets	(430,770)
Higher stock based compensation	(3,228,718)
Common shares issued for advisory services	(447,238)
Net income from discontinued operations	(39,866)
Increase in the net cash used for operations	\$ 3,754,330

Going Concern

As at March 31, 2018, the Company had positive working capital of \$2,621,780 (March 31, 2017 – negative working capital of \$2,290,393), an accumulated deficit of \$26,414,233 (March 31, 2017 - \$9,270,261) and negative cash flows from operations of \$5,069,686 (March 31, 2017 - \$1,315,356).

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. These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing. To date, management of the Company has been successful in raising capital through equity or debt financings. However, there is no assurance that the Company will continue to be successful in raising capital in the future.

Outstanding Shares

As at March 31, 2018, the number of outstanding shares was 28,676,670 (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, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 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 year ended March 31, 2018, 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

On January 23, 2018 the Company announced that it closed a private placement financing. Pursuant to the offering, the Company issued 1,000,000 common shares at a price of \$2.40 (\$3.00 CAD) for aggregate gross proceeds of \$2,400,000 (\$3,000,000 CAD).

As at July 30, 2018, after giving effect to the consolidation, the number of shares outstanding remained at 28,676,670.

Outstanding Options

- (a) Prior to the business acquisition, during the period April 1, 2017 to April 11, 2017, 217,722 options were granted and then 315,670 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 \$779,564 was credited to contributed surplus with a corresponding increase to goodwill.

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 \$3,254,148 of stock compensation expense during the year ended March 31, 2018 (\$25,429 - 2017).

- (c) During the year ended March 31, 2018, 527,369 options were cancelled with exercise prices ranging from \$0.375 to \$4.73.

As at March 31, 2018, the Company had 4,192,168 share purchase options outstanding (March 31, 2017 – 464,985). During the year ended March 31, 2018, the Company issued a total of 4,352,500 options including 662,500 RTO replacement options at prices from \$1.35 to \$4.73 (\$2.50-\$6.30 CAD), 3,690,000 options at a price of \$1.47 (\$1.90 CAD). 315,670 options were exercised at a price of \$0.375 (\$0.50 CAD), and 527,369 options were cancelled with exercise prices ranging from \$0.375 to \$4.73.

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.

Subsequent to year end, on April 18, 2018 the Company granted 400,000 stock options to purchase common shares of the Company to a new officer of the Company. These stock options are exercisable at \$0.78 (\$1.11 CAD) per stock option and expire in April 2028.

As at July 30, 2018, after giving effect to the consolidation, the number of outstanding options was 4,592,168.

Outstanding Warrants

As at March 31, 2018 the Company had a total of 3,285,258 warrants and 325,694 finders' warrants outstanding (March 31, 2017 – nil and nil). 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 - \$3.75 (\$2.40 - \$5.00 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 year ended March 31, 2018, 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 July 30, 2018, after giving effect to the consolidation, the number of warrants outstanding remained at 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 March 31, 2018.

	2018 (unaudited)				2017 (unaudited)			
	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30
Revenues	2,700,922	2,509,369	1,696,180	1,456,763	1,150,363	1,137,964	996,388	959,380
Net loss from continuing operations (\$)	(11,132,306)	(1,941,112)	(2,405,528)	(1,704,892)	(994,685)	(215,362)	(220,149)	(358,275)
Net income from discontinued operations	24,186	(2,210)	4,557	13,333	-	-	-	-
EPS - continuing operations	(0.41)	(0.07)	(0.09)	(0.06)	(0.06)	(0.02)	(0.02)	(0.03)
EPS - discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

¹ The summary of quarterly results has been adjusted to reflect Discontinued Operations.

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 up until November 30, 2017 when it sold its wholly owned subsidiary DTI based in the United States. DTI's revenue and income are classified as discontinued operations in the consolidated financial statements at March 31, 2018. At March 31, 2018, the Company had two geographical segments comprising head office and general operations of Breaking Data International and Poynt Inc. in Canada, and Sports New Media operating segment which provides sports new content in The United Kingdom, and its wholly-owned subsidiary.

The Company's revenues are earned in the following geographical areas for the year ended March 31, 2018 and 2017:

Revenue from external customers

	Year ended March 31, 2018	Year ended March 31, 2017
North America	\$ 1,417,057	\$ 440,387
Europe	534,712	574,664
United Kingdom	6,411,465	3,229,044
	\$ 8,363,234	\$ 4,244,095

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 year ended March 31, 2018, sales from two significant customers amounted to \$3,823,743 and \$1,018,124 representing 46% and 12% of total revenues (2017 - \$1,423,750 and \$307,921 representing 34% and 7%).

SUBSEQUENT EVENTS AND NEWS

On April 18, 2018 the Company, announced today the appointment of Rick Waterlow as Chief Operating Officer. Mr. Waterlow joins from digital and TV business VICE Media, where he was President of International, responsible for overseeing the operations of more than 40 offices worldwide with a combined revenue of nearly one billion dollars. In addition, he was instrumental, as part of the team responsible for the growth of VICE across Europe and internationally, holding several senior positions including European finance director and Chief Operating Officer during his eight years with the youth media pioneer.

In conjunction with Mr. Waterlow's hiring he has been granted 400,000 options at an exercise price of \$1.11, with vesting over 3 years and expiring in April 2028.

On May 17, 2018 the Company reported its audience connected to its leading Facebook Page, that are over 18 years old, with an interest in sports betting and gambling is approximately 8.1 million.

(source: Facebook Audience Insights; global, sports betting + gambling + related betting brands and interests + over 18).

GIVEMESPORT is very positive about the ruling by the Supreme Court to strike down the Professional and Amateur Sports Protection Act of 1992 (PASPA), effectively clearing a path for the legalization of sports betting in the United States. GIVEMESPORT already has direct partnerships with the NBA and NFL, it is looking to extend these partnerships to other US sports. GIVEMESPORT's website is the second largest commercial sports website in the UK (*ComScore: Nov-17*), second only to SkySports.com. The Stars Group recently acquired SkyBet.

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on July 30, 2018.

Principles of Consolidation

These consolidated 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., Sports New Media Holdings Limited, Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc., from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation. On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc., as a result of a decline in business activity, and its operating results are disclosed as discontinued operations (note 4)

Basis of Presentation

The accompanying 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.

Presentation Currency and Functional Currency

For the year ended March 31, 2018, 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 consolidated financial statements are represented in USD which has been applied retroactively.

The functional currency of the Company and its subsidiary Poynt is the CAD. The functional currency of 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 year 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 year). All resulting exchange rate differences are recorded in accumulated other comprehensive income.

See note 3 to March 31, 2018 consolidated financial statements for further significant accounting policies.

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 for periods beginning on or after January 1, 2018. Management anticipates that this standard will be adopted in the Company’s consolidated financial statements for the year beginning April 1, 2018 and has assessed that there is no material impact to the financial statements upon adoption of this standard.

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. The Company does not expect the timing and amount of revenue recognized to be materially affected as a result of the adoption of this standard.

IFRS 16 replaces IAS 17, Leases was released in January 2016. This standard will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Adoption of IFRS 16 is mandatory and will be effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

RELATED PARTY TRANSACTIONS

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

- a. As at March 31, 2018, the Company had \$71,225 (March 31, 2017 - \$71,592) of accounts payable due to four officers of the Company and one director of the Company.
- b. Salaries and subcontractors' expenses of \$977,227 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 year ended March 31, 2018 (March 31, 2017 - \$374,924 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 year ended March 31, 2018 (March 31, 2017 – nil). The options are exercisable at a price of \$1.47, 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 March 31, 2018, 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.

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 effect 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.

BREAKING DATA CORP.

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

For the three months ended June 30, 2018 and 2017 as at August 29, 2018

Introduction

The following Management's Discussion and Analysis ("MD&A") covers the operations, financial position and operating results of Breaking Data Corp. (the "Company" or "BDC") for the three month periods ended June 30, 2018 and 2017, updates information from the Company's fiscal March 31, 2018 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 condensed consolidated financial statements of the Company for the periods ended June 30, 2018 and 2017 and the accompanying notes which have been prepared under IFRS. These interim condensed consolidated 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 year being those of SNM. In addition, the Company adopted the SNM fiscal year end of March 31. The Company filed its first post-RTO audited annual consolidated financial statements for the year ended March 31, 2018 on July 30, 2018 and is currently filing its unaudited interim condensed statements for the three months ended June 30, 2018.

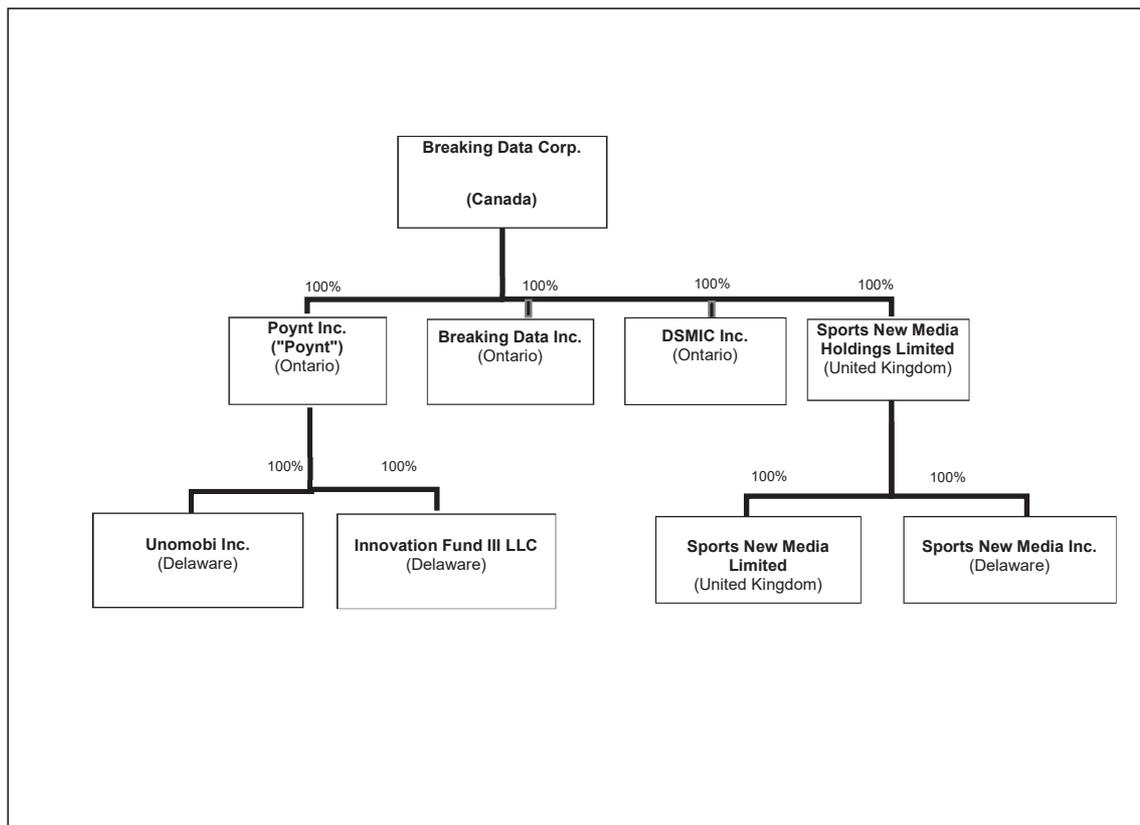
These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Breaking Data Inc., Poynt Inc., Unomobi Inc., Innovation Fund III LLC, Sports New Media Holdings Limited, Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc. ("DSMIC"), from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation. On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc., as a result of a decline in business activity, and its operating results are disclosed as discontinued operations (see note 4 – Discontinued Operations)

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

After the RTO transaction, 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 (loss) income.

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 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 \$360,604.
 - 4,599,662 common shares were issued for the acquisition of DSMIC by the Company. DSMIC holds a CAD\$1,750,000 debenture which was convertible into common shares of SNM (Note 7). Upon closing of the transaction, the debenture is eliminated upon consolidation. As a result of the Company 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 exercise 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, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 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 (Note 10).
 - 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 (Note 9).
 - Pursuant to a consulting agreement, the Company issued 200,000 shares at a fair value of \$2.24 (\$2.98 CAD) per share with an amount of \$447,238 recorded to share capital. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisor of the Company which was recorded in the interim condensed consolidated statement of loss and comprehensive loss 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 based on one post-consolidation share for every ten pre-consolidation shares. These interim 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 including 1,000,000 and 250,000 subscription receipts at \$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 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 of \$350,000 equal to 7% of the gross proceeds raised under the Offering. In addition, the Agents were issued 131,250 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 take-over transaction in accordance with IFRS 3 Business Combinations. The allocation of the purchase price to the estimated fair value of net assets acquired is as follows on April 11, 2017:

Purchase price:

Common shares	\$	16,174,627
Warrants		3,577,315
Common share purchase options		779,564
Total purchase price	\$	20,531,506

Fair value of assets acquired and liabilities assumed:

Cash	\$	2,077,727
Accounts Receivable		133,959
Debenture and accrued interest		1,363,642
Prepaid expenses and deposits		126,668
Deferred patent costs		74,498
Accounts payable and accrued liabilities		(164,790)
Deferred revenue		(85,458)
Debentures (Note 7)		(258,854)
Net assets acquired and liabilities assumed		3,267,392
Fair value of intangible assets		
Intellectual property		1,951,040
Notional fair value of goodwill	\$	15,313,074
Change in fair value of goodwill		(8,933,700)
Foreign currency translation		226,074
Fair value of goodwill	\$	6,153,300

The Company finalized its assessment of the purchase price allocation during the quarter ended March 31, 2018. This resulted in an adjustment being recorded to the previously presented June 30, 2017 interim condensed consolidated statements of financial position between goodwill and intangible assets. The consideration paid was also adjusted from the previous interim condensed consolidated statements of financial position and statement of changes in shareholders equity for the period ended June 30, 2017 based on the fair value of the business acquired. Intangible assets of intellectual property and goodwill have been separately accounted for. Intellectual property representing proprietary technology is being amortized over a useful life of 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies. The Company recorded an adjustment to fair value of goodwill of \$8,933,700 on acquisition resulting in a fair value of goodwill of \$6,153,300 at the acquisition date of April 11, 2017. In addition, there was an increase to transaction and acquisition costs of \$76,540 and amortization of proprietary technology of \$96,123 recorded as part of this final assessment of purchase price allocation. These adjustments had a total impact of \$9,106,363 on net loss for the period ended June 30, 2017. As at June 30, 2018, based on the period end foreign exchange rate goodwill is \$6,238,925.

DISCONTINUED OPERATIONS

On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc. ("DTI"), as a result of a decline in business activity. The operating results of DTI have been presented as a discontinued operations during the year ended March 31, 2018. Note 4 to the interim condensed consolidated financial statements for period ended June 30, 2018 disclose the results of DTI classified as a discontinued operation.

SELECTED FINANCIAL INFORMATION

The following table provides selected consolidated financial information for the Company as at and for the three months ended June 30, 2018 and 2017.

	As at and for the period ended June 30, 2018	As at and for the period ended June 30, 2017
	\$	\$
Total assets	11,903,386	12,974,179
Total liabilities	1,418,563	1,379,081
Revenue	2,621,552	1,456,763
Cost of goods sold	1,316,999	720,748
Total expenses	2,644,363	1,840,695
Change in fair value of goodwill	-	8,933,700
Transaction and acquisition costs	-	772,875
Net loss from continuing operations	(1,339,810)	(10,811,255)
Net income from discontinued operations	-	13,333
Net loss for the period	(1,339,810)	(10,797,922)
Basic and diluted net loss per share from continuing operations	(0.05)	(0.42)
Basic and diluted net income per share from discontinued operations	0.00	(0.00)

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 ("BDC 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 million members. In addition, GIVEMESPORT's content generates over 33 million visits (Avg; Jan-18, Feb-18, Mar-18) per month.

GIVEMESPORT's website attracts an international, mobile first audience predominantly from the UK and Europe and is one of the world's largest online sports publishers, with Alexa by Amazon ranking the website as the 661st largest in the world (March 31st, 2018) across all categories.

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.

This merger has been 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.

It is important to note that most GIVEMESPORT's traffic is derived from Facebook and the Company has noticed major changes the Facebook Algorithm in fiscal Q1 and Q2 that adversely dictate the volume of traffic and the cost per visit of each user. Over the last 4 years GIVEMESPORT has seen major changes to the Facebook Algorithm each year. GIVEMESPORT use a combination of their knowledge and proprietary technology to understand the changes, then adapt accordingly, as best as possible.

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 26.1 million monthly visitors (Avg; April-18, May-18, June-18) predominantly from the UK and Europe and is one of the world's largest online sports publishers. GIVEMESPORT has a global Alexa ranking of 681st (June 30, 2018), whereas Bleacher Report is ranked at 604th (June 30, 2018), CBS Sports at 666th (June 30, 2018) and Fox Sports at 1,418th (June 30, 2018).

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.

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 26.26 million fans (as of March 31st 2018). 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.

Formation

Formation is the leading branded content division for GIVEMESPORT. Covering all aspects of original and branded content, it specialises in creating a unique approach to storytelling that both resonates and influences a dedicated sports audience. From editorial to film production it caters for all brand needs and offers the opportunity to distribute to a 26M+ global social community. The Formation initiative began in the Summer of 2017 and is engaging users and serving up content. Revenue is generated by selling this branded content via advertising agencies.

The key focus as we begin to grow this aspect of the business is to widen the content opportunity for GIVEMESPORT and Formation by building out the production capabilities with a more client direct focus and approach. Formation will continue to service key agencies and promote our profile with key brands and agencies led by our commercial partnerships team. Commercial Partnerships will focus on day to day agency relations as well as reacting to the market briefs. Agency briefs will ensure that we are on the roster for key media decisions and considered for mid to top tier briefing cycles.

Additionally, the strategy is to approach SMA clients directly and creating a package of premium production with the scale of distribution – created as a one-stop purchase. This will provide a steady roster of clients and create a consistent portfolio of business and a steady flow of production to act as a foundation for the department. We anticipate that Formation will contribute significantly in the coming months, to revenues.

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, was showcased in BreakingSports App. Now, post-merger, the Company has rebranded and launched its latest mobile app, GIVEMESPORT (the "GMS App"). The GMS App is taking aim at a massive high growth sports audience with interest across the globe via all GIVEMESPORT properties.

Utilizing the Company's proprietary semantic technology, the GMS App offers the fastest news delivery to sports fans around the world. The GMS 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 GMS 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, the GMS 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,

GMS 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, rumours and more.

In addition to tracking social media, the GMS 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. The GMS 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, the GMS App users are the first to know. The GMS App delivers the fastest breaking sports news and alerts to users by integrating social media sourced updates. Through specialized algorithms, the GMS App taps social media for the latest sports news and delivers it to users in a fully automated real-time manner.

On both iOS and Android platforms the newest version of GMS app has expanded capabilities that include better application layout, content caching allowing reading of content without connection to internet, improved navigation through the quick links and editable shortcuts to leagues, teams and players of interest as well as subscription suggestions based on user's location and expressed interests on Facebook.

Other GMS 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 rumors;
- 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.

Breaking Data's Artificial Intelligence Platform Solutions

Breaking Data 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.

In addition to further improvements in terms of categorizing and interpreting information written in English, the company has expanded the semantic analysis of unstructured content to include other language, which will have significant impact in verticals such as news detection from user sources on the ground.

The Company continues to explore new and beneficial ways to exploit and deploy its existing technologies and IP with strategic partnerships and projects, some of which include initiatives with non-profit organizations in the government sector as well as initiatives in private sector.

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.

In particular, the Company has created models for various verticals (politics, terrorism, traffic, natural disasters, health, sports, entertainment, business) that are now utilized for detection of breaking news events from social media. The platform detects anomalies in flow of information per topic, entities involved, geography, correlates independent news sources to detect veracity of information and combats fake news reports through analysis of massive graph of entities to detect potential fraudulent activities. New models are in the process of being created for non-English languages which would allow even earlier detection of events for non-English speaking countries.

Company is in the process of licensing and developing comprehensive news event detection platform with private partners, which would showcase the early event detection capabilities making it the fastest source of verified news events in the world.

In October 2017 the Company announced a \$2,250,000 USD Letter of Intent for Breaking Data's event detection technology and publishing platform with a media news partner. Pursuant to the completion of definitive consulting, development and licensing agreements the Company received a non-refundable payment of \$500,000. In the fourth quarter of fiscal 2018, the Company delivered on the consulting agreement and recognized the \$500k USD revenue. It is now, looking at the structure and potential for development and licensing agreements that could encompass an additional \$1.75m USD. To date, these additional agreements are not in place.

Breaking Data's technology platform processes global social fake news and cut through the volume of always-on social content, demonstrating a clear advantage when it comes to verifying breaking news. The technology enables partners to identify breaking events from around the world as close to real time as possible and monitor sources with geo-location accuracy.

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 first quarter ended June 30, 2018

The business and related public news highlights are outlined below:

On April 18, 2018 the Company, announced today the appointment of Rick Waterlow as Chief Operating Officer. Mr. Waterlow joins from digital and TV business VICE Media, where he was President of International, responsible for overseeing the operations of more than 40 offices worldwide with a combined revenue of nearly one billion dollars. In addition, he was instrumental, as part of the team responsible for the growth of VICE across Europe and internationally, holding several senior positions including European finance director and Chief Operating Officer during his eight years with the youth media pioneer.

In conjunction with Mr. Waterlow's hiring he has been granted 400,000 options at an exercise price of \$1.11, with vesting over 3 years and expiring in April 2028.

On May 17, 2018 the Company reported its audience connected to its leading Facebook Page, that are over 18 years old, with an interest in sports betting and gambling is approximately 8.1 million.

(source: Facebook Audience Insights; global, sports betting + gambling + related betting brands and interests + over 18).

GIVEMESPORT is very positive about the ruling by the Supreme Court to strike down the Professional and Amateur Sports Protection Act of 1992 (PASPA), effectively clearing a path for the legalization of sports betting in the United States. GIVEMESPORT already has direct partnerships with the NBA and NFL, it is looking to extend these partnerships to other US sports. GIVEMESPORT's website is the second largest commercial sports website in the UK (*ComScore: Nov-17*), second only to SkySports.com. The Stars Group recently acquired SkyBet.

GIVEMESPORT Editorial

The three-month period ended June 30, 2018 saw strong traffic around key events (Amir Khan fight, Champions League final) but significant challenges on our Facebook page due to algorithm changes that began in June and remain ongoing. Other editorial changes include a renewed effort to combat clickbait articles. We circulated updated guidelines to the editorial team on Facebook posting, including new rules on headlines, imagery and a refreshed list of banned words.

GIVEMESPORT Development

The three-month period ended June 30, 2018 has been a busy quarter for the development team in terms of releases. During April and May we have focused mainly on product and improving key metrics. We also opened up a new traffic source and monetisation options with apple news. Towards the end of the quarter and into Q2 we have been focusing on our paid Facebook services, ensuring we are following all recommended settings from Facebook to optimise our advert delivery, as well as building out our analytics to help inform marketing decisions.

GIVEMESPORT Branded Content (Formation)

During the three-month period ended June 30, 2018 the focus was on a "client direct" approach. There was also a significant go-to-market strategy with the World Cup - the most significant partnership being with William Hill. And finally, there was a curation and creation of internally production offering – working with video and social to start to build out practical production suite and offering from GMS rather than working with external companies.

GIVEMESPORT Programmatic Advertising

During the three-month period ended June 30, 2018, the Green Data Protection Regulation ("GDPR") kicked in for all publishers. To adhere to this protocol the Company did significant work to ensure compliance in or order to pass all tests. Operationally we audited all our third party and ad technology vendors to ensure they were in line with IAB standards and white-listed within our delivery portal to ensure compliance is followed. The sales team continued its focus on selling event-based packages moving to our objective of programmatic guaranteed deals which will assist with margins, improved forecasting and the goal of speeding up the site due to direct server integration and then selling inventory at our highest price point.

GIVEMESPORT Paid Marketing

The three-month period ended June 30, 2018 has been a highly active quarter for the team, with May'18 achieving the best performing month in 2018 with 42m visits (Global). We fully integrating our news into Apple News with Givemesport categorised as a premium publisher. The challenges over this quarter have risen from a few key areas, Facebook reaction to Cambridge Analytica case and Facebook came under scrutiny for their role in spreading misinformation, meaning many publishers felt the impact as they tested new tools, new controls and new automated AI services. There was also GDPR where all social platforms and APIs required updates. Despite the hurdles we released new publishing services to improve content relevancy as well as deploying an 'Intelligent Ads Management Services' for budgeting and operational efficiency.

Other key highlights

- **FY18/19 Q1 April** - UK Visits 23m, +15% YOY | Spend +52% YOY
- **FY18/19 Q1 May** - UK Visits 28m, +23% YOY | Spend +31% YOY
- **FY18/19 Q1 June** - UK Visits 20m, -2% YOY | Spend +84% YOY

RESULTS OF OPERATIONS

Results from Continuing Operations (1)	Quarter ended June 30, 2018	Quarter ended June 30, 2017	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	2,621,552	1,456,763	1,164,789	80%
Cost of goods sold	1,316,999	720,748	596,251	83%
Gross Margin	1,304,553	736,015	568,538	
	49.7%	50.5%		
Expenses				
General and administrative	350,759	268,828	81,930	30%
Salaries and subcontractors	1,103,824	1,005,257	98,567	10%
Stock based compensation	854,395	35,615	818,780	2,299%
Professional fees	72,964	124,041	(51,077)	-41%
Sales and marketing	109,361	132,394	(23,033)	-17%
Accretion on debentures	-	172,811	(172,811)	-100%
Interest and financing fees	-	4,095	(4,095)	-100%
Foreign exchange loss	25,401	(6,979)	32,380	464%
Amortization of intangible assets	117,452	100,579	16,873	17%
Depreciation of equipment	10,207	4,053	6,154	152%
Total Expenses	2,644,363	1,840,695	803,668	44%

(1) 2017 numbers have been restated to exclude the operating results of DTI which are classified as Discontinued Operations.

Analysis of revenues and expenses

Revenues for the three months ended June 30, 2018 were \$2,621,552 compared to \$1,456,763 for the three months ended June 30, 2017, an increase of \$1,164,789 or 80%. This increase resulted primarily from a continuing a sustained increase in traffic to the GIVEMESPORT website over same quarter last year, a further shift from UK desktop to UK mobile web traffic (average of 23.5m visits per month in fiscal 2018 to an average of 24m visits per month for fiscal 2019 combined with an increase

in the UK mobile yield from approximately \$18.50 in fiscal 2019 to over \$32. in fiscal 2019). In addition, the Company has seen a contribution in revenue from its Formation division, focused on short form video production.

Cost of goods sold for the three months ended June 30, 2018 were \$1,316,999 compared to \$720,748 for the three months ended June 30, 2017 and increase of \$596,251 or 83%. This increase directly a result of increased revenues however at a marginally higher proportion of revenues compared to last fiscal year. As a result, overall profit margin percentage decreased slightly from 50.5% to 49.7% from Q1m last fiscal 2017 to Q1 this fiscal 2018. This is due, in part, to increased competition with Facebook and a change within Facebook's paid algorithms. The Company continues to monitor and adjust for these changes and intends for these adjustments to combat and improve margins, yield and other key levers in the programmatic division. In addition, some lower than expected margins materialized from the Formation division and short form video production as the Company started this initiative. These margins should also improve as the business division gains further traction.

General and administrative expenses were \$350,759 for the three months ended June 30, 2018 compared to \$268,828 for the three months ended June 30, 2017, representing an increase of \$81,930 or 30%. There main 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. Plans to streamline are underway but there are still some overlapping and redundant costs. These costs, while carefully monitored, are now increased as a direct result of maintaining 2 offices. Also in the U.K with a transition to a larger office space, the Company incurred duplicate rent costs which will continue to impact general and administrative expenses through to December 2018. In addition, the Company is evaluating all general and administrative costs of the two offices to find savings and reduce costs wherever feasible. While costs savings initiatives are underway, and some streamlining is in the plans in the coming months, the UK office has grown and expanded into new space, so the rent costs will increase on a comparative basis in the coming quarters.

Salaries and subcontractors' expenses was \$1,103,824 for the three months ended June 30, 2018, compared to \$1,005,257 for the quarter ended June 30, 2017, an increase of \$98,567 or 10%. 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 3-month period ended June 30, 2018 includes 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 BDC operations and their subsidiaries. During the period, the Company deferred a total of \$124,750 relating to salaries and consulting fees relating to development on proprietary technology and these costs are included in intangibles assets on the statement of financial position.

Stock-based compensation was \$854,395 for the 3-month period ended June 30, 2018 compared to \$35,615 for the period ended June 30, 2017, an increase of \$818,780. 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) and on April 18, 2018 another 400,000 options were granted to a new officer of the Company. The increase is the result of a new expense for the vesting of these share purchase options issued during the year that did not exist in the same period last year.

Professional fees for the 3-months ended June 30, 2018 were \$72,964 compared to \$124,041 for the 3-months ended June 30, 2017, a decrease of \$51,077 or 41%. The decrease in professional fees during the period was mainly due to less legal and accounting costs from the post-RTO including specific reporting and tax related items and corporate structure work related to

the RTO transaction as well as general corporate legal matters that occurred last year in the period but not this year. 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 \$109,361 for the three months ended June 30, 2018, compared to \$132,394 for the three months ended June 30, 2017, a decrease of \$23,033 or 17%. This decrease is primarily related to timing differences for the Company's web services and marketing, public relations and other marketing items. This expense decreased even while the Company continues to make 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 an increase in revenues during the 3-month fiscal period end June 30, 2018.

Accretion on debentures was \$nil in the first quarter ended June 30, 2018 compared to \$172,811 for the first quarter ended June 30, 2017. This expense is a non-cash item. The accretion expense in 2017 was attributed to the accretion on debentures that were converted to equity immediately prior to the RTO transaction on April 11, 2017. There are no debentures outstanding during the current period and as a result there is no accretion expense.

Interest and financing fees was \$nil or the quarter ended June 30, 2018 compared to \$4,095 for the quarter ended June 30, 2017, a decrease of \$4,095 or 10%. This decrease was as a result of the outstanding balance of the debentures during 2017. The debenture amount outstanding throughout the three months ended June 30, 2017 was in the amount of \$258,854 which was repaid in full on February 16, 2018.

Foreign exchange loss was \$25,401 for the 3-months ended June 30, 2018 compared to a gain of \$6,979 for the 3-months ended June 30, 2017, a change of \$32,380. These losses/gains 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 and were impacted by the increase in value of the British Pound during the period and the weakening of the Canadian dollar to both the British Pound and US dollar.

Amortization of intangibles was \$117,452 for the 3-months ended June 30, 2018 compared to \$100,579 for the 3-months ended June 30, 2017. Amortization relates to development costs, patent costs and intellectual property acquired as part of the RTO transaction. There were no development costs, nor amortization of patent costs in the first quarter of 2017 prior to the RTO transaction.

Depreciation of equipment was \$10,207 for the 3-month period ended June 30, 2018 compared to \$4,053 for the 3-month period ended June 30, 2017, a decrease of \$6,154 or 152%. The decrease is a result of the depreciation of specific equipment assets as balances diminish and the sale of equipment noted above.

Adjustment to fair value of goodwill

On April 11, 2017, the Company completed the RTO transaction. At that time in its quarterly filings (Note 3 - Reverse Takeover Transaction) the Company reported a deemed fair value of goodwill and other intangibles based on the implied purchase price and the assets and liabilities acquired.

Following the transaction, the Company engaged a third-party business valuation firm to provide an analysis and conclusion on the fair value of the purchase consideration and to test the goodwill amount initially recorded. Their methodology included a

Discounted Cash Flow model ("DCM") and incorporated Weighted Average Return on Assets ("WARA"), an Internal Rate of Return ("IRR") and Weighted Average Cost of Capital ("WACC").

The Company finalized its assessment of the purchase price allocation during the quarter ended March 31, 2018. This resulted in an adjustment being recorded to the previously presented June 30, 2017 consolidated statements of financial position between goodwill and intangible assets. The consideration paid was also adjusted from the previous consolidated statements of financial position and statement of changes in shareholders equity for the periods ended June 30, September 30 and December 31, 2017 based on the fair value of the implied purchase price. Intangible assets of intellectual property and goodwill have been separately accounted for. Intellectual property representing proprietary technology is being amortized over a useful life of 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies. The Company recorded an adjustment to the fair value of goodwill of \$8,933,700 on acquisition resulting in a fair value of goodwill of \$6,153,300 at the acquisition date of April 11, 2017. As at June 30, 2018, based on the foreign exchange rate at year end goodwill is \$6,238,925.

Liquidity and Capital Resources

For the three months ended June 30, 2018, there was a net cash used in operating activities of \$1,058,976 compared to \$2,567,186 for the three months ended June 30, 2017, an improvement of \$1,508,210.

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

- 1) A decrease in the net loss to \$1,339,810 for the period ended June 30, 2018 compared to a net loss of \$10,811,255 for the period ended June 30, 2017 which accounts for a decrease of \$9,471,445. The net loss of \$10,811,255 in 2017 includes \$8,933,700 adjustment for change in value of goodwill and \$772,875 of transaction and acquisition costs related to the RTO.
- 2) Net cash outflow resulting from the net change in non-cash working capital items related to operations of \$701,220 for the three months ended June 30, 2018 compared to \$1,463,260 for the period ended June 30, 2017, which accounts for a decrease in cash outflow of \$762,040 in non-cash working capital items that are added to cash flow from operations primarily due to lower payment of trade payables and accrued liabilities.
- 3) An increase in depreciation of equipment from \$4,053 for the period ended June 30, 2017, to \$10,207 for the period ended June 30, 2018, accounts for a decrease of \$6,154 in a non-cash item that is added back to cash flow from operations.
- 4) An increase in amortization of intangible assets of \$117,452 for the period ended June 30, 2018 compared to \$100,579 for the period ended June 30, 2017 which accounts for an increase of \$16,873 in non-cash items that are added back to cash flows from operations.
- 5) An increase in the non-cash stock-based compensation of \$854,395 for the period ended June 30, 2018, compared to \$35,615 for the period ended June 30, 2017, accounts for an increase of \$818,780 in non-cash item that is added back to cash flows from operations.

Offset by:

- 6) A decrease in the accretion of debentures of \$172,811 for the period ended June 30, 2018;

- 7) A decrease in the change in fair value of goodwill from \$8,933,700 in Q1 2017 to \$nil in Q1 2018, a non-cash item added back to cash flow from operations;
- 8) The addition of \$447,238 in Q1, 2017 related to common shares issued for advisory services pursuant to the RTO transaction which closed during the year ended March 31, 2018.
- 9) A decrease in cash from discontinued operations of \$13,333 for the period ended June 30, 2017 compared to nil in the period ended June 30, 2018.

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

Decrease in net loss for the period	\$ (9,471,445)
Lower outflows in non-cash working capital	(762,040)
Higher depreciation of equipment	(6,154)
Lower accretion of debentures	172,811
Change in value of goodwill	8,933,700
Higher amortization of intangible assets	(16,873)
Higher stock based compensation	(818,780)
Common shares issued for advisory services	447,238
Net income from discontinued operations	13,333
Decrease in the net cash used for operations	\$ (1,508,210)

Going Concern

As at June 30, 2018, the Company had positive working capital of \$2,014,581 (March 31, 2018 –\$2,621,780), an accumulated deficit of \$27,754,043 (March 31, 2018 - \$26,414,233) and negative cash flows from operations of \$1,058,976 (June 30, 2017 - \$2,567,186).

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. These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing. To date, management of the Company has been successful in raising capital through equity or debt financings. However, there is no assurance that the Company will continue to be successful in raising capital in the future.

Outstanding Shares

As at June 30, 2018, the number of outstanding shares was 28,676,670 (March 31, 2018 – 28,676,670).

There were no share transactions during the three months ended June 30, 2018.

During the three months ended June 30, 2017 the Company completed the acquisition of SNM through a reverse take-over transaction including the following:

An aggregate of 11,834,124 common shares of the Company were issued, with 7,234,462 shares issued to the former shareholder of SNM at a notional value of \$2.24 (\$2.98 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 2,751,506 warrants which consisted of 2,722,220 warrants issued with an exercise price of \$1.80 (\$2.40 CAD) expiring on October 31, 2018 and 14,286 and 15,000 warrants with an exercise price of \$3.75 (\$5.00 CAD) expiring on November 30, 2018 and December 5, 2018 respectively.

194,444 finders warrants ("RTO replacement warrants") with an exercise price \$1.35 (\$1.80 CAD) per share were issued expiring on 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.

Pursuant to a consulting agreement, the Company issued 200,000 shares at a fair value of \$2.24 (\$2.98 CAD) per share with an amount of \$447,238 recorded to share capital. In addition, the Company paid a fee of \$150,060 (\$200,000 CAD) to an advisor of the Company which was recorded in the interim condensed consolidated statements of loss and comprehensive loss 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 based on one post-consolidation share for every ten pre-consolidation shares. These interim condensed consolidated financial statements reflect the share consolidation.

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 was comprised of one common share 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 of \$350,000 equal to 7% of the gross proceeds raised under the Offering. In addition, the Agents were issued 131,250 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.

On May 3, 2017 65,694 share purchase warrants for a total of 91,248 were exercised for \$1.80 (\$2.40 CAD) for total proceeds of \$114,820. An amount of \$37,282 representing the fair value of the warrants exercised was transferred from warrants to share capital

As at August 29, 2018 the number of shares outstanding remained at 28,676,670.

Outstanding Options

During the three months ended June 30, 2018 400,000 options were granted to an officer of the Company with an exercise price \$0.86 (\$1.11 CAD) and a term of ten years. During this period, 100,000 options were cancelled with an exercise price of \$1.47 (\$1.90 CAD).

During fiscal 2018, 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.

During the year ended March 31, 2018, 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.

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.

527,369 options were cancelled with exercise prices ranging from \$0.375 to \$4.73.

Using the Black-Scholes model the Company recorded \$854,395 of stock compensation expense during the three months ended June 30, 2018 (\$35,615 - 2017).

As at June 30, 2018, the Company had 4,492,168 share purchase options outstanding (March 31, 2018 – 4,192,168).

As at August 29, 2018, the number of outstanding options was 4,492,168.

Outstanding Warrants

As at June 30, 2018 the Company had a total of 3,285,258 warrants and a total of 325,694 finders' warrants outstanding (March 31, 2018 3,285,258 and 325,694). On April 11, 2017, in connection with the acquisition of SNM An aggregate of 2,751,506 warrants which consisted of 2,722,220 warrants issued with an exercise price of \$1.80 (\$2.40 CAD) expiring on October 31, 2018 and 14,286 and 15,000 warrants with an exercise price of \$3.75 (\$5.00 CAD) expiring on November 30, 2018 and December 5, 2018 respectively.

194,444 finders warrants ("RTO replacement warrants") with an exercise price \$1.35 (\$1.80 CAD) per share were issued expiring on 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 year ended March 31, 2018, 91,248 warrants were exercised for total proceeds of \$163,878. The Company included the proceeds in share capital and in addition, credited share capital for the original warrant value of \$53,211 with a corresponding reduction to warrants.

As at August 29, 2018, the number of warrants outstanding remained at 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, 2018.

	2019 (unaudited)	2018 (unaudited)				2017 (unaudited)		
	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30
Revenues	2,621,552	2,700,922	2,509,369	1,696,180	1,456,763	1,150,363	1,137,964	996,388
Net loss from continuing operations (\$)	(1,339,810)	(2,025,943)	(1,941,112)	(2,405,528)	(10,811,255)	(994,685)	(215,362)	(220,149)
Net income from discontinued operations	-	24,186	(2,210)	4,557	13,333	-	-	-
EPS - continuing operations	(0.05)	(0.05)	(0.07)	(0.09)	(0.42)	(0.06)	(0.02)	(0.02)
EPS - discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

¹ The summary of quarterly results has been adjusted to reflect Discontinued Operations.

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 up until November 30, 2017 when it sold its wholly owned subsidiary DTI based in the United States. DTI's revenue and income are classified as discontinued operations. At June 30, 2018, the Company had two geographical segments comprising head office and general operations of Breaking Data International and Poynt Inc. in Canada, and Sports New Media operating segment which provides sports new content in The United Kingdom, and its wholly-owned subsidiary.

The Company's revenues are earned in the following geographical areas for the three months ended June 30, 2018 and 2017:

	Three months ended June 30, 2018	Three months ended June 30, 2017
North America	\$ 486,304	\$ 26,475
Europe (excluding United Kingdom)	82,473	62,289
United Kingdom	2,052,775	1,367,999
	\$ 2,621,552	\$ 1,456,763

Revenue from external customers

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 three months ended June 30, 2018, sales from two significant customers amounted to \$1,092,509 and \$238,766 representing 42% and 9% of total revenues (2017 - \$746,785 and \$322,157 representing 51% and 22%)

SUBSEQUENT EVENTS AND NEWS

On August 22, 2018, the Company announced it has entered into a transaction agreement (the "Transaction Agreement") to acquire Oryx Gaming through which it will acquire all of the shares of Oryx Gaming ("Oryx").

Oryx is an international i-Gaming turnkey solution provider that offers an online, retail and mobile platform and access to diverse portfolio of proprietary and 3rd party Sportsbook, Lottery and Casino products with over 5,000 content titles included. With clients ranging from JackpotJoy Plc to GVC, it is certified, approved and licensed to provide services in Malta, Schleswig Holstein, Spain, Romania, Colombia, Croatia, Serbia, Gibraltar, UK and Slovenia.

After the completion of the acquisition of Oryx, the Company is expected to be renamed Bragg Gaming Group. Furthermore, upon completion of the Transaction, Dominic Mansour, a former chief executive of the UK's Health Lottery, will become Chief Executive of the Company, and Akshay Kumar, the former CFO of NetPlay TV plc, will become Chief Financial Officer of the Company.

Under the terms of the Transaction Agreement the Company will issue 21 million common shares to the shareholders of the AA Acquisition Group ("AAA") in exchange for all the shares of AAA ("the Transaction"). Legacy Eight Group Ltd. ("Legacy Eight") owns 44% of the shares of AAA, and upon completion of the Transaction would own approximately 19% of the shares of Breaking Data prior to taking into account any equity financing completed in connection with the Transaction.

AAA has entered into a Share Purchase Agreement (the "SPA") with Oryx Gaming International LLC ("Oryx") to acquire all of the shares of Oryx with the initial consideration being EUR7.5 million and the balance to be in the form of earn-outs based on the business performance of Oryx.

Financial details

> EUR1.5 million on signing of the SPA;

> EUR4.125 million on closing of the transaction;

> EUR1.875 million worth of common shares of the Company also on closing based on the 60 day volume weighted average price of the shares on the TSX Venture Exchange (the "TSXV") at the time of issuance, subject to a maximum of 2 million shares - in the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash; and

> Earn-out payments comprised as follows: (i) after the first year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that first year, subject to Oryx having achieved EBITDA of at least EUR2 million; and (ii) after the second year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that second year, subject to Oryx having achieved EBITDA of at least EUR3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of common shares of the Company based on the 60-day volume weighted average price of the shares on the TSXV, provided that the maximum number of shares to be issued for the first earn-out payment will be 2 million shares and for the second earn-out payment will be 2.5 million shares.

The implementation of the Transaction, including the acquisition of Oryx, will be subject to the approval of at least 50% of the votes cast by holders of common shares of Breaking Data at the annual and special meeting of Breaking Data shareholders expected to take place in September 2018. In addition to the Breaking Data shareholder approval, the Transaction is also subject to financing, TSX Venture Exchange approval and certain other closing conditions customary in transactions of this nature.

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2018.

Principles of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Breaking Data Inc., Poynt Inc. ("Poynt"), Unomobi Inc., Innovation Fund III LLC, Sports New Media Holdings Limited ("SNM"), Sports New Media Limited, Sports New Media Inc., and DISMIC, Inc., from their respective dates of acquisition. All intercompany balances and transactions have been eliminated upon consolidation. On November 30, 2017, the Company sold its subsidiary Devesys Technologies Inc., as a result of a decline in business activity, and its operating results are disclosed as discontinued operations (note 4).

Basis of Presentation

The accompanying 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 for the year ended March 31, 2018.

Presentation Currency and Functional Currency

For the year ended March 31, 2018, the presentation currency of the Company was in U.S Dollar ("USD"), SNM previously reported using British Pounds. The change in presentation currency, which was effective for the three months ended June 30 2017 is to better reflect the Company's business activities in conjunction with the acquisition of 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 interim condensed consolidated financial statements are represented in USD which has been applied retroactively.

The functional currency of the Company and its subsidiary Poynt is the CAD. The functional currency of DTI is the US dollar. The functional currency of the acquired companies SNM, 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 year 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 year). All resulting exchange rate differences are recorded in accumulated other comprehensive (loss) income.

Recent accounting pronouncements

Financial Instruments

Effective April 1, 2018, the Company adopted IFRS 9, Financial Instruments. In accordance with the transitional provisions, the Company adopted the standard retrospectively without restating comparatives as the change did not impact the opening balances.

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories.

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

The Company's financial instruments consist of the following:

Financial Instruments Classification	IAS 39	IFRS 9
Cash	Fair value through profit or loss	Amortized Cost
Trade and other receivables	Loans and receivables	Amortized Cost
Trade payables and accrued liabilities	Other financial liabilities	Amortized Cost

The following are the Company's new accounting policies for financial instruments under IFRS 9:

Financial assets and liabilities

Financial assets

Non-derivative financial assets within the IFRS 9 are classified as “financial assets at fair value (either through other comprehensive income (“FVOCI”), or through profit or loss (“FVPL”))”, and “financial assets at amortized costs” as appropriate. The Company determines the classification of its financial assets at initial recognition based on the Company’s business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of investments not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded on the interim condensed consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the interim condensed consolidated statements of earnings (loss).

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not have any financial assets classified as at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the interim condensed consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the asset.

Impairment of financial assets

The Company's only financial assets subject to impairment are trade and other receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

The expected lifetime loss of a financial asset at amortized cost, is estimated based on the expected credit loss ("ECL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade payable and accrued liabilities which are each measured at amortized cost.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the interim condensed consolidated statements of earnings (loss).

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in other income or expense in the consolidated statements of earnings (loss).

IFRS 15 – Revenue from Contracts with Customers

The Company elected to adopt IFRS15 using the modified retrospective method, with recognition of transitional adjustments in opening retained earnings on the date of initial application (April 1, 2018), without restatement of comparative figures. The adoption of IFRS 15 did not result in any changes in the timing of revenue recognition for the Company's goods and services.

Accounting Policy for Revenue Recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount

that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 16 – Accounting for Leases

IFRS 16 replaces IAS 17, Leases was released in January 2016. This standard will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Adoption of IFRS 16 is mandatory and will be effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

RELATED PARTY TRANSACTIONS

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

As at June 30, 2018, the Company had \$59,471 (March 31, 2018 - \$71,225) of accounts payable due to four officers of the Company and one director of the Company.

Salaries and subcontractors' expenses of \$116,472 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 three months ended June 30, 2018 (June 30, 2017 - \$92,945 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.

400,000 options were granted to directors and officers of the Company during the period ended June 30, 2018 and 2,641,570 during the year ended March 31, 2018. Options are exercisable at a price of \$.086 and \$1.47 respectively, and 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 June 30, 2018, 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.

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 effect 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.

SCHEDULE "E"
AAA FINANCIAL STATEMENTS

See attached.

Financial Statements of

AA Acquisition Group Inc.

From the Date of Incorporation on April 12, 2018 to June 30, 2018
(expressed in United States Dollars)

AA Acquisition Group Inc.

From the Date of Incorporation on April 12, 2018 to June 30, 2018

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Independent Auditors' Report

To the Shareholders of AA Acquisition Group Inc.:

We have audited the accompanying financial statements of AA Acquisition Group Inc., which comprise the statement of financial position as at June 30, 2018, and the statement of loss and other comprehensive loss, changes in shareholders' equity and cash flows for the period from April 12, 2018 (date of incorporation) to June 30, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AA Acquisition Group Inc. as at June 30, 2018, and its financial performance and its cash flows for the period from April 12, 2018 (date of incorporation) to June 30, 2018, in accordance with International Financial Reporting Standards.

MNP LLP

Toronto, Ontario
September 13, 2018

Chartered Professional Accountants
Licensed Public Accountants

MNP

AA Acquisition Group Inc.
Statement of Financial Position
As at June 30, 2018
(Expressed in US dollars except for share and per share amounts)

	Notes	As at June 30, 2018 \$
Assets		
Current assets		
Cash		2,171,093
Share subscription receivable	4	75,000
Sales taxes receivable		29,515
Total Assets		<u>2,275,608</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		351,708
Total Liabilities		<u>351,708</u>
Shareholders' Equity		
Share capital	5	2,257,000
Deficit		(333,100)
Total Shareholders' Equity		<u>1,923,900</u>
Total Liabilities and Shareholders' Equity		<u>2,275,608</u>

Approved by the sole director:

'*Adam Arviv*'
Director

The accompanying notes are an integral part of the financial statements.

AA Acquisition Group Inc.
Statement of Loss and Comprehensive Loss
For the Period from Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars except for share and per share amounts)

**For the Period from
Date of Incorporation
on April 12, 2018
to June 30, 2018**

Notes

\$

Expenses

Professional fees	12,037
Transaction and acquisition costs	316,954
Foreign exchange loss	4,109
Net loss and comprehensive loss for the period	333,100

The accompanying notes are an integral part of the financial statements.

AA Acquisition Group Inc.
Statement of Changes in Shareholders' Equity
For the Period from Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars except for share and per share amounts)

	Notes	Share Capital	Deficit	Total Shareholders' Equity
Balance at date of incorporation		\$ —	\$ —	\$ —
Issuance of common shares	5	2,257,000	—	2,257,000
Net loss and comprehensive loss for the period		—	(333,100)	(333,100)
Balance as at June 30, 2018		2,257,000	(333,100)	1,923,900

The accompanying notes are an integral part of the financial statements.

AA Acquisition Group Inc.

Notes to the Financial Statements

For the Period from the Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars)

1. Description of the business

AA Acquisition Group Inc. (the "Company") is a special purpose vehicle that has been set-up to acquire Oryx Gaming International LLC. The Company was incorporated on April 12, 2018 under the Ontario Business Corporations Act and the address of its registered office is 199 Bay Street West, Suite 5300, Toronto, ON M5L 1B9, Canada.

2. Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first financial statements reported under IFRS. Accordingly, *IFRS 1 – First-time Adoption of IFRS* ("IFRS 1") has been applied. While these financial statements are the Company's first financial statements prepared in accordance with IFRS, the Company was incorporated during the period. Therefore, no opening statement of financial position is provided, and disclosure of the elected transition exemptions is not applicable. The significant accounting policies described below have been applied consistently to the period presented. The accompanying financial statements present separately the financial position, financial performance, changes in shareholders' equity and cash flows for the Company.

The financial statements are prepared on a going concern basis, under the historical cost convention except for the revaluation of certain financial assets and liabilities to fair value. All financial information is presented in US dollars, unless otherwise noted.

The significant accounting policies adopted in the preparation of the financial statements are set out in Note 3.

These consolidated financial statements were approved by the Board of Directors on September 13, 2018.

3. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks, cash in hand or in trust.

(b) Foreign currency translation

The financial statements are presented in US dollars, which is the functional currency of the Company and the presentation currency for the financial statements. Transactions denominated in foreign currencies are translated into US dollars at the prevailing rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange prevailing at the statement of financial position date. Exchange gains and losses are included in the statement of income (loss) and comprehensive income (loss). Expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used.

(c) Income taxes

Income tax expense is comprised of current and deferred income taxes. It is recognized in the statement of income (loss) and comprehensive income (loss), except to the extent that the expense relates to items recognized either in other comprehensive income (loss) ("OCI") or directly in shareholders' equity.

The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the countries where the Company operates and generates taxable income.

AA Acquisition Group Inc.
Notes to the Financial Statements

For the Period from the Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars)

3. Significant accounting policies (continued)

(c) Income taxes (continued)

A current or non-current tax liability/asset is the estimated tax payable/receivable on taxable earnings for the period, and any adjustments to taxes payable with respect to previous periods.

The asset and liability method is used to account for deferred tax assets and liabilities, which arise from temporary differences between the carrying amount of assets and liabilities recognized in the statement of financial position and their corresponding tax basis. The carry forward of unused tax losses and credits are recognized to the extent that it is probable they can be used in the future.

The carrying amount of deferred income tax assets is reviewed at each financial position date and reduced to the extent it is no longer probable that the income tax asset will be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply when the asset or liability is recovered or settled. Both current and deferred tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted at the end of the reporting date.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax liabilities are, where permitted, offset against tax assets within the same taxable entity and tax jurisdiction.

(d) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. On initial recognition, the Company classifies its financial assets at either amortized cost, fair value through other comprehensive income (loss) or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions: a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The following table shows the measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at June 30, 2018. The Company's financial assets and financial liabilities are classified and measured as follows:

<u>Asset/Liability</u>	<u>Measurement</u>
Cash	Amortized cost
Share subscription receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

AA Acquisition Group Inc.
Notes to the Financial Statements

For the Period from the Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars)

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

Amortized cost

Share subscription receivable is a non-derivative financial asset with fixed or determinable payments and is measured at amortized cost, using the effective interest method.

Other financial liabilities

Other financial liabilities are recognized at amortized cost using the effective interest method.

(e) Critical accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, and expenses for the period. Such estimates relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts as transactions are settled in the future. Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are applied prospectively.

The following are the critical judgments that management made in applying the Company's accounting policies and that have the most significant effect on amounts recognized in the financial statements.

Functional currency

The Company assesses the relevant factors related to the primary economic environment in which its entities operate to determine the functional currency. Where the assessment of primary indicators is mixed, Management assesses the secondary indicators, including the relationship between the foreign operations and the reporting entity.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. Judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Deferred tax assets

The amount of deferred tax assets is estimated with consideration given to the timing, sources and amounts of future taxable income.

AA Acquisition Group Inc.

Notes to the Financial Statements

For the Period from the Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars)

3. Significant accounting policies (continued)

(f) Future changes in accounting policies

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the current fiscal year, and have not been applied in preparing these financial statements. The Company is assessing the impact these new pronouncements may have on its results of operations, financial position and disclosures.

In January 2016, the IASB issued IFRS 16 *Leases*. IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off-statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

4. Share subscription receivable

The Company has share subscription receivable directly from its shareholders. The amounts are non-interest bearing and considered current. The amount due from shareholders as at June 30, 2018 is \$75,000.

5. Share capital

During the period the Company issued 2,257,000 common shares with a nominal value of USD \$1.00 per share.

6. Financial instruments and risk management

Financial risk management objectives

As a result of holding and issuing financial instruments, the Company is exposed to liquidity, credit, market, interest and foreign currency risks. The following provides a description of these risks and how the Company manages these exposures.

Fair value

The fair values of all financial assets and liabilities approximate their carrying values either as a result of their short-term nature.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's principal financial assets that expose it to credit risk are share subscription receivable and the Company mitigates this risk by monitoring the credit worthiness of its share subscribers. The Company collected \$25,000 of share subscription receivable balance subsequent to year-end and expects to collect the remaining amount in full.

Liquidity risk

The Company monitors and manages its liquidity to ensure that it has access to sufficient funds to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at June 30, 2018, the most significant financial liabilities are accounts payables and accrued liabilities in the amount of \$351,708, all of which is due within one year.

AA Acquisition Group Inc.
Notes to the Financial Statements

For the Period from the Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars)

6. Financial instruments and risk management (continued)

Financial risk management objectives (continued)

Market risk

Market risk is the risk that the value of the Company's financial instruments will fluctuate due to changes in the market risk factors. The market risk factors that affect the Company are foreign currency rates and interest rates and these risks are minimum as at June 30, 2018.

Management of capital

The Company has implemented various capital policies, procedures and processes that are utilized to achieve its capital management objectives. These include optimizing the cost of capital and maximizing shareholder return while balancing the interests of stakeholders. The Company's capital is composed of shareholders' equity, which assist in financing working capital requirements. The Company's primary uses of capital are financing its investments. The Company currently funds these requirements from cash flows from financing activities. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity to ultimately increase shareholder value.

Foreign currency risk

The Company undertakes sales and purchase transactions in foreign currencies and therefore is subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company does not use any derivative financial instruments to reduce its exposure to foreign currency risk.

The statement of financial position includes the following amounts with respect to financial assets and liabilities for which cash flows are originally denominated in foreign currencies, expressed in U.S. dollars:

	June 30, 2018
	\$
Cash	314,630
Sales taxes receivable	29,515
Accounts payable and accrued liabilities	(261,789)

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately \$8,236 due to the fluctuation and this would be recorded in the statement of income (loss) and comprehensive income (loss).

AA Acquisition Group Inc.

Notes to the Financial Statements

For the Period from the Date of Incorporation on April 12, 2018 to June 30, 2018
(Expressed in US dollars)

7. Subsequent events

On August 22, 2018 the Company entered into a Share Purchase Agreement with Oryx Gaming International LLC ("Oryx") to acquire all of the shares of Oryx with the initial consideration being €7.5 million and the balance to be in the form of earn-outs based on the business performance of Oryx.

Financial details

€1.5 million on signing of the SPA;

€4.125 million on closing of the transaction;

€1.875 million worth of common shares of the Company also on closing based on the 60 day volume weighted average price of the shares on the TSX Venture Exchange (the "TSXV") at the time of issuance, subject to a maximum of 2 million shares. In the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash; and

earn-out payments comprised as follows:

- (i) after the first year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that first year, subject to Oryx having achieved EBITDA of at least €2 million; and
- (ii) after the second year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that second year, subject to Oryx having achieved EBITDA of at least €3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of common shares of the Company based on the 60-day volume weighted average price of the shares on the TSXV, provided that the maximum number of shares to be issued for the first earn-out payment will be 2 million shares and for the second earn-out payment will be 2.5 million shares.

Concurrent acquisition of the Company by Breaking Data Corp. ("BKD")

Under the terms of the transaction, BKD will issue 21 million common shares to the shareholders of the Company in exchange for all the shares of the Company. BKD is a public company which is trading on the TSX Venture Exchange and the OTCQX marketplace.

As such it is expected that each Company share will convert to 9.304 BKD shares. A general meeting of BKD is expected to occur in October 2018 where BKD shareholders will be asked to approve the transaction.

SCHEDULE "F"
AAA MANAGEMENT DISCUSSION & ANALYSIS

See attached.

SEPTEMBER 13, 2018

AA Acquisition Group Inc

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED
JUNE 30, 2018

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MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the results of operations, financial condition and cash flows for AA Acquisition Group Inc for the period ended June 30, 2018. References to "AAA", the "Company", or the "Corporation" in this MD&A refer to AA Acquisition Group Inc unless the context requires otherwise. This document should be read in conjunction with the information contained in the Corporation's audited consolidated financial statements and related notes for the period ended June 30, 2018 (the "2018 Financial Statements").

For reporting purposes, the Corporation prepared the 2018 Financial Statements in U.S. dollars and, unless otherwise indicated, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial information contained in this MD&A was derived from the 2018 Financial Statements. Unless otherwise indicated, all dollar ("\$\$") and "USD" amounts and references in this MD&A are in and to U.S. dollars, references to "EUR" or "€" are to European Euros, references to "GBP" or "£" are to British pound sterling and references to "CDN" or "CDN \$" are to Canadian dollars. Unless otherwise indicated, all references to a specific "note" refer to the notes to the 2018 Financial Statements.

Unless otherwise stated, in preparing this MD&A the Corporation has considered information available to it up to September 13, 2018, the date the Corporation's board of directors (the "Board") approved this MD&A.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A and the 2018 Financial Statements may constitute forward-looking information and statements (collectively, “forward-looking statements”) within the meaning of the Canadian securities legislation and applicable securities laws, including financial and operational expectations and projections. These statements, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect the Corporation, its subsidiaries and their respective customers and industries. Although the Corporation and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing”, “imply” or the negative of these words or other variations or synonyms of these words or comparable terminology and similar expressions.

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 Corporation’s stage of development, long-term capital requirements and future ability to fund operations, future developments in the Corporation’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 Corporation’s operations. Each factor should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. See the section, “Risk Factors and Uncertainties”, below noting that these factors are not intended to represent a complete list of the factors that could affect the Corporation.

Shareholders and investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Unless otherwise indicated by the Corporation, forward-looking statements in this MD&A describe the Corporation’s expectations as of September 13, 2018 and, accordingly, are subject to change after such date. The Corporation does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

OVERVIEW

BUSINESS OVERVIEW

AAA is a special purpose vehicle that was incorporated on April 12, 2018. Its primary purpose was to acquire the share capital, trade and assets of Oryx Gaming International LLC. To complete this Transaction it was also being used to raise capital so that it could pay the initial consideration to the shareholders of Oryx Gaming International LLC.

As at June 30, 2018, AAA had not acquired Oryx Gaming International LLC. Therefore its 2018 Financial statements predominantly show a Cash balance and Transaction costs.

FINANCIAL RESULTS

SELECTED FINANCIAL INFORMATION

Selected financial information for the period ended June 30, 2018 is set forth below:

	Period ended June 30, 2018
	\$'000
Net loss and comprehensive loss for the period	(333)
Total assets (as at)	2,276
Total liabilities (as at)	352
Cash generated from financing activities	2,182

DISCUSSION OF OPERATIONS

The discussion of the operational income statement covers some of the significant expenses between the date of incorporation and June 30, 2018.

PROFESSIONAL FEES

The Corporation has incurred professional fees of \$12,037 related predominantly to audit services and filing fees.

TRANSACTION AND ACQUISITION COSTS

The Corporation has incurred transaction and acquisition costs of \$316,954. These predominantly relate to audit fees associated with the audit of Oryx Gaming International LLC for the year ended December 31, 2017 and professional advisory (due-diligence) fees incurred.

SUMMARY OF QUARTERLY RESULTS

Prior to the publication of this MD&A, the Corporation was not a reporting issuer. As a result, the Corporation has not prepared financial statements for any prior period.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's principal sources of liquidity is raises from financing.

MARKET RISK

The Corporation is exposed to market risks, including changes to foreign currency exchange rates and interest rates.

FOREIGN CURRENCY EXCHANGE RISK

The Corporation is exposed to foreign currency risk, which includes risks related to its operating expenses denominated in currencies other than the U.S. dollar (which is its reporting currency).

The Corporation has experienced and will continue to experience fluctuations in its net earnings as a result of translation gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded.

LIQUIDITY RISK

The Corporation is also exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Corporation manages liquidity risk by continuously monitoring its forecasted and actual cash flows, and matching maturity profiles of financial assets and liabilities.

CASH FLOWS BY ACTIVITY

	Period ended June 30, 2018
	\$
Net cash outflows from operating activities	(10,907)
Net cash inflows from financing activities	2,182,000

CASH OUTFLOWS FROM OPERATING ACTIVITIES

The Corporation outflows from operating activities relate to professional and transaction fees which have been paid as at June 30, 2018.

CASH INFLOWS FROM FINANCING ACTIVITIES

The Corporation raised \$2,257,000 by issuing share capital of which \$2,182,000 was collected by June 30, 2018.

SCHEDULE "G"
ORYX FINANCIAL STATEMENTS

See attached.

Consolidated financial statements of

Oryx Gaming International, LLC

December 31, 2017 and 2016

(in United States dollars)

Oryx Gaming International, LLC

December 31, 2017 and 2016

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Independent Auditors' Report

To the Board of Directors of Oryx Gaming International LLC:

We have audited the accompanying consolidated financial statements of Oryx Gaming International LLC, which comprise the consolidated statements of financial position as at December 31, 2017, December 31, 2016 and January 1, 2016, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years ended December 31, 2017 and December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements, in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements, based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Oryx Gaming International LLC, as at December 31, 2017, December 31, 2016, and January 1, 2016 and its financial performance and its cash flows for the years ended December 31, 2017 and December 31, 2016, in accordance with International Financial Reporting Standards.

Toronto, Ontario
June 22, 2018

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

Oryx Gaming International, LLC

Consolidated statements of financial position

(Expressed in US dollars except for share and per share amounts)

	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Notes	\$	\$	\$
Assets			
Current assets			
Cash	68,024	35,384	-
Trade and other receivables, net	3 1,633,873	1,844,241	1,412,608
Due from shareholder	6 12,230	-	71,547
Prepaid expenses	38,703	41,266	41,930
	1,752,830	1,920,891	1,526,085
Non-current assets			
Property and equipment	4 78,765	35,766	30,245
Intangible assets	5 1,810,218	1,475,164	1,345,356
Deferred tax asset	9 37,462	149,353	136,413
	3,679,275	3,581,174	3,038,099
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,749,042	834,062	1,276,641
Current taxes payable	169,914	55,436	35,991
Due to shareholder	6 -	8,677	-
Deferred revenue	122,941	4,777	10,859
Phantom stock liability	7 439,002	285,521	13,612
Current portion of long-term debt	8 156,004	1,196,157	1,549,590
	2,636,903	2,384,630	2,886,693
Non-current liabilities			
Long-term debt	8 436,377	435,367	-
	3,073,280	2,819,997	2,886,693
Equity			
Share capital	10 1,000	1,000	1,000
Accumulated other comprehensive income (loss)	(107,783)	33,938	9,175
Retained earnings	712,778	726,239	141,231
	605,995	761,177	151,406
	3,679,275	3,581,174	3,038,099

Approved by the sole director:

"Matevz Mazij"

Director

The accompanying notes are an integral part of the consolidated financial statements.

Oryx Gaming International, LLC

Consolidated statements of income (loss) and comprehensive income (loss)
(Expressed in US dollars except for share and per share amounts)

		Year ended December 31, 2017	Year ended December 31, 2016
	Notes	\$	\$
Revenue		6,644,425	4,577,868
Cost of sales		1,122,251	242,419
Gross profit		5,522,174	4,335,449
Expenses			
Salaries and wages		2,001,749	1,769,471
Development expenses		364,254	81,977
Professional fees		1,001,127	474,501
Bad debt expense		650,509	48,542
Hosting fees		126,266	-
General and administrative		552,013	719,244
Rent expense		77,760	36,219
Travel expenses		105,911	12,561
Phantom stock plan expense	7	38,823	202,008
Amortization and depreciation	4, 5	347,866	263,055
Interest and bank charges		66,123	69,589
Loss on fair value revaluation of phantom stock liability	7	65,725	78,846
Gain on settlement/extinguishment of debt and accounts payable		(104,407)	(95,077)
Foreign exchange (gain) loss		(52,616)	81,237
Income before income taxes		281,071	593,276
Income tax (recovery) expense			
Current	9	169,793	25,892
Deferred	9	124,739	(17,624)
Net income (loss) for the year		(13,461)	585,008
Other comprehensive income (loss)			
Foreign currency translation adjustment		141,721	(24,763)
Net income (loss) and comprehensive income (loss) for the year		(155,182)	609,771

The accompanying notes are an integral part of the consolidated financial statements.

Oryx Gaming International, LLC

Consolidated statements of changes in shareholders' equity
(Expressed in US dollars except for share and per share amounts)

	Notes	Share capital	Accumulated other comprehensive income (loss)	Retained earnings	Total shareholders' equity
		\$	\$	\$	\$
Opening balance as at January 1, 2016		1,000	9,175	141,231	151,406
Net income		-	-	585,008	585,008
Other comprehensive income		-	24,763	-	24,763
Balance as at December 31, 2016		1,000	33,938	726,239	761,177
Net loss		-	-	(13,461)	(13,461)
Other comprehensive loss		-	(141,721)	-	(141,721)
Balance as at December 31, 2017		1,000	(107,783)	712,778	605,995

The accompanying notes are an integral part of the consolidated financial statements.

Oryx Gaming International, LLC

Consolidated statements of cash flows

(Expressed in US dollars except for share and per share amounts)

	Notes	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Operating activities			
Net income (loss) for the year		(13,461)	585,008
Adjustments to net income (loss) for non-cash items:			
Depreciation of property and equipment	4	39,653	28,241
Amortization of intangible assets	5	308,213	234,814
Interest and bank charges		66,123	69,589
Bad debt expense	3	650,509	48,542
Phantom stock expense	7	38,823	202,008
Loss on fair value revaluation of phantom stock liability	7	65,725	78,846
Gain on settlement/extinguishment of debt and accounts payable		(104,407)	(95,077)
Loss on disposal of property and equipment	4	5,863	-
Unrealized foreign exchange (gain) loss		3,148	65,392
Income tax expense	9	294,532	8,268
Interest and bank charges		(39,068)	(69,209)
Income taxes paid		(66,698)	(4,248)
Changes in non-cash working capital			
Trade and other receivables		(1,224,718)	(679,156)
Due from shareholder		(11,788)	72,934
Prepaid expenses		7,812	(547)
Accounts payable and accrued liabilities		771,159	(75,175)
Due to shareholder		(9,349)	9,144
Deferred revenue		118,165	(6,296)
		900,236	473,078
Investing activities			
Purchase of property and equipment	4	(81,254)	(34,934)
Purchase of intangible assets	5	(640,817)	(364,622)
		(722,071)	(399,556)
Financing activities			
Repayment of long-term debt	8	(134,724)	(148,161)
Increase in long-term debt	8	125	109,369
		(134,599)	(38,792)
Effect of foreign exchange rate changes on cash		(10,926)	654
Increase in cash		32,640	35,384
Cash, beginning of year		35,384	-
Cash, end of year		68,024	35,384

The accompanying notes are an integral part of the consolidated financial statements.

Oryx Gaming International, LLC

Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

1. Description of the business

Oryx Gaming International, LLC (the "Company") is a leading turnkey solutions provider offering software and services for the iGaming industry. The Company offers exclusive gaming content along with omni-channel products that can be easily integrated with third party services, games and networks. The Company is headquartered at 1810 E Sahara Ave, Suite 556, Las Vegas, NV, 89104.

2. Significant accounting policies

(a) Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first consolidated financial statements reported under IFRS. Accordingly, *IFRS 1 – First-time Adoption of IFRS* ("IFRS 1") has been applied. As these consolidated financial statements are the Company's first annual consolidated financial statements prepared in accordance with IFRS, disclosure of the Company's elected transition exemptions is provided in Note 15 to these consolidated financial statements. The significant accounting policies described below have been applied consistently to all periods presented, including the opening consolidated statement of financial position as at January 1, 2016. These consolidated financial statements include the accounts of the Company and the subsidiaries over which the Company has control. The accompanying consolidated financial statements present separately the financial position, financial performance, cash flows and changes in shareholders' equity for the Company.

The consolidated financial statements are prepared on a going concern basis, under the historical cost convention except for the revaluation of certain financial assets and liabilities to fair value. All financial information is presented in US dollars, unless otherwise noted.

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below.

These consolidated financial statements were approved by the Board of Directors on June 22, 2018.

(b) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Oryx Gaming Ltd. and Oryx razvojne storitve d.o.o.

Subsidiaries are entities controlled by the Company. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of income (loss) and comprehensive income (loss) from the date the Company gains control until the date when the Company ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intercompany assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

Oryx Gaming International, LLC
Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(c) *Revenue recognition*

Revenue relating to licensed technology is based on the underlying gaming revenue earned by licensees and is recognized when the underlying transaction is performed. Revenue derived from services and licensed technology for which the Company charges a fixed-fee is recognized over the service and/or usage period of the agreement. Revenue is deferred when payments are received from customers in advance of delivery of services.

(d) *Trade and other receivables*

Trade and other receivables are measured at amortized cost, net of any allowance for doubtful accounts. An allowance for doubtful accounts is established based on individually significant exposures or on historical trends. Factors considered when establishing an allowance include current economic conditions, historical information and the reason for the delay in payment. Amounts considered uncollectible are written-off.

(e) *Property and equipment*

Property and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. Assets are depreciated over their estimated useful lives. Significant parts of property and equipment that have different depreciable lives are depreciated separately. Judgment is used in determining the appropriate level of componentization.

Depreciation is based on the following methods and rates. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Type of property and equipment</u>	<u>Depreciation term</u>
Furniture and fixtures	Declining method - 20%
Computer equipment	Declining method - 20% - 50%

Oryx Gaming International, LLC
Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(f) Intangible assets

Intangible assets are stated at cost, less accumulated amortization and any accumulated impairment losses, and consist of intellectual property. Amortization is based on the estimated useful life using the following methods and rates:

Type of intangible asset	Amortization term
Intellectual property	Straight line - 8 years

Intangible asset with a finite life is amortized over the useful economic life on a straight-line basis. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in the consolidated statements of income (loss) and comprehensive income (loss) over its estimated useful life.

(g) Impairment

The carrying values of property and equipment and finite life intangible assets are assessed at the reporting date as to whether there is any indication that the assets may be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the asset or cash-generating unit ("CGU") to which the asset relates to determine the extent of any impairment loss. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use ("VIU") to the Company. In assessing VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If the recoverable amount of an asset or a CGU is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount.

An impairment loss is recognized immediately in the consolidated statements of income (loss) and comprehensive income (loss).

For impaired assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Oryx Gaming International, LLC
Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(h) Foreign currency translation

The consolidated financial statements are presented in US dollars, which is the functional currency of the parent and the presentation currency for the consolidated financial statements. Transactions denominated in foreign currencies are translated into US dollars at the prevailing rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange prevailing at the statement of financial position date. Exchange gains and losses are included in the consolidated statements of income (loss) and comprehensive income (loss). Assets and liabilities of subsidiaries having a functional currency other than the US dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the year, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in the accumulated other comprehensive income (loss) included in the consolidated statements of changes in shareholders' equity.

(i) Phantom stock plan

A liability is recognized for the phantom stock plan that provides eligible participants with the right to receive cash based on the appreciation in the Company's share price between the date of grant and settlement date. Under the phantom stock plan, phantom options vest over the service period and are settled in cash. The fair value of the liability for the awards made is remeasured at each reporting date and at the settlement date.

(j) Income taxes

Income tax expense is comprised of current and deferred income taxes. It is recognized in the consolidated statements of income (loss) and comprehensive income (loss), except to the extent that the expense relates to items recognized either in other comprehensive income (loss) ("OCI") or directly in equity.

The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the date of the consolidated statement of financial position in the countries where the Company operates and generates taxable income.

A current or non-current tax liability/asset is the estimated tax payable/receivable on taxable earnings for the year, and any adjustments to taxes payable with respect to previous years.

The asset and liability method is used to account for deferred tax assets and liabilities, which arise from temporary differences between the carrying amount of assets and liabilities recognized in the consolidated statements of financial position and their corresponding tax basis. The carry forward of unused tax losses and credits are recognized to the extent that it is probable they can be used in the future.

The carrying amount of deferred income tax assets is reviewed at each financial position date and reduced to the extent it is no longer probable that the income tax asset will be recovered.

Oryx Gaming International, LLC
Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(j) Income taxes (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply when the asset or liability is recovered or settled. Both current and deferred tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted at the end of the reporting date.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax liabilities are, where permitted, offset against tax assets within the same taxable entity and tax jurisdiction.

(k) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Subsequent measurement of these assets and liabilities is at either fair value or amortized cost using the effective interest method, depending on their classification.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are included in the initial carrying value of the related financial assets or financial liabilities and amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are classified depending on the purpose for which the financial instruments were acquired or issued, its characteristics and the Company's designation of such instruments. Classification choices for financial instruments includes: (i) held-to-maturity, loans and receivables, (iii) fair value through profit or loss, (iv) available-for-sale, or (v) other financial liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

<u>Asset/Liability</u>	<u>Classification</u>	<u>Measurement</u>
Cash	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Due from shareholder	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to shareholder	Other financial liabilities	Amortized cost
Phantom stock liability	Other financial liabilities	Fair value through profit or loss
Long-term debt	Other financial liabilities	Amortized cost

Fair value through profit or loss ("FVTPL")

FVTPL financial instruments are financial assets or financial liabilities that are held for trading or designated as such on initial recognition. Financial instruments are classified as held for trading when acquired or incurred principally for the purpose of selling or repurchasing in the near term or for those meeting the definition of a derivative.

Oryx Gaming International, LLC
Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(k) Financial instruments (continued)

They are measured at fair value at the statement of financial position date. Interest earned, gains and losses realized on disposal and unrealized gains and losses from the change in fair value are recorded as part of operating expenses in the consolidated statement of income (loss) and comprehensive income (loss). As at December 31, 2017, the Company issued \$439,002 in financial instruments (\$285,521 at December 31, 2016 and \$13,612 at January 1, 2016) classified as FVTPL.

Held-to-maturity ("HTM") and available-for-sale ("AFS")

HTM financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity, other than loans and receivables that an entity has the intention and ability to hold to maturity. These financial assets are measured at amortized cost using the effective interest method.

Held-to-maturity ("HTM") and available-for-sale ("AFS")

AFS financial assets are those non-derivative financial assets that are designated as AFS or that are not classified as loans and receivables, HTM or FVTPL. AFS financial assets are carried at fair value with unrealized gains and losses included in other comprehensive income (loss) until realized, when the cumulative gain or loss is transferred to the statement of income (loss) and comprehensive income (loss) and presented within gain or loss on financial instruments.

The Company did not hold any HTM or AFS assets in any period presented.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are measured at amortized cost, using the effective interest method.

Other financial liabilities

Other financial liabilities are recognized at amortized cost using the effective interest method.

(l) Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue and expense for the year. Such estimates relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts as transactions are settled in the future. Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are applied prospectively.

The following are the critical judgments that management made in applying the Company's accounting policies and that have the most significant effect on amounts recognized in the consolidated financial statements.

Oryx Gaming International, LLC
Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(I) Critical accounting estimates and judgments (continued)

Allowance for doubtful accounts

The Company is exposed to credit risk associated with its trade receivables. Management reviews the trade receivables at each reporting date and assesses and makes an allowance for doubtful accounts when the expected recovery could be less than the actual trade receivable. The expected recovery amount can vary from the actual cash received.

Functional currency

The Company assesses the relevant factors related to the primary economic environment in which its entities operate to determine the functional currency. Where the assessment of primary indicators is mixed, Management assesses the secondary indicators, including the relationship between the foreign operations and the reporting entity.

Useful lives of property and equipment and intangible assets

The Company reviews the estimated useful lives of property and equipment and intangible assets at the end of each reporting period. The assessment of any impairment of property and equipment and intangible assets is dependent upon estimates of recoverable amounts based on the higher of fair value less cost to sell ("FVLCTS") or VIU calculation that takes into account factors such as economic conditions and the useful life.

Impairment of property and equipment and intangible assets

The Company tests whether property and equipment and intangible assets have suffered impairment in accordance with International Accounting Standard ("IAS") 36 Impairment of assets.

Management is required to use judgment in determining the grouping of assets to identify their CGUs for the purposes of testing non-financial assets for impairment. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed.

In determining the recoverable amount of an asset or a CGU or a group of CGUs, various estimates are employed. The recoverable amount of an asset or a CGU is the higher of the estimated fair value less costs of disposal or VIU of the CGU. The Company determines VIU by using estimates including projected future revenues, margins, and capital investment consistent with strategic plans presented to the Board. Fair value less costs of disposal are estimated with reference to observable market transactions. Discount rates are consistent with external industry information reflecting the risk associated with the Company and cash flows.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Oryx Gaming International, LLC

Notes to the consolidated financial statements

December 31, 2017 and 2016

(Expressed in US dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(l) Critical accounting estimates and judgments (continued)

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Deferred tax assets

The amount of deferred tax assets is estimated with consideration given to the timing, sources and amounts of future taxable income.

Fair value estimates of phantom stock liability

The estimate of the liability is measured initially at the fair value. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year. Fair value inputs to calculate the fair value of the liability is subject to market factors, as well as internal estimates.

(m) Future changes in accounting policies

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the current fiscal year, and have not been applied in preparing these consolidated financial statements. The Company is assessing the impact these new pronouncements may have on its results of operations, financial position and disclosures.

IFRS 15, "Revenue from contracts with customers" ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company will elect to use the modified retrospective approach and the Company does not expect any material adjustments upon adoption of IFRS 15.

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income (loss), rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement. The Company does not expect any material adjustments upon adoption of IFRS 9.

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2. Significant accounting policies (continued)

(m) Future changes in accounting policies (continued)

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off-statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. The Company is currently assessing the impact of this pronouncement.

(n) Newly adopted accounting standards

In January 2016, the IASB issued amendments to IAS 7, effective for annual periods beginning on or after January 1, 2017. The amendment requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary):

(i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. Amendments to IAS 7 were applied prospectively and resulted in no material impact to the Company's consolidated financial statements.

3. Trade and other receivables

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Trade receivables	2,296,695	1,889,482	1,412,690
Government remittances receivable	46,684	14,263	15,346
Allowance for doubtful accounts	(709,506)	(59,504)	(15,428)
	1,633,873	1,844,241	1,412,608

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The following is the breakdown of the trade receivables aging:

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
0 - 30 days	1,280,346	1,707,345	674,970
31 - 60 days	280,661	39,603	421,032
61 - 90 days	48,937	-	1,286
91 days and older	686,751	142,534	315,402
	2,296,695	1,889,482	1,412,690

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3. Trade and other receivables (continued)

Movements in the allowance for doubtful accounts were as follows:

	\$
Balance, January 1, 2016	15,428
Allowance for doubtful accounts	48,542
Amounts written off during the year	(3,501)
Effect of movements in foreign exchange rates	(965)
Balance, December 31, 2016	59,504
Allowance for doubtful accounts	650,509
Amounts written off during the year	(9,849)
Effect of movements in foreign exchange rates	9,342
Balance, December 31, 2017	709,506

4. Property and equipment

	Furniture and fixtures	Computer equipment	Total
	\$	\$	\$
Cost			
Balance, January 1, 2016	15,157	56,151	71,308
Additions during the year	-	34,934	34,934
Disposals during the year	(4,273)	-	(4,273)
Effect of movement in foreign exchange rates	(228)	(3,228)	(3,456)
Balance, December 31, 2016	10,656	87,857	98,513
Additions during the year	8,964	72,290	81,254
Disposals during the year	(976)	(24,799)	(25,775)
Effect of movement in foreign exchange rates	1,994	15,268	17,262
Balance, December 31, 2017	20,638	150,616	171,254
Accumulated depreciation			
Balance, January 1, 2016	11,595	29,468	41,063
Depreciation during the year	2,291	25,950	28,241
Disposals during the year	(4,273)	-	(4,273)
Effect of movement in foreign exchange rates	(233)	(2,051)	(2,284)
Balance, December 31, 2016	9,380	53,367	62,747
Depreciation during the year	1,464	38,189	39,653
Disposals during the year	(976)	(18,936)	(19,912)
Effect of movement in foreign exchange rates	1,339	8,662	10,001
Balance, December 31, 2017	11,207	81,282	92,489
Balance, January 1, 2016	3,562	26,683	30,245
Balance, December 31, 2016	1,276	34,490	35,766
Balance, December 31, 2017	9,431	69,334	78,765

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5. Intangible assets

	Computer software	Development costs	Total
	\$	\$	\$
Cost			
Balance, January 1, 2016	-	1,705,933	1,705,933
Additions during the year	-	364,622	364,622
Balance, December 31, 2016	-	2,070,555	2,070,555
Additions during the year	56,431	584,386	640,817
Effect of movement in foreign exchange rates	3,600	-	3,600
Balance, December 31, 2017	60,031	2,654,941	2,714,972
Accumulated amortization			
Balance, January 1, 2016	-	360,577	360,577
Amortization during the year	-	234,814	234,814
Balance, December 31, 2016	-	595,391	595,391
Amortization during the year	18,033	290,180	308,213
Effect of movement in foreign exchange rates	1,150	-	1,150
Balance, December 31, 2017	19,183	885,571	904,754
Balance, January 1, 2016	-	1,345,356	1,345,356
Balance, December 31, 2016	-	1,475,164	1,475,164
Balance, December 31, 2017	40,848	1,769,370	1,810,218

As at December 31, 2017, the Company had \$79,493 in intangible assets in progress and not subject to amortization (\$19,467 as at December 31, 2016 and \$0 as at January 1, 2016).

6. Due to/from shareholder

The Company has amounts payable to or receivable directly from its shareholder or a shareholders' company, the amounts are non-interest bearing and considered current. The amount due from shareholder as at December 31, 2017 is \$12,230 (due to shareholder as at December 31, 2016 of \$8,677 and due from shareholder as at January 1, 2016 of \$71,547).

Oryx Gaming International, LLC
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7. Phantom stock plan

	\$
Balance, January 1, 2016	13,612
Phantom stock expense	202,008
Revaluation expense	78,846
Effect of movements in foreign exchange rates	(8,945)
<hr/> Balance, December 31, 2016	<hr/> 285,521
Phantom stock expense	38,823
Revaluation expense	65,725
Effect of movements in foreign exchange rates	48,933
<hr/> Balance, December 31, 2017	<hr/> 439,002

The Company has a Phantom Stock Plan (the "Plan") applicable to certain key employees effective January 1, 2015. The employees are granted phantom stock which represent a percentage ownership of the company. At the date of grant, the phantom stock expense represents the liability of the Company to the employee. The amount is revalued at each reporting period and the fair value revaluation of phantom stock liability is recorded in the consolidated statements of income (loss) and comprehensive income (loss).

As at January 1, 2016, the Company had phantom stock representing 0.25% of the Company's value vested and recorded as a liability. During the year ended December 31, 2016, an additional 3.62% of the Company's value vested for a total phantom stock expense of \$202,008 and a revaluation expense as at December 31, 2016 of \$78,846. During the year ended December 31, 2017, an additional 0.38% of the Company's value vested for a total phantom stock expense of \$38,823 and a revaluation expense as at December 31, 2017 of \$65,725.

8. Long-term debt

The Company has various loan agreements that range in term of length with maturities up to 2026 and interest rates ranging up to 6%. Loans that are payable on demand are presented as current and any amounts that are settled directly through customer payment are recorded as settlement of debt. When long-term debt is settled for less than its carrying amount, a gain on settlement of debt and liabilities is recorded in the consolidated statements of income (loss) and comprehensive income (loss).

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8. Long-term debt (continued)

	Loan A	Loan B	Loan C	Loan D	Loan E	Total
	\$	\$	\$	\$	\$	\$
Balance, January 1, 2016	160,713	122,312	158,346	51,075	1,057,144	1,549,590
Additional borrowings						
during the year	353,944	96,140	13,229	-	-	463,313
Payments during the year	-	(50,931)	-	-	(97,230)	(148,161)
Settlement of debt	-	-	(174,680)	-	-	(174,680)
Gain on the settlement of debt	-	-	-	(52,077)	-	(52,077)
Effect of movements in foreign exchange rates	(4,543)	(5,581)	3,105	1,002	(444)	(6,461)
Balance, December 31, 2016	510,114	161,940	-	-	959,470	1,631,524
Additional borrowings						
during the year	-	125	-	-	-	125
Payments during the year	(10,917)	(94,928)	-	-	(28,879)	(134,724)
Settlement of debt	-	-	-	-	(912,935)	(912,935)
Gain on the settlement of debt	-	-	-	-	(18,909)	(18,909)
Gain on extinguishment of debt	(63,469)	-	-	-	-	(63,469)
Accretion	6,286	-	-	-	-	6,286
Effect of movements in foreign exchange rates	66,719	16,511	-	-	1,253	84,483
Balance, December 31, 2017	508,733	83,648	-	-	-	592,381
Balance, January 1, 2016						
Current portion	160,713	122,312	158,346	51,075	1,057,144	1,549,590
Non-current portion	-	-	-	-	-	-
Balance, December 31, 2016						
Current portion	160,713	75,974	-	-	959,470	1,196,157
Non-current portion	349,401	85,966	-	-	-	435,367
Balance, December 31, 2017						
Current portion	72,356	83,648	-	-	-	156,004
Non-current portion	436,377	-	-	-	-	436,377

Loan A – As at January 1, 2016, Loan A has an interest rate of 6% per annum. The amount is classified as current as the balance is due on demand. During the year ended December 31, 2016, \$353,944 of outstanding accounts payable of the Company was restructured to a loan which has a 5% interest rate per annum, with principal and interest repayment to be fully paid by December 31, 2026.

During year ended December 31, 2017, the Company restructured the loans which resulted in an extinguishment of the existing two loans. The restructured loans are unsecured maturing September 1, 2019 and July 1, 2022, and bear interest of 3.0% and 0.0% per annum, respectively. As a result of restructuring of the two loans, the Company recorded a gain on extinguishment of debt in the amount of \$63,469. During the year ended December 31, 2017, the Company also repaid \$10,917 of the outstanding loans and incurred interest accretion expense in the amount of \$6,286. During the year ended December 31, 2017, the Company incurred interest expense of \$21,634 (2016 - \$9,832).

Loan B – As at January 1, 2016, the Company has a revolving bank loan with an interest rate of 5% per annum. During year ended December 31, 2016, the Company borrowed additional funds in the amount of \$96,140. On May 27, 2016, the Company amended the terms of the revolving loan which requires 31 monthly principal payments in the amount of Euro 6,000 and

Oryx Gaming International, LLC
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8. Long-term debt (continued)

the final instalment in the amount of Euro 3,468, which is due on December 15, 2018. The bank loan bears interest of 5.0% per annum and is guaranteed by the sole shareholder.

During the year ended December 31, 2017, the Company repaid \$94,928 (2016 - \$50,931) of the outstanding loan and incurred interest expense of \$6,362 (2016 - \$12,999).

Loan C – The Company had an outstanding bank loan as at January 1, 2016, which was fully payable on January 31, 2016. The bank loan was sold to the sole shareholder of the Company after which the loan was settled through offsetting amounts due from the sole shareholder and a wholly owned company. The remaining difference was taken to due from shareholder. During the year ended December 31, 2016, the Company incurred interest expense in the amount of \$13,594.

Loan D – As at January 1, 2016, the loan relates to a third-party obligation of the Company that was relieved through a legal discharge during the year ended December 31, 2016, resulting in a gain on settlement of debt in the amount of \$52,077.

Loan E – In 2014, the Company purchased an intellectual property from a third party for which the Company had an obligation outstanding as at January 1, 2016 in the amount of \$1,035,426.

During 2017, the Company repaid \$28,879 (2016 - \$93,612) of the outstanding obligation and then entered into an offsetting agreement with the lender where the Company assigned its rights to accounts receivable from a customer to the lender in the amount of \$912,935 to settle the outstanding obligation in full.

The Company also had another obligation with the same third party as at January 1, 2016 in the amount of \$21,718. During year ended December 31, 2017, the Company repaid \$Nil (2016 - \$3,618) of the outstanding obligation and recorded a gain on settlement of debt in the amount of \$18,909, which represents the difference between the outstanding obligation and the accounts receivable amounts assigned to settle the obligation as discussed above.

9. Income taxes

(a) Income tax recognized in the statements of income (loss) and comprehensive income (loss) income

The components of the income tax expense are as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
	\$	\$
Current tax		
In respect of the current year expense	169,793	25,892
Deferred tax		
In respect of the current year (recovery) expense	124,739	(17,624)
Total income tax expense recognized in the year	294,532	8,268

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9. Income taxes (continued)

(b) Rate reconciliation

The income tax expense can be reconciled to the accounting net income as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
	\$	\$
Income before income taxes	281,071	593,276
Income tax expense		
calculated at 13.2% and 9.8%	37,195	58,083
(Income) loss not subject to tax	112,571	(39,001)
Effect of expenses that are not deductible in determining taxable profit	4,160	2,464
Difference in foreign tax rates	127,756	5,917
Effect of movements in foreign exchange rates	12,850	(4,685)
Other	-	(14,510)
Total income tax expense	294,532	8,268

The tax rate represents the enacted tax rate applicable to a permanent establishment in Slovenia and Malta. The income or loss of the limited liability company for income tax purposes, along with any associates tax credits, is the responsibility of the individual shareholder. For the limited liability company, no income tax provision is reflected on the consolidated financial statements.

(c) Deferred tax assets

The following is the analysis of deferred tax assets (liabilities) presented in the consolidated statements of financial position.

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Deferred tax asset			
Non-capital losses carry forward	52,551	155,098	139,178
Deferred tax liability			
Property and equipment	(15,089)	(5,745)	(2,765)
Deferred tax asset	37,462	149,353	136,413

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9. Income taxes (continued)

Below is the movement of the deferred tax assets (liabilities) during the year.

	\$
Balance, January 1, 2016	136,413
Deferred tax recovery on the statements of income (loss)	17,624
Deferred tax expense on comprehensive income (loss)	(4,684)
Balance, December 31, 2016	149,353
Deferred tax expense on the statements of income (loss)	(124,739)
Deferred tax recovery on comprehensive income (loss)	12,848
Balance, December 31, 2017	37,462

10. Share capital

Authorized

The Company is a limited liability corporation and its stated share capital is allocated 100% to its sole shareholder as at as at December 31, 2017, December 31, 2016 and January 1, 2016.

11. Financial instruments and risk management

Financial risk management objectives

As a result of holding and issuing financial instruments, the Company is exposed to liquidity, credit, market, interest and foreign currency risks. The following provides a description of these risks and how the Company manages these exposures.

Fair value

The fair values of all financial assets and liabilities approximate their carrying values either as a result of their short-term nature or their variable rate nature.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's principal financial assets that expose it to credit risk are trade receivable and the Company mitigates this risk by monitoring the credit worthiness of its customers.

The Company provides credit to its customers in the normal course of its operations. The amounts disclosed in the statement of financial position represent the maximum credit risk and are net of allowance for doubtful accounts, based on management's estimates taking into account the Company's prior experience and its assessment of the current economic environment. As at December 31, 2017, 50% of trade receivable is due from three customers (As at December 31, 2016, 77% of trade receivable was due from three customers and as at January 1, 2016, 81% of trade receivables was due from three customers).

Two customers contributed 10% or more to the Company's revenue for the year ended December 31, 2017 (Two customers for the year ended 2016).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

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11. Financial instruments and risk management (continued)

Market risk

Market risk is the risk that the value of the Company's financial instruments will fluctuate due to changes in the market risk factors. The market risk factors that affect the Company are foreign currency rates and interest rates.

Foreign currency risk

The Company undertakes sales and purchase transactions in foreign currencies and therefore is subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company does not use any derivative financial instruments to reduce its exposure to foreign currency risk.

The statement of financial position includes the following amounts with respect to financial assets and liabilities for which cash flows are originally denominated in foreign currencies, expressed in U.S. dollars:

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Cash	65,706	13,197	-
Trade receivables and other	1,413,709	613,884	303,390
Accounts payable and accrued liabilities	1,501,189	757,801	1,256,402
Long-term debt	592,382	689,709	514,164
Deferred revenue	-	-	10,859

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately \$61,400 (\$82,000 in 2016) due to the fluctuation and this would be recorded in the consolidated statements of income (loss) and comprehensive income (loss).

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(Expressed in US dollars except for share and per share amounts)

11. Financial instruments and risk management (continued)

Liquidity risk

The Company monitors and manages its liquidity to ensure that it has access to sufficient funds to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2017 and 2016, the most significant financial liabilities are: accounts payables and accrued liabilities and long-term debt.

December 31, 2017	Due within 1 year	Due within 2 - 4 years	Due 5 years or more
	\$	\$	\$
Accounts payable and accrued liabilities	1,749,042	-	-
Current taxes payable	169,914	-	-
Long-term debt	159,387	415,961	77,865
Phantom stock liability	439,002	-	-

Management of capital

The Company has implemented various capital policies, procedures and processes that are utilized to achieve its capital management objectives. These include optimizing the cost of capital and maximizing shareholder return while balancing the interests of stakeholders. The Company's capital is composed of shareholders' equity and long-term debt, which assist in financing working capital requirements. The Company's primary uses of capital are financing its operations. The Company currently funds these requirements from cash flows from operating activities. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity so it can provide services to its customers and increase shareholder value.

12. Key management remuneration

The remuneration of key management personnel during the respective fiscal periods were as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
	\$	\$
Salaries & benefits	461,308	276,943
Phantom stock plan	-	163,090

Oryx Gaming International, LLC
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(Expressed in US dollars except for share and per share amounts)

13. Commitments

The Company is obligated under various leases for premises as follows:

	\$
2018	97,667
2019	97,667
2020	6,203
	201,537

For the year ended December 31, 2017, the cost of operating leases recorded as an expense was \$77,760 (year ended December 31, 2016 - \$36,219).

14. Segment information

The Company has one reportable segment, which provides gaming solutions in the iGaming industry and this single reportable operating segment derives its revenues from the sale of such services.

The Company operates in three principal geographical areas, Slovenia, Malta and the United States of America ("USA").

The Company's revenue from external customers by location and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Property and equipment		
	2017	2016	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$	\$	\$
Slovenia	1,407,496	1,949,677	78,765	35,766	30,245
Malta	3,840,543	1,717,540	-	-	-
USA	1,396,386	910,651	-	-	-
	6,644,425	4,577,868	78,765	35,766	30,245

	Intangible assets		
	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Slovenia	40,848	-	-
USA	1,769,370	1,475,164	1,345,356
	1,810,218	1,475,164	1,345,356

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14. Segment information (continued)

	Deferred tax assets		
	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Slovenia	(15,089)	121,281	136,413
Malta	52,551	28,072	-
	37,462	149,353	136,413

15. First-time adoption of IFRS

The Company's significant accounting policies as presented in Note 2, Significant accounting policies, have been applied in preparing the financial statements for the year ended December 31, 2017, the comparative information for the year ended December 31, 2016 and the opening statement of financial position as at January 1, 2016, the IFRS transition date.

The Company has applied IFRS 1 - First-time Adoption of IFRS in preparing the statement of financial position as at January 1, 2016. The effects of the changeover to IFRS on equity and income (loss) and comprehensive income (loss) are presented in this note.

Prior to January 1, 2016, the Company's financial statements were prepared in accordance with Generally Accepted Accounting Principles of the United States of America ("US GAAP").

Exemptions applied

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1, the standards are applied retrospectively at the opening statement of financial position date with all adjustments to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated January 1, 2016:

(a) Share-based payments

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 - Share-based Payments to equity instruments that were granted on or before the date of transition. For cash-settled share-based payment transactions, the Company has not applied IFRS 2 to liabilities that were settled before January 1, 2016. IFRS 2 will be applied prospectively and only to equity instruments unvested at the transition date.

(b) Leases

IAS 17 - Leases discussed the new treatment of leases and the new criteria to determine whether they are operating or finance in nature. Furthermore, IFRIC 4 - Determining Whether An Arrangement Contains a Lease provides guidance to first-time adopters as to how to determine whether certain arrangement contain a lease portion to it. First-time adoption of IFRS requires applying IAS 17 by determining (i) whether an arrangement contains a lease (IFRIC 4), and (ii) whether that lease is a finance or operating lease. The Company has taken the IFRS 1 election and will treat the application provisions prospectively.

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15. First-time adoption of IFRS (continued)

(c) Cumulative translation differences

IAS 21 – The effects of changes in foreign exchange rates requires the Company to recognise some translation differences in other comprehensive income (loss) and accumulate these in a separate component of equity. However, as a first-time adopter, the Company has applied the exemption and has deemed the cumulative translation differences for all foreign operations to be zero at the date of transition to IFRSs and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRSs and shall include later translation differences.

(d) Business Combinations

IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates and joint ventures that occurred before January 1, 2016. Use of this exemption means that the carrying amounts of assets and liabilities, that are required to be recognised under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Company did not recognise or exclude any previously recognised amounts as a result of IFRS recognition requirements.

Mandatory exceptions

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2016:

(a) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with previous estimates made for the same date under US GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2016 are consistent with its US GAAP estimates for the same date.

(b) Deemed cost

The Company elected not to use fair value as deemed cost as at January 1, 2016 for property and equipment.

Reconciliation of equity

No differences were noted with regards to total equity under US GAAP and the amount reported under IFRS as at January 1, 2016 and as at December 31, 2016 and no differences were noted with regards to income (loss) and comprehensive income (loss) under US GAAP and the amount reported under IFRS for the year ended December 31, 2016.

Condensed unaudited interim consolidated financial statements of
Oryx Gaming International, LLC
For the three and six-month periods ended June 30, 2018 and 2017
(Expressed in United States dollars)

Oryx Gaming International, LLC

For the three and six-month periods ended June 30, 2018 and 2017

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Oryx Gaming International, LLC**Condensed Unaudited Interim Consolidated Statements of Financial Position**

(Expressed in US dollars except for share and per share amounts)

	Notes	As at June 30, 2018	As at December 31, 2017
		\$	\$
Assets			
Current assets			
Cash		298,736	68,024
Trade and other receivables, net	5	3,294,433	1,633,873
Due from shareholder	8	12,016	12,230
Prepaid expenses		34,336	38,703
		3,639,521	1,752,830
Non-current assets			
Property and equipment	6	103,054	78,765
Intangible assets	7	1,976,660	1,810,218
Deferred tax asset		-	37,462
Total Assets		5,719,235	3,679,275
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,559,184	1,749,042
Current taxes payable		146,855	169,914
Deferred revenue		-	122,941
Phantom stock liability	9	438,960	439,002
Current portion of long-term debt	10	138,174	156,004
		3,283,173	2,636,903
Non-current liabilities			
Long-term debt	10	375,309	436,377
Total Liabilities		3,658,482	3,073,280
Equity			
Share capital	11	1,000	1,000
Accumulated other comprehensive loss		(33,348)	(107,783)
Retained earnings		2,093,101	712,778
		2,060,753	605,995
		5,719,235	3,679,275

The accompanying notes are an integral part of the condensed unaudited interim consolidated financial statements.

Oryx Gaming International, LLC

Condensed Unaudited Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in US dollars except for share and per share amounts)

	Notes	Three month period ended June 30, 2018	Three month period ended June 30, 2017	Six month period ended June 30, 2018	Six month period ended June 30, 2017
		\$	\$	\$	\$
Revenue		5,517,590	996,166	9,492,725	1,847,066
Cost of sales		1,529,582	76,156	3,549,019	280,688
Gross profit		3,988,008	920,010	5,943,706	1,566,378
Expenses					
Salaries and wages		954,320	363,675	1,672,976	713,988
Development expenses		20,930	38,199	43,283	116,505
Professional fees		751,673	97,085	1,193,147	187,582
Bad debt expense		91,727	-	91,679	-
Hosting fees		163,302	35,528	162,383	-
General and administrative		380,142	105,788	703,929	245,841
Rent expense		21,970	16,472	43,961	26,943
Travel expenses		-	26,866	-	27,231
Phantom stock plan	9	-	7,488	-	14,977
Amortization and depreciation	6,7	102,031	85,198	202,694	163,960
Interest and bank charges		23,132	8,645	35,339	16,245
Foreign exchange (gain) loss		(2,906)	317	50,917	360
Income before income taxes		1,481,687	134,749	1,743,398	52,746
Income tax expense					
Current		17,098	78,069	68,174	29,384
Deferred		-	57,354	36,553	21,587
Net income (loss) for the period		1,464,589	(674)	1,638,671	1,775
Other comprehensive income (loss)					
Foreign currency translation adjustment		(28,461)	6,385	74,435	(7,829)
Net income (loss) and comprehensive income (loss) for the period		1,436,128	5,711	1,713,106	(6,054)

The accompanying notes are an integral part of the condensed unaudited interim consolidated financial statements.

Oryx Gaming International, LLC
Condensed Unaudited Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in US dollars except for share and per share amounts)

Notes	Share capital	Accumulated other comprehensive income (loss)	Retained earnings	Total shareholders' equity
	\$	\$	\$	\$
Balance as at January 1 , 2018	1,000	(107,783)	712,778	605,995
Net income for the period	—	—	1,638,671	1,638,671
Dividends paid	—	—	(258,348)	(258,348)
Other comprehensive income	—	74,435	—	74,435
Balance as at June 30, 2018	1,000	(33,348)	2,093,101	2,060,753
	\$	\$	\$	\$
Balance as at January 1 , 2017	1,000	33,938	726,239	761,177
Net income for the period	—	—	1,775	1,775
Other comprehensive loss	—	(7,829)	—	(7,829)
Balance as at June 30, 2017	1,000	26,109	728,014	755,123

The accompanying notes are an integral part of the condensed unaudited interim consolidated financial statements.

Oryx Gaming International, LLC

Condensed Unaudited Interim Consolidated Statements of Cash Flows

(Expressed in US dollars except for share and per share amounts)

		Six month period ended June 30, 2018	Six month period ended June 30, 2017
	Notes	\$	\$
Operating activities			
Net income for the period		1,638,671	1,775
Adjustments to net income for non-cash items:			
Depreciation of property and equipment	6	19,984	15,250
Amortization of intangible assets	7	182,710	148,710
Interest and bank charges		35,339	16,245
Bad debt expense		91,679	—
Phantom stock expense		—	14,977
Unrealized foreign exchange loss		74,400	(28,129)
Income tax expense		104,727	50,971
Interest and bank charges paid		(38,414)	(16,419)
Income taxes paid		(92,176)	(55,801)
Changes in non-cash working capital			
Trade and other receivables		(1,832,770)	1,137,752
Due from shareholder		214	(8,703)
Prepaid expenses		3,273	(21,007)
Accounts payable and accrued liabilities		858,321	(821,614)
Due to shareholder		—	4,615
Deferred revenue		(122,941)	(4,776)
		923,017	433,846
Investing activities			
Purchase of property and equipment	6	(53,169)	(34,985)
Purchase of intangible assets	7	(340,584)	(344,233)
		(393,753)	(379,218)
Financing activities			
Dividends paid	12	(258,348)	—
Repayment of long-term debt	10	(73,901)	(51,059)
		(332,249)	(51,059)
Effect of foreign exchange rate changes on cash		33,697	(9,896)
Increase (decrease) in cash		230,712	(6,327)
Cash, beginning of period		68,024	35,384
Cash, end of period		298,736	29,057

The accompanying notes are an integral part of the condensed unaudited interim consolidated financial statements.

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

1. Description of the business

Oryx Gaming International, LLC (the "Company") is a leading turnkey solutions provider offering software and services for the iGaming industry. The Company offers exclusive gaming content along with omni-channel products that can be easily integrated with third party services, games and networks. The Company is headquartered at 1810 E Sahara Ave, Suite 556, Las Vegas, NV, 89104.

2. Basis of preparation

Basis of presentation and statement of compliance

The Company prepares its condensed unaudited interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") using the accounting policies described herein as issued by International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. These condensed unaudited interim consolidated financial statements are in compliance with International Financial Reporting Standards 34 "Interim Financial Reporting" (IAS 34). The condensed unaudited interim consolidated financial statements do not include all of the information required for annual audited consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2017.

These condensed unaudited interim consolidated financial statements include the accounts of the Company and the subsidiaries over which the Company has control. The condensed unaudited interim consolidated financial statements are prepared on a going concern basis, under the historical cost convention except for the revaluation of certain financial assets and liabilities to fair value. All financial information is presented in US dollars, unless otherwise noted.

This is the first set of the Company's condensed unaudited interim consolidated financial statements where IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" have been applied. The changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2017 are described in note 4.

These consolidated financial statements were approved by the Board of Directors on September 13, 2018.

3. Accounting standards adopted on January 1, 2018

The following accounting standards came into effect and were adopted on January 1, 2018:

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 *Financial Instruments* issued in July 2014 with a date of initial application of January 1, 2018.

IFRS 9 contains three principle classifications for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL") and eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Classification of financial assets under IFRS 9 is generally based on business model and its contractual cash flow characteristics.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model and applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI.

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

3. Accounting standards adopted on January 1, 2018 (continued)

IFRS 9 Financial Instruments (continued)

IFRS 9 does not apply to investments under equity instruments where IAS 39 still applies. Under the ECL model, credit losses are recognised earlier under IFRS 9 when compared to IAS 39. Adoption of IFRS 9 did not change the Company's accounting policies for financial liabilities.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financials assets and financial liabilities as at January 1, 2018. Adoption of IFRS 9 did not change the carrying value of the Company's financial assets and liabilities.

Financial Asset/Liability	Original classification under IAS 39	New classification under IFRS9	Carrying value under IAS 39 and IFRS 9
Cash	Loans and receivables	Amortized cost	68,024
Trade and other receivables, net	Loans and receivables	Amortized cost	1,633,873
Due from shareholder	Loans and receivables	Amortized cost	12,230
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	1,749,042
Phantom stock liability	FVTPL	FVTPL	439,002
Long-term debt	Other financial liabilities	Amortized cost	592,381

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated (see note 4) and applied from January 1, 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The Company has adopted IFRS 9 retrospectively, and the adoption of IFRS 9 did not result in any transition adjustments being recognized as at January 1, 2018.

The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ended December 31, 2018.

IFRS 15 Revenue from Contracts with Customers

The Company has adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of January 1, 2018. IFRS 15 includes a single, five-step revenue recognition model that requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services. The standard requires more informative, relevant disclosures and supersedes IAS 11 *Construction Contracts* and IAS 18 *Revenue* as well as various IFRIC and SIC interpretations regarding revenue.

In accordance with the transition provisions in IFRS 15, the Company has adopted the new rules using the modified retrospective approach where the cumulative effect of initially applying IFRS 15 is recognized as an adjustment to the opening balance of retained earnings at January 1, 2018. Under this method IFRS 15 is only applied to contracts that are not completed at January 1, 2018. The Company has determined that no adjustment to the opening balance of retained earnings at January 1, 2018 is required on adoption of IFRS 15.

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

3. Accounting standards adopted on January 1, 2018 (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

As a result of the adoption of IFRS 15, the Company's accounting policies for revenue from contracts with customers have been updated and applied from January 1, 2018. Changes of accounting policies can be found in note 4.

Standards issued but not yet effective

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off-statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. The Company is currently assessing the impact of this pronouncement.

4. Accounting policies

This note explains the impact of the adoption of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on the Company's condensed unaudited interim consolidated financial statements and discloses the accounting policies that have been applied from January 1, 2018, where they are different to those applied in prior periods.

As a result of changes in the Company's accounting policies, the Company has determined that prior year financial statements need not be restated.

IFRS 9 Financial Instruments

(a) Financial assets and liabilities

Financial assets are initially measured at fair value. On initial recognition, the Company classifies its financial assets at either amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), depending on its business model and its contractual cash flow characteristics. Financial assets are not reclassified after initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions: a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Adoption of IFRS 9 did not change the Company's accounting policies for financial liabilities.

(b) Impairment of financial assets

The Company has applied a simplified approach to providing for expected credit losses permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade and other receivables. Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due under the contract and actual cash flows that the Company expects to receive. The expected cash flows reflect all available information, including the Company's historical experience, the past due status, and forward-looking economic factors.

Expected credit losses were calculated by applying a historical loss rate of trade receivables to the balance on the reporting date less balances that had already been provided for. The calculated incremental loss allowance was determined to be immaterial therefore no adjustments have been made on adoption of IFRS 9.

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

4. Accounting policies (continued)

IFRS 9 Financial Instruments (continued)

(c) Impairment of financial assets (continued)

While cash and cash equivalents are also subject to the requirements of IFRS 9, the Company has determined that the credit risk of these financial instruments has not increased significantly since initial recognition and impairment losses were determined to be immaterial.

IFRS 15 Revenue from Contracts with Customers

The Company has adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of January 1, 2018.

The Company recognises revenue under IFRS 15 following five steps:

- (1) Identification of the agreement with the customer;
- (2) Identification of the contractual obligations of transferring goods and/or services to a customer ("performance obligation");
- (3) Determination of the transaction price;
- (4) Allocation of the transaction price to the performance obligations identified on the basis of the stand-alone sales price of each good or service; and
- (5) Identification of the revenue when the related performance obligation is met

The Company has disclosed its disaggregated revenues from contracts with customers in note 16 *Segment information* classified into the following categories; Oryx games, software platform licensing, and turnkey and management services.

Oryx games

Revenue is recognized once the Company's software product is ready for use and delivered to the customer. It is at this point where the Company's performance obligation is met.

Software platform licensing

The Company charges a platform licensing fee on a monthly basis which is linked to revenues a customer earns from utilizing the Company's software platform in that period. The Company's revenue is therefore linked to the revenue of the underlying customer, i.e. the subsequent sale. The Company recognize revenue once the customer has earned the revenue from the subsequent sale/services as this is the point where the performance obligation is satisfied.

Turnkey and management services

The Company charges a fixed monthly management fee for its services in the month in which the services are provided, and performance obligations are met. Therefore, revenue is recognized as it is billed.

Based upon the revenue recognition methodology described above, the Company has determined that application of IFRS 15 on January 1, 2018 has not had an impact on the condensed unaudited interim consolidated statement of income (loss) and comprehensive income (loss).

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

5. Trade and other receivables

	June 30, 2018	December 31, 2017
	\$	\$
Trade receivables	4,006,568	2,296,695
Government remittances receivable	82,742	46,684
Expected credit loss provision	(797,187)	(709,506)
Other receivables	2,310	-
	3,294,433	1,633,873

Upon adoption of IFRS 9 *Financial Instruments* on January 1, 2018, the Company has recognized a provision for expected losses based on its assessment of probability of specific losses, estimates of future individual exposures and provisions based on historical experience.

The following is the breakdown of the aging of trade receivables:

	June 30, 2018	December 31, 2017
	\$	\$
Current (1-30 days)	2,849,961	1,280,346
31-60 days past due	105,401	280,661
61-90 past days due	21,042	48,937
More than 90 days past due	1,030,164	686,751
	4,006,568	2,296,695

Movement in the expected credit loss provision is as follows:

	\$
Balance, January 1, 2017	59,504
Expected credit losses	650,509
Amounts written off during the year	(9,849)
Effect of movements in foreign exchange rates	9,342
Balance, December 31, 2017	709,506
Change in expected credit losses	70,021
Effect of movements in foreign exchange rates	17,660
Balance, June 30, 2018	797,187

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

6. Property and equipment

	Furniture and fixtures	Computer equipment	Total
	\$	\$	\$
Cost			
Balance, January 1, 2017	10,656	87,857	98,513
Additions during the year	8,964	72,290	81,254
Disposals during the year	(976)	(24,799)	(25,775)
Effect of movement in foreign exchange rates	1,994	15,268	17,262
Balance, December 31, 2017	20,638	150,616	171,254
Additions during the period	3,765	49,404	53,169
Effect of movement in foreign exchange rates	(1,016)	(9,188)	(10,204)
Balance, June 30, 2018	23,387	190,832	214,219
Accumulated depreciation			
Balance, January 1, 2017	9,380	53,367	62,747
Depreciation during the year	1,464	38,189	39,653
Disposals during the year	(976)	(18,936)	(19,912)
Effect of movement in foreign exchange rates	1,339	8,662	10,001
Balance, December 31, 2017	11,207	81,282	92,489
Depreciation during the period	1,289	18,695	19,984
Effect of movement in foreign exchange rates	(154)	(1,154)	(1,308)
Balance, June 30, 2018	12,342	98,823	111,165
Balance, December 31, 2017	9,431	69,334	78,765
Balance, June 30, 2018	11,045	92,009	103,054

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

7. Intangible assets

	Computer software	Development costs	Total
	\$	\$	\$
Cost			
Balance, January 1, 2017	-	2,070,555	2,070,555
Additions during the year	56,431	584,386	640,817
Effect of movement in foreign exchange rates	3,600	-	3,600
Balance, December 31, 2017	60,031	2,654,941	2,714,972
Additions during the period	-	340,584	340,584
Effect of movement in foreign exchange rates	(1,677)	7,441	5,764
Balance, June 30, 2018	58,354	3,002,966	3,061,320
Accumulated amortization			
Balance, January 1, 2017	-	595,391	595,391
Amortization during the period	18,033	290,180	308,213
Effect of movement in foreign exchange rates	1,150	-	1,150
Balance, December 31, 2017	19,183	885,571	904,754
Amortization during the period	14,565	168,145	182,710
Effect of movement in foreign exchange rates	(566)	(2,238)	(2,804)
Balance, June 30, 2018	33,182	1,051,478	1,084,660
Balance, December 31, 2017	40,848	1,769,370	1,810,218
Balance, June 30, 2018	25,172	1,951,488	1,976,660

As at June 30, 2018, the Company had \$129,556 in intangible assets, which were in progress and not subject to amortization (December 31, 2017 - \$19,467).

8. Due from shareholder

The Company has amounts due from its shareholder or a shareholders' company, the amounts are non-interest bearing and considered current. The amount due from its shareholder as at June 30, 2018 is \$12,016 (December 31, 2017 - \$12,230).

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

9. Phantom stock plan

	\$
Balance, January 1, 2017	285,521
Phantom stock expense	38,823
Revaluation expense	65,725
Effect of movements in foreign exchange rates	48,933
<hr/>	
Balance, December 31, 2017	439,002
Effect of movements in foreign exchange rates	(42)
<hr/>	
Balance, June 30, 2018	438,960

The Company has a Phantom Stock Plan (the "Plan") applicable to certain key employees effective January 1, 2015. The employees are granted phantom stock which represent a percentage ownership of the Company. At the date of grant, the phantom stock expense represents the liability of the Company to the employee. The amount is revalued at each reporting period and the fair value revaluation of phantom stock liability is recorded in the condensed unaudited interim consolidated statements of income (loss) and comprehensive income (loss).

During the three and six-months period ended June 30, 2018, no additional value vested for phantom stock plan. During the three and six-month periods ended June 30, 2017, the Company recorded phantom stock expense of \$7,488 and \$14,977, respectively.

10. Long-term debt

The Company has various loan agreements that range in length of term with maturities up to 2026 and interest rates ranging up to 6.0%. Loans that are payable on demand are presented as current and any amounts that are settled directly through customer payment are recorded as settlement of debt. When long-term debt is settled for less than its carrying amount, a gain on settlement of debt and liabilities is recorded in the condensed unaudited interim consolidated statements of income (loss) and comprehensive income (loss).

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

10. Long-term debt (continued)

	Loan A	Loan B	Loan C	Total
	\$	\$	\$	\$
Balance, January 1, 2017	510,114	161,940	959,470	1,631,524
Additional borrowings during the year	-	125	-	125
Payments during the year	(10,917)	(94,928)	(28,879)	(134,724)
Settlement of debt	-	-	(912,935)	(912,935)
Gain on the settlement of debt	-	-	(18,909)	(18,909)
Gain on extinguishment of debt	(63,469)	-	-	(63,469)
Accretion	6,286	-	-	6,286
Effect of movements in foreign exchange rates	66,719	16,511	1,253	84,483
Balance, December 31, 2017	508,733	83,648	-	592,381
Payments during the period	(31,672)	(42,229)	-	(73,901)
Accretion	11,719	-	-	11,719
Effect of movements in foreign exchange rates	(14,507)	(2,209)	-	(16,716)
Balance, June 30, 2018	474,273	39,210	-	513,483
<hr/>				
Balance, December 31, 2017				
Current portion	72,356	83,648	-	156,004
Non-current portion	436,377	-	-	436,377
Balance, June 30, 2018				
Current portion	98,964	39,210	-	138,174
Non-current portion	375,309	-	-	375,309

Loan A – During year ended December 31, 2017, the Company restructured its debt which resulted in an extinguishment of the existing two loans. The restructured loans are unsecured maturing September 1, 2019 and July 1, 2022, and bear interest of 3.0% and 0.0% per annum, respectively. As a result of restructuring of the two loans in 2017, the Company recorded a gain on extinguishment of debt in the amount of \$63,469. During the six months ended June 30, 2018, the Company also repaid \$31,672 (Year ended December 31, 2017 - \$10,917) of the outstanding loans. During the three and six-month periods ended June 30, 2018, the Company incurred accretion expense of \$5,790 and \$11,719 (Three and six-month periods ended June 30, 2017 - \$nil and \$nil, respectively). During the three and six-month periods ended June 30, 2018, the Company incurred interest expense of \$570 and \$1,140 (three and six-month periods ended June 30, 2017 - \$7,247 and \$14,494, respectively).

Loan B – As at January 1, 2016, the Company has a revolving bank loan with an interest rate of 5.0% per annum. During the year ended December 31, 2016, the Company amended the terms of the revolving loan which requires 31 monthly principal payments in the amount of Euro 6,000 and the final instalment in the amount of Euro 3,468, which is due on December 15, 2018 and is guaranteed by the sole shareholder.

During the six-month period ended June 30, 2018, the Company repaid \$42,229 (Year ended December 31, 2017 - \$94,928) of the outstanding loan. During the three and six-month periods ended June 30, 2018, the Company incurred interest expense of \$1,100 and \$2,526, respectively (three and six-month periods ended June 30, 2017 - \$1,591 and \$3,181, respectively).

Loan C – In 2014, the Company purchased an intellectual property from a third party for which the Company had an obligation outstanding as at January 1, 2016 in the amount of \$1,035,426.

During 2017, the Company repaid \$28,879 of the outstanding obligation and then entered into an offsetting agreement with the lender where the Company assigned its rights to accounts receivable from a customer to the lender in the amount of \$912,935 to settle the outstanding obligation in full.

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

10. Long-term debt (continued)

The Company also had another obligation with the same third party as at January 1, 2016 in the amount of \$21,718. During year ended December 31, 2017, the Company recorded a gain on settlement of debt in the amount of \$18,909, which represents the difference between the outstanding obligation and the accounts receivable amounts assigned to settle the obligation as discussed above.

11. Share capital

Authorized

The Company is a limited liability corporation and its stated share capital is allocated 100% to its sole shareholder as at June 30, 2018 and December 31, 2017.

12. Dividends

Ordinary shares

During the three and six-month periods ended June 30, 2018, the Company declared an interim dividend in the amount of \$nil and \$258,348 (Three and six-month periods ended June 30, 2017 - \$nil and \$nil, respectively). The dividends declared were paid in full on April 24, 2018.

13. Financial instruments and risk management

Financial risk management objectives

As a result of holding and issuing financial instruments, the Company is exposed to liquidity, credit, market, interest and foreign currency risks. The following provides a description of these risks and how the Company manages these exposures.

Fair value

The fair values of all financial assets and liabilities approximate their carrying values either as a result of their short-term nature or their variable rate nature.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's principal financial assets that expose it to credit risk are trade and other receivables and the Company mitigates this risk by monitoring the credit worthiness of its customers.

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit loss provision is based on the company's historical collections and loss experience and incorporates forward-looking factors, where appropriate. The provision matrix below shows the expected credit loss rate for each aging category of trade receivables.

	Current (1 - 30 days)	Aged 31 - 60 days	Aged 61 - 90 days	Aged > 90 days
	\$	\$	\$	\$
Expected loss rate	0.01%	1.00%	2.00%	77.21%
Gross trade receivables	2,849,961	105,401	21,042	1,030,164
Expected loss provision	285	1,054	421	795,427

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

13. Financial instruments and risk management (continued)

Credit risk (continued)

As at June 30, 2018, 34% of trade receivables are due from three customers (December 31, 2017 - 50% of trade receivables were due from three customers).

For the three and six-month periods ended June 30, 2018, five customers contributed 74% and 76% to the Company's revenue (Three and six-month periods ended June 30, 2017 - 46% and 60%, respectively).

Market risk

Market risk is the risk that the value of the Company's financial instruments will fluctuate due to changes in the market risk factors. The market risk factors that affect the Company are foreign currency rates and interest rates.

Foreign currency risk

The Company undertakes sales and purchase transactions in foreign currencies and therefore is subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company does not use any derivative financial instruments to reduce its exposure to foreign currency risk.

The condensed unaudited interim consolidated statements of financial position include the following amounts with respect to financial assets and liabilities for which cash flows are originally denominated in foreign currencies, expressed in U.S. dollars:

	June 30, 2018	December 31, 2017
	\$	\$
Cash	246,156	65,706
Trade receivables and other	3,133,275	1,413,709
Accounts payable and accrued liabilities	2,547,923	1,501,189
Long-term debt	513,483	592,382

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately \$31,800 as at June 30, 2018 (December 31, 2017 - \$61,400) due to the fluctuation and this would be recorded in the condensed unaudited interim consolidated statements of income (loss) and comprehensive income (loss).

Liquidity risk

The Company monitors and manages its liquidity to ensure that it has access to sufficient funds to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at June 30, 2018, the most significant financial liabilities are:

	Due within 1 year	Due within 2 - 4 years	Due 5 years or more
	\$	\$	\$
Accounts payable and accrued liabilities	2,559,184	-	-
Current taxes payable	146,855	-	-
Long-term debt	138,174	375,309	-
Phantom stock liability	438,960	-	-

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

13. Financial instruments and risk management (continued)

Management of capital

The Company has implemented various capital policies, procedures and processes that are utilized to achieve its capital management objectives. These include optimizing the cost of capital and maximizing shareholder return while balancing the interests of stakeholders. The Company's capital is composed of shareholders' equity and long-term debt, which assist in financing working capital requirements. The Company's primary uses of capital are financing its operations. The Company currently funds these requirements from cash flows from operating activities. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity, so it can provide services to its customers and increase shareholder value.

14. Key management remuneration

The remuneration of key management personnel during the three and six-month periods ended June 30, 2018 and 2017 were as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
	\$	\$	\$	\$
Salaries and benefits	129,499	130,875	285,958	203,885

15. Commitments

As at June 30, 2018, the Company is obligated under various leases for premises as follows:

	\$
Less than one year	96,704
Between one and five years	53,457
More than five years	-
	150,161

For the three and six-month periods ended June 30, 2018, the cost of operating leases recorded as an expense was \$21,970 and \$43,961 (Three and six-month periods ended June 30, 2017 - \$16,472 and \$26,943, respectively).

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

16. Segment information

Upon adoption of IFRS 15 *Revenue from Contracts with Customers*, the company has identified that all Company revenues fall under the scope of the standard. The tables below provide a disaggregation of revenues by geographical region and by category of service provided:

Disaggregation of Revenue from Contracts with Customers				
	Three months ended June 30, 2018	Three months ended June	Six months ended June 30, 2018	Six months ended June 30, 2017
	\$	\$	\$	\$
Malta	1,602,127	9,372	3,126,595	7,550
Germany	1,140,873	971,220	2,925,405	1,826,970
Curacao	746,790	15,574	1,417,379	12,546
Rest of world	2,027,800	-	2,023,346	-
	5,517,590	996,166	9,492,725	1,847,066

Disaggregation of Revenue from Contracts with Customers				
	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
	\$	\$	\$	\$
Oryx games	3,784,083	321,575	6,510,318	596,257
Software platform licensing	590,614	211,447	1,016,120	392,060
Turnkey and management services	1,142,893	463,144	1,966,287	858,749
	5,517,590	996,166	9,492,725	1,847,066

Information about the Company's non-current assets by location of assets are detailed below:

	Property and equipment		Intangible assets	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	\$	\$	\$	\$
Slovenia	103,054	78,765	28,979	40,848
Malta	-	-	-	-
USA	-	-	1,947,681	1,769,370
	103,054	78,765	1,976,660	1,810,218

Oryx Gaming International, LLC

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2018 and 2017

(Expressed in US dollars)

17. Subsequent events

On August 22, 2018, AA Acquisition Group Inc. and the Company entered into a Share Purchase Agreement to acquire all of the shares of the Company with the initial consideration being €7.5 million and the balance to be in the form of earn-outs based on the business performance of the Company.

Financial details

€1.5 million on signing of the SPA;

€4.125 million on closing of the transaction;

€1.875 million worth of common shares of AA Acquisition Group Inc. also on closing based on the 60-day volume weighted average price of the shares on the TSX Venture Exchange (the "TSXV") at the time of issuance, subject to a maximum of 2 million shares. In the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash; and earn-out payments comprised as follows:

- (i) after the first year following the closing date, a payment equal to 8 times 33% of the EBITDA of the Company for that first year, subject to the Company having achieved EBITDA of at least €2 million; and
- (ii) after the second year following the closing date, a payment equal to 8 times 33% of the EBITDA of the Company for that second year, subject to the Company having achieved EBITDA of at least €3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of common shares of the Company based on the 60-day volume weighted average price of the shares on the TSXV, provided that the maximum number of shares to be issued for the first earn-out payment will be 2 million shares and for the second earn-out payment will be 2.5 million shares.

Concurrent acquisition of AA Acquisition Group Inc. by Breaking Data Corp. ("BKD")

Under the terms of the transaction, BKD will issue 21 million common shares to the shareholders of AA Acquisition Group Inc. in exchange for all the shares of AA Acquisition Group Inc. BKD is a public company which is trading on the TSX Venture Exchange and the OTCQX marketplace.

As such it is expected that each AA Acquisition Group Inc. share will convert to 9.304 BKD shares. A general meeting of BKD is expected to occur in October 2018 where BKD shareholders will be asked to approve the transaction.

SCHEDULE "H"
ORYX MANAGEMENT'S DISCUSSION & ANALYSIS

See attached.

SEPTEMBER 4, 2018



ORYXGAMING

Oryx Gaming International LLC

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED
DECEMBER 31, 2017

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MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the results of operations, financial condition and cash flows for Oryx Gaming International LLC on a consolidated basis, for the year ended December 31, 2017. References to "Oryx", the "Company", the "Group" or the "Corporation" in this MD&A refer to Oryx Gaming International LLC and its subsidiaries, unless the context requires otherwise. This document should be read in conjunction with the information contained in the Corporation's audited consolidated financial statements and related notes for the year ended December 31, 2017 (the "2017 Financial Statements").

For reporting purposes, the Corporation prepared the 2017 Financial Statements in U.S. dollars and, unless otherwise indicated, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial information contained in this MD&A was derived from the 2017 Financial Statements. Unless otherwise indicated, all dollar ("\$\$") and "USD" amounts and references in this MD&A are in and to U.S. dollars, references to "EUR" or "€" are to European Euros, references to "GBP" or "£" are to British pound sterling and references to "CDN" or "CDN \$" are to Canadian dollars. Unless otherwise indicated, all references to a specific "note" refer to the notes to the 2017 Financial Statements.

This MD&A references non-IFRS and generally accepted accounting principles ("GAAP") financial measures, including those under the headings "Selected Financial Information" and "Key Metrics" below. The Corporation believes these non-IFRS financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business and making decisions. Although management believes these financial measures are important in evaluating the Corporation, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. They are not recognized measures under IFRS U.S. GAAP and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for period-over-period comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on the Corporation's operating results.

For purposes of this MD&A, the term "gaming license" refers collectively to all the different licenses, consents, permits, authorizations, and other regulatory approvals that are necessary to be obtained in order for the recipient to lawfully conduct (or be associated with) gaming in a particular jurisdiction.

Unless otherwise stated, in preparing this MD&A the Corporation has considered information available to it up to September 4, 2018, the date the Corporation's board of directors (the "Board") approved this MD&A.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A and the 2017 Financial Statements may constitute forward-looking information and statements (collectively, “forward-looking statements”) within the meaning of the Canadian securities legislation and applicable securities laws, including financial and operational expectations and projections. These statements, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect the Corporation, its subsidiaries and their respective customers and industries. Although the Corporation and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing”, “imply” or the negative of these words or other variations or synonyms of these words or comparable terminology and similar expressions.

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 Corporation’s stage of development, long-term capital requirements and future ability to fund operations, future developments in the Corporation’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 Corporation’s operations. Each factor should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. See the section, “Risk Factors and Uncertainties”, below noting that these factors are not intended to represent a complete list of the factors that could affect the Corporation.

Shareholders and investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Unless otherwise indicated by the Corporation, forward-looking statements in this MD&A describe the Corporation’s expectations as of September 4, 2018 and, accordingly, are subject to change after such date. The Corporation does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

LIMITATIONS OF KEY METRICS AND OTHER DATA

The Corporation's key metrics are calculated using internal company data. While these numbers are based on what the Corporation believes to be reasonable judgments and estimates of its customers for the applicable period of measurement, there are certain challenges and limitations in measuring the usage of its product offerings across its customer base.

In addition, the Corporation's key metrics and related estimates may differ from estimates published by third parties or from similarly-titled metrics of its competitors due to differences in methodology and access to information.

For important information on the Corporation's non-IFRS measures, see the information presented in "Key Metrics" and "Selected Financial Information" below. The Corporation continually seeks to improve its estimates of its active customer base and the level of customer activity, and such estimates may change due to improvements or changes in the Corporation's methodology.

OVERVIEW

BUSINESS OVERVIEW AND BACKGROUND

Oryx is a turnkey gaming solution provider offering a one-stop solution adaptable to various gaming markets and legislature environments. Oryx's customer base consists of online gaming operators. Oryx is incorporated in the State of Delaware and headquartered in Las Vegas. It's primary operations are provided through its wholly-owned subsidiaries in Malta¹ and Slovenia².

THE EARLY YEARS

Oryx was originally founded in 2012 and in 2013, it signed its first major customer and launched OnlineCasino.de. In 2015, Oryx obtained a Class 4 Malta Gaming Authority license which allows the business to host and manage remote gaming operators. Additionally, in the same period, Oryx began to diversify its product offering with Crown City and the Jockey Club launches in Paraguay.

MORE RECENTLY

In 2016, Oryx launched a real money gaming and free play solution launched in New Jersey for Rush Street Interactive. Additionally, Oryx launched an online and mobile sportsbook for BigBetWorld.com.

2017 was a transformational year where Oryx secured numerous clients, including: Cherry Group, MrGreen, JackpotJoy, Betcris, Wunderino and Wintrillions. In doing so Oryx's recurring customer base grew to more than 60 customers.

PRODUCTS

The principal products and services provided by Oryx are Oryx Gaming Content, its I-Gaming Platform, its Turnkey Services and a Content Aggregator Platform a description of which is set out below. In addition to these products and services, Oryx has developed a Sportsbook Platform however, at this time its revenues deriving from the Sportsbook Platform are immaterial.

ORYX GAMES

Oryx has its own in-house games studio and has developed a full range of games including slot games, table & card games and scratch card games. These games are featured on Oryx's I-Gaming Platform and Oryx Aggregator and are thus also available for use on other gaming platforms offered by third parties.

THIRD PARTY CONTENT AND CONTENT AGGREGATION

In addition to Oryx's own games, Oryx has strong relationships with a number of other best-in-breed game studios and content providers and as a result Oryx is able to offer a 'one stop shop' to its customers. Oryx is able to pass this content through to its customers and end users through a single point of integration. To provide this service to its customers it charges a one-off integration fee per provider as well as ongoing aggregation fees.

I-GAMING PLATFORM

Oryx offers an omni-channel and cross-product platform called the 'I-Gaming Platform' that enables operators to manage their entire product suite using one shared account and one wallet for casino, lottery, sportsbook, bingo, poker and other operations. The platform allows operators to maximize cross-

¹ Oryx Gaming Ltd. was incorporated in Malta on March 11, 2013.

² Oryx razvojne storitve d.o.o was incorporated in Slovenia on April 4, 2014

sale opportunities and increase player value by using the fully-integrated set of tools and solutions to manage users, transactions, campaigns, reporting and analytics. The platform features Oryx Games and content developed by third parties. The platform offers a full payment solution integrated with a large number of payment solution providers covering local and global markets. The platform also includes a player risk profile level and an advanced rule engine for customization.

Through a single account across all products and channels, operators get a complete overview and history of customer activities, transactions, balance and personal data. This enables a personalized approach in communication with players and tailor-made offers. The platform also offers player protection features such as deposit limits, play-time limits, loss limits and reality checks for operators to encourage responsible gaming.

The I-Gaming Platform has an integrated chat function which enables quick access to customer data, enables operators to provide unrivalled customer support as well as up-selling and cross selling opportunities. The platform also has bonus and wagering management, whereby the platform can enable automatically triggered bonuses for deposits and signup promotions, manual bonuses given to players by customer support, bonus code and many other flexible bonus configurations.

With respect to reporting and business intelligence, there is a sophisticated business intelligence tool which can create insightful dashboards and reports on customer behavior, financial transactions, gaming income, bets, detailed statistics of game-play, all with flexible filtering and grouping options, as well as campaigns performance reporting.

The I-Gaming Platform contains an affiliate management system and portal to enable operators to build productive relationships with affiliates using redirect or download links, direct marketing CDs, coupon codes, as well as real-time earning and payment reporting.

The I-Gaming Platform also has online functions which are applied to land-based operators. The I-Gaming Platform enables player management for retail operations, connected with online operation, supporting both account based and anonymous play.

The I-Gaming Platform also provides for an integrated land-based self-serve betting system with support for cash-in and cash out components, anonymous play (cash and cashless play support) and account play (registration, login, deposit and fund transfers).

TURNKEY SERVICES

Oryx is able to offer a complete solution for gaming operators through its team whereby it will manage the operators' customers and marketing communication. Additionally, Oryx's operations management services can assist with hosting and security, know-your-client requirements, payment and transaction management, customer support and risk and fraud management.

Oryx's campaign management services address retention and conversion marketing programs, VIP marketing and VIP management and provide a personalized approach to players, based on player data and correspondence history to create a strong relationship and customer loyalty. Additionally, Oryx has analytics and business intelligence services aggregate, manage and utilize significant amounts of data and prepare periodic and per-request reports and insights.

THE INDUSTRY

THE ONLINE GAMING MARKET

The global online gambling market continues to exhibit strong growth and remains at the forefront of innovation while continuing to evolve. The average rate (mean) of revenue growth experienced in Q1 2018 is 22% with the median Year-on-Year growth rate of 18%³. Additionally, H2 Gambling Capital estimates that in 2017 Gross Gambling Revenues (for casino, poker, bingo, sports betting, skill based gaming and lotteries, grew by approximately 9% to €40.5 billion from €37.2 billion in 2016.

The Online Casino market, which is Oryx's primary market, experienced an average growth rate of 24% over the same period with the median Year-on-Year growth rate of 16%.

Looking forward, H2 Gambling Capital predicts the market will continue to grow at a compound annual growth rate of 8% from 2017 to 2020.

GEOGRAPHICAL DEVELOPMENT

The UK remains the largest as well as the most mature online market according to H2 Gambling Capital. They estimate that China and Japan are the next largest markets. Europe remains the largest territory, comprising 53% of the overall online gambling market in 2017 and is forecast to grow at a compound annual growth rate of 9% from 2017 to 2020. Growth in Europe is driven by more mature markets such as the UK but also relatively smaller markets such as Italy and Spain that are growing faster due to more recent regulation related to online gambling.

DRIVERS OF MARKET GROWTH

In line with the growth of e-commerce across all consumer and leisure related sectors globally, the online gaming market continues to benefit from the transition of land-based revenue to online revenue. Improved broadband penetration and capacity, faster mobile data transfer rates, improved smartphone penetration, a growing number of market participants, along with increased marketing expenditure by operators through a wide range of marketing channels are all driving factors for growth in the industry. In addition, the growing trend of greater acceptance of online gambling as a mainstream leisure pastime is contributing to increasing regulatory regimes appearing globally.

REGULATION

Regulation remains one of the key opportunities for growth as there is a move from a predominantly .com (international) regime to a nationally or locally regulated regime. This presents numerous challenges to operators and suppliers (such as Oryx) but also reduces long term risk and creates opportunities, potentially opening up new product verticals and increased marketing activity for operators. A combination of factors determine whether the opportunity will be attractive in the long term; including tax rate, product availability and technical requirements. Oryx is uniquely placed given its strength, geographic diversity and technical acumen to manage these challenges and continue to be the leading supplier in regulated markets.

Europe continues to lead the regulatory movement, with the Czech Republic, Poland, Sweden and Portugal recently introducing new regulated and licensed regimes. Holland, Switzerland, and Germany are expected to regulate in the near future. In Latin America, Brazil is a big opportunity, whilst Peru and

³ Source: Online Gambling Quarterly (MECN). Summer 2018 Edition. Available at: <http://online-gambling-quarterly.com/>

Mexico are reviewing historic positions. Finally, the Indian sub-continent remains an interesting and lucrative long-term opportunity.

MOBILE

Online Gambling Quarterly reports that of the operators analyzed 65% of their total online casino revenue is derived from mobile channels. The number of mobile devices, smartphones and tablets in use continues to grow every day. In the sector there is an increasing numbers of players choosing mobile gaming for the convenience it brings.

RECENT CORPORATE DEVELOPMENTS

Oryx continued its rapid business growth in 2017 and managed to on board numerous clients; among them: Cherry, MrGreen, JackpotJoy, Betcris, WinTrillions. Oryx added also the Kalamba and Golden Hero game studio to its portfolio of games. In order to cope with the rapid expansion Oryx hired Jan Ridenfeldt as the new CCO, as well as filled approximately 20 new staff positions with high calibre staff.

KEY METRICS

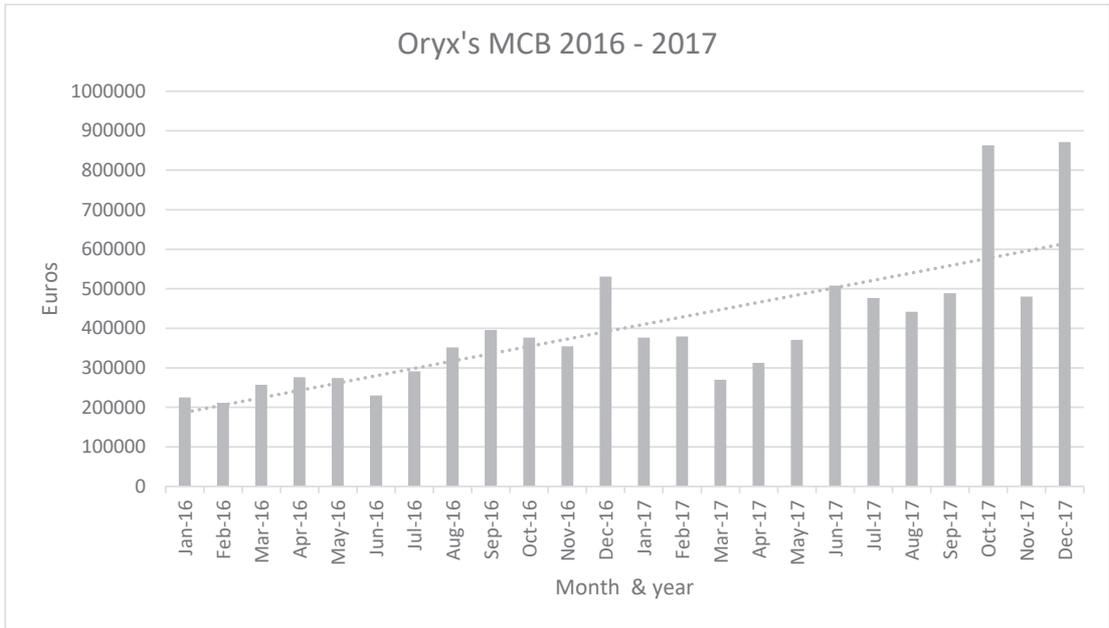
The Corporation reviews a number of metrics, including those key metrics set forth below, to evaluate its business, measure performance, identify trends, formulate business plans and make strategic decisions.

For information on how the Corporation calculates its key metrics and factors that can affect such metrics, see “Limitations of Key Metrics and Other Data” above.

MONTHLY CUSTOMER BILLINGS (MCB)

The Corporation defines MCB as the primary metric which points to the health of the business. The definition of MCB has excluded billings to customers which relate to a period greater than one year. This data may not reconcile directly with the Corporation’s reported revenue due to accounting adjustments between billings and revenue recognition.

The graph below shows MCB on a monthly basis between January 2016 and December 2017:



Between Q1 2016 and Q4 2016 average MCB increased by 219% as a result of an increase in the customer base and an increase in the ultimate number of end users.

FINANCIAL RESULTS

SELECTED FINANCIAL INFORMATION

Selected financial information for the years ended December 31, 2017 and 2016 are set forth below:

	Year ended December 31, 2017 \$'000	Year ended December 31, 2016 \$'000
Revenue	6,644	4,578
Net income / (loss) for the year	(13)	585
Total assets (as at)	3,679	3,581
Total liabilities (as at)	3,073	2,819
Cash generated from operating activities	900	473

Revenue increased by 45% in the year ended December 31, 2017 as compared to the prior year as a result of the increase in the number customers which increased from 20 in 2016 to 37 in 2017.

Net loss for the year was \$13,000 (2016: Net profit of \$585,000). The aggregate adverse variance of \$598k is summarized in the table below:

	Variance: 2017 vs 2016 \$
Favorable variances	
Increase in revenue	2,066,557
Decrease in General and administrative expenses	167,231
Decrease in Phantom stock plan expenses	163,185
Decrease in Interest and bank charges	3,466
Decrease in loss on fair value revaluation of phantom stock liability	13,121
Increase in gain on settlement/extinguishment of debt and accounts payable	9,330
Increase in foreign exchange gains	133,853
Total favorable variances	2,556,743

	Variance: 2017 vs 2016
	\$
Adverse variances	
Increase in Cost of sales	(879,832)
Increase in Salaries and wages	(232,278)
Increase in Development expenses	(282,277)
Increase in Professional fees	(526,626)
Increase in Bad Debt expense	(601,967)
Increase in Hosting fees	(126,266)
Increase in Rent expense	(41,541)
Increase in Travel expenses	(93,350)
Increase in Amortization and depreciation	(84,811)
Increase in Income tax expense	(286,264)
Total adverse variances	(3,115,212)
Total variances	(598,469)

OTHER FINANCIAL INFORMATION

To supplement its 2017 Annual Financial Statements presented in accordance with IFRS, the Corporation considers certain financial measures that are not prepared in accordance with IFRS. The Corporation uses such non-IFRS financial measures in evaluating its operating results and for financial and operational decision-making purposes. The Corporation believes that such measures help identify underlying trends in its business that could otherwise be masked by the effect of the expenses that it excludes in such measures.

The Corporation also believes that such measures provide useful information about its operating results, enhance the overall understanding of its past performance and future prospects and allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. However, these measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. There are a number of limitations related to the use of such non-IFRS measures as opposed to their nearest IFRS equivalents.

The primary non-IFRS financial measure which the Corporation uses is EBITDA. A reconciliation from Reported net income to EBITDA is presented in the table below:

	Year ended December 31, 2017 \$'000	Year ended December 31, 2016 \$'000
Reported net income / (loss) for the year	(13)	585
Add interest and bank charges	66	69
Add income tax (current)	170	26
Add income tax (deferred)	125	(18)
Add amortization and depreciation	348	263
EBITDA	696	925

The table below presents a reconciliation between EBITDA for 2016 and 2017:

	Variance: 2017 vs 2016 \$
Favorable variances	
Increase in revenue	2,066,557
Decrease in General and administrative expenses	167,231
Decrease in Phantom stock plan expenses	163,185
Decrease in loss on fair value revaluation of phantom stock liability	13,121
Increase in gain on settlement/extinguishment of debt and accounts payable	9,330
Increase in foreign exchange gains	133,853
Total favorable variances	2,553,277
Adverse variances	
Increase in Cost of sales	(879,832)
Increase in Salaries and wages	(232,278)
Increase in Development expenses	(282,277)
Increase in Professional fees	(526,626)

	Variance: 2017 vs 2016
	\$
Increase in Bad Debt expense	(601,967)
Increase in Hosting fees	(126,266)
Increase in Rent expense	(41,541)
Increase in Travel expenses	(93,350)
Total adverse variances	(2,784,137)
Total variance of EBITDA	(230,860)

DISCUSSION OF OPERATIONS

The discussion of the operational income statement items covers some of the significant variances (defined as those with a variance over \$200,000) between 2016 and 2017.

REVENUE

Revenue increased 45% from \$4,577,868 to \$6,644,425. This was primarily as a result of increasing the client base from 20 to 37, including Playcherry, MrGreen, JackpotJoy, Betcris, Wunderino and Wintrillions.

COST OF SALES

A number of the new contracts are reliant on third-party content and therefore the Corporation has experienced an increase in the cost of sales from \$242,419 to \$1,122,251. As a result of this, Oryx's Gross profit margin has decreased from 94.7% to 83.1%.

SALARIES AND WAGES

Due to the additional number of customers Oryx had acquired, the headcount of Oryx increased from 47 at the beginning of 2017 to 68 at the end of 2017. This increase in headcount resulted in a 13% increase in the salaries and wages and expenses in 2017.

DEVELOPMENT EXPENSES

This expense line includes external development companies contracted to develop agreed solutions and IT subcontractors which the Corporation engages with. As the Corporation has increased significant growth in 2017 with revenues increasing by 45%, there were periods where the Corporation engaged with IT subcontractors on a short-term basis to ensure the speed to market for their new customer base was not impacted.

PROFESSIONAL FEES

Professional fees have increased due to the increased use of consultants as well as professional temporary contractors.

BAD DEBT EXPENSE

In 2017, the Corporation increased its allowance for doubtful accounts by \$650,509. This was predominantly to cover accounts receivable which as at December 31, 2017 were 91 days and older.

SUMMARY OF QUARTERLY RESULTS

Prior to the publication of this MD&A, the Corporation was not a reporting issuer. As a result the Corporation has not prepared financial statements for any prior period.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's principal sources of liquidity are its cash generated from operations. Currently available funds consist primarily of cash on deposit with banks.

The Corporation calculates its working capital requirements as follows:

	As at December 31, 2017	As at December 31, 2016
	\$	\$
Cash	68,024	35,384
Add trade and other receivables	1,633,873	1,844,241
Add due from / (to) shareholder	12,230	(8,677)
Less accounts payable and accrued liabilities	(1,749,042)	(834,062)
Less current taxes payable	(169,914)	(55,436)
Less current portion of long term debt	(156,004)	(1,196,157)
Net Working Capital	(360,833)	(214,707)

The total net working capital is negative as the Corporation has been investing in software development costs. Additionally, Oryx's customers typically pay Oryx before Oryx needs to pay any cash outflow to its suppliers. As such this negative working capital is not regarded as a significant issue.

The Corporation is now at a point where it is EBITDA positive and generates cash from operations on a monthly basis. As a result its additional working capital requirements are generally minimal over the year. Management also believes that investing is a key element necessary for the continued growth of the Corporation's customer base and the future development of new and innovative product offerings. Management believes that the Corporation will have the cash resources necessary to satisfy current obligations and working capital needs, and fund currently planned development activities and other capital expenditures, as well as currently planned acquisitions, for at least the next 12 months.

MARKET RISK

The Corporation is exposed to market risks, including changes to foreign currency exchange rates and interest rates.

FOREIGN CURRENCY EXCHANGE RISK

The Corporation is exposed to foreign currency risk, which includes risks related to its revenue and operating expenses denominated in currencies other than the U.S. dollar (which is its reporting currency). In general, the Corporation is a net receiver of currencies other than the U.S. dollar, primarily the Euro, which is the primary contracting currency of the Corporation's customers. Accordingly, changes in exchange rates may in the future reduce the purchasing power of the Corporation's customers thereby potentially negatively affecting the Corporation's revenue and other operating results.

The Corporation has experienced and will continue to experience fluctuations in its net earnings as a result of translation gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded.

LIQUIDITY RISK

The Corporation is also exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Corporation manages liquidity risk by continuously monitoring its forecasted and actual cash flows, and matching maturity profiles of financial assets and liabilities.

LONG TERM DEBT

The Corporation has two loans outstanding at December 31, 2017. The balances of these loans is \$508,733 and \$83,648 totaling \$592,381 outstanding as at December 31, 2017. A description on both of these loans is provided below:

Loan A – During year ended December 31, 2017, the Corporation restructured and extinguished loans resulting in two tranches. The restructured tranches are unsecured maturing September 1, 2019 and July 1, 2022, and bear interest of 3.0% and 0.0% per annum, respectively.

Loan B – On May 27, 2016, the Corporation amended the terms of the revolving loan which requires 31 monthly principal payments in the amount of €6,000 and the final instalment in the amount of €3,468, which is due on December 15, 2018. The bank loan bears interest of 5.0% per annum and is guaranteed by the sole shareholder.

CASH FLOWS BY ACTIVITY

COMPARISON OF THE YEAR ENDED DECEMBER 31, 2017 AND 2016

	Year ended December 31, 2017	Year ended December 31, 2016
	\$	\$
Net cash inflows from operating activities	900,236	473,078
Net cash outflows from financing activities	(722,071)	(399,556)
Net cash outflows from investing activities	(134,599)	(38,792)

CASH INFLOWS FROM OPERATING ACTIVITIES

The Corporation generated cash inflows from operating activities for the year ended December 31, 2017 and 2016. The Corporation's cash inflows from operating activities increased over this period as

compared to the prior year period primarily as a result of an increase in net earnings generated from the underlying operations of the Corporation.

CASH OUTFLOWS FROM FINANCING ACTIVITIES

The Corporation invested \$81,254 in property and equipment in 2017 (FY 2016: \$34,934) and \$640,817 in intangible assets (FY 2016: \$364,622). The investment into intangible assets predominantly relates to internally developed software which meets the requirements of IAS 38.

CASH OUTFLOWS FROM INVESTING ACTIVITIES

The Cash outflow from financing activities relates to the repayment of long-term debt.

RISK FACTORS AND UNCERTAINTIES

Certain factors, listed below, may have a material adverse effect on the Corporation's business, financial condition and results of operations. Current and prospective investors should carefully consider the risks and uncertainties and other information contained in this MD&A and the 2017 Financial Statements.

The risks and uncertainties described herein and therein are not the only ones the Corporation may face. Additional risks and uncertainties that the Corporation is unaware of, or that the Corporation currently believes are not material, may also become important factors that could adversely affect the Corporation's business. If any of such risks actually occur, the Corporation's business, financial condition, results of operations, and future prospects could be materially and adversely affected.

CONCENTRATED CUSTOMER BASE ACCOUNTS FOR SIGNIFICANT PORTION OF REVENUES

Oryx will depend on a small number of significant customers for a large portion of revenue. The business of Oryx was dependent on five customers for approximately 73% of its revenue in the fiscal year ended December 31, 2017, with the largest of such customers accounting for 40% during this period. Oryx expects such demand from a small number of customers to continue to account for a substantial portion of its revenue for the current fiscal year. In addition, Oryx's accounts receivable tend to be concentrated with a small group of customers and it expects this to continue.

The loss of any significant customer, a significant decrease in business from any such customer or a reduction in customer revenue due to adverse changes in the terms of contractual arrangements or other factors could harm its results of operations and financial condition. Revenue from individual customers may fluctuate from time to time.

GAMING INDUSTRY IS HIGHLY REGULATED

The development and distribution of gaming solutions is, in some jurisdictions, subject to extensive scrutiny and regulation on all levels of government including, but not limited to, federal, state, provincial, local and in some instances, tribal authorities. Accordingly, Oryx only conducts business in jurisdictions where gaming is legal or not strictly prohibited without a local licence. Many jurisdictions require licenses, permits and documentation of suitability, demonstrating the financial stability for the providers of such gaming solutions in addition to their officers, directors, major shareholders and other key personnel. Oryx's delay or failure to obtain these licenses and approvals in any jurisdiction may prevent Oryx from distributing Oryx's solutions and generating revenues in those jurisdictions. A gaming regulatory body may refuse to issue or renew a registration, including the Oryx Licenses and Registrations, if Oryx, or one of its directors, officers, employees or associates: (i) are considered to be a detriment to the integrity or lawful conduct or management of gaming; (ii) no longer meet a registration requirement; (iii) have breached or are in breach of a condition of registration or an operational agreement with a lottery corporation; (iv) have made a material misrepresentation, omission or misstatement in an application for registration or in reply to an enquiry by a person conducting an audit, investigation or inspection under the gaming control legislation; (v) have been refused a similar registration in another jurisdiction; (vi) have held a similar registration, or license in that province or another jurisdiction which has been suspended or cancelled; or (vii) have been convicted of an offence, inside or outside of a particular jurisdiction, that calls into question Oryx's honesty or integrity or the honesty or integrity of one of Oryx's directors, officers, employees or associates.

Additionally, Oryx's solutions must be approved for use in certain jurisdictions in which they are offered; this process cannot be assured or guaranteed. Obtaining these approvals is a time consuming process that can be extremely costly and cannot be assured. A supplier of gaming solutions may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory

approval for its gaming solutions by that same jurisdiction. It is unlikely, although possible, that after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, that Oryx may not obtain either of them. If Oryx fails to obtain the necessary certification, registration, license, approval or finding of suitability in a given jurisdiction, including the Oryx Licenses and Registrations, Oryx would likely be prohibited from distributing Oryx's solutions in that particular jurisdiction all together. Furthermore, some jurisdictions require license holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. Oryx may not be able to obtain all necessary registrations, licenses, permits, approvals or findings of suitability in a timely manner, or at all. Oryx's failure to obtain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on Oryx's business. Further, changes in existing gaming regulations may hinder or prevent Oryx from continuing to operate in those jurisdictions where Oryx currently carries on business, which would harm Oryx's operating results and financial condition. In particular, the enactment of unfavorable legislation or government efforts affecting or directed at suppliers or gaming operators, such as referendums to increase gaming taxes or requirements to use local distributors or service providers, may have a negative impact on Oryx's operations. Furthermore, gaming regulatory bodies may from time to time require changes to Oryx's practice in complying with the various disclosures and reporting requirements. If Oryx fails to comply with any existing or future disclosure requirements, the regulators may take action against Oryx which could ultimately include cancellation of a gaming registration, including the Oryx Licenses and Registrations.

IMPACT OF CUSTOMERS' OPERATIONS IN UNREGULATED OR PROHIBITED JURISDICTIONS

Certain of Oryx's customers may, from time to time, provide gaming services to players in unregulated markets. This activity by any of Oryx's customers does not necessarily amount to an infringement of laws or regulation in a given jurisdiction, but it is not uncommon for customers to cease providing interactive gaming services in an unregulated market in response to changes or intimated changes to laws or regulation. If a customer is found to have infringed laws or regulations in an unregulated jurisdiction this could materially adversely affect Oryx's operations, financial performance and prospects.

Oryx cannot be certain that Oryx's customers will not provide interactive gaming services to end-users in markets which prohibit interactive gambling. If a customer is found to be operating in a prohibited market, it is possible that this could materially adversely affect Oryx's operations, financial performance, reputation and prospects, as well as jeopardize any one or all of the Oryx Licenses and Registrations by virtue of Oryx's association with, or provision of products or services to, such customer.

REPUTATIONAL CHALLENGE OF DEALING IN THE GAMING INDUSTRY

Although Oryx is not an operator providing services to end-users, the gaming industry is subject to negative publicity relating to perceptions of underage gaming, exploitation of vulnerable customers and the historical link of the gaming industry to criminal enterprise. As a supplier to the industry, such negative publicity can affect Oryx's reputation and correspondingly affect Oryx's financial performance.

Typically, under the terms of the applicable laws and the Oryx Licenses and Registrations, Oryx must avoid making the promotion or advertisement of gaming that is directed at or could be directed at underage players. To the extent that respective operators' sites (to whom Oryx supplies) are accessed by minors and/or problem gamblers, brand reputation could be tarnished. Situations can arise where minors or compulsive gamblers could access websites of Oryx's customers. Where they do so, as well as negative publicity and potential regulatory censure, all of which would have a corresponding detrimental effect on Oryx.

TAX RISKS

Changes from time to time in the interpretation of, amendments to, or guidance relating to, existing tax laws, or the introduction of new tax legislation may have a material adverse effect on Oryx and on the value of the Resulting Issuer Shares.

There can be no assurance that the levels of taxation to which Oryx is subject will not be increased or changed, which could have a material adverse effect on the amount of tax payable by Oryx and Oryx's financial condition and results of operations.

End-users are located in a number of different jurisdictions. Revenues earned from end-users located in a particular jurisdiction may give rise to the imposition of direct, indirect or turnover taxes in that jurisdiction. In addition, as customers need to continue to obtain local licenses to enable them to target specific markets, they may be obliged to pay non-gaming local taxes too. This potentially could erode customers' margins for particular markets, which in turn may affect the financial viability of a specific market, and/or result in the customer wishing to renegotiate its arrangements with Oryx.

If Oryx is found to be, or one of Oryx's subsidiaries is found to be, or to have been, a tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, this may have a material adverse effect on the amount of tax payable by Oryx. Furthermore, any change in Oryx's tax status or in taxation legislation, practice or its interpretation could adversely affect the post-tax returns to shareholders.

Generally speaking, regulated gaming activities will not only be subject to direct corporate taxation, but also indirect taxes and gaming duties. As the regulatory environment continues to develop, it is becoming clear that the taxation environment may become less favorable, as jurisdictions seek to impose their own regulation and taxation regimes on what was, traditionally, an offshore activity. As a consequence of an increased taxation burden affecting customers and/or Oryx, Oryx may see a reduction in related revenue share or a pressure to re-negotiate with key customers.

MONEY LAUNDERING/FRAUDULENT ACTIVITY

Online transactions may be subject to sophisticated schemes or collusion to defraud, launder money or other illegal activities. There is a risk that Oryx's products or systems may be used for those purposes by Oryx's customers' players. There is also a risk that Oryx will be subject to fraudulent activities by Oryx's employees. Any exposure to fraud and/or money laundering could subject Oryx to financial losses, business disruption and damage to Oryx's reputation. In addition, there is a risk that Oryx may be subject to investigation and sanctions by a regulator and/or to civil and criminal liability if Oryx has failed to comply with Oryx's legal obligations relating to the reporting of money laundering or other offences.

Oryx has implemented policies and procedures designed to minimize the risk of fraud and money laundering, including conducting anti-money laundering checks on Oryx's customers. However, there can be no guarantee that these policies and procedures will be effective in all cases.

LEGISLATIVE INTERPRETATION MAY RESULT IN CRIMINALITY OF ACTIVITIES

Oryx generates the majority of its income through licensing Oryx's technology and games to enable gaming operators to provide gaming services to customers where such services are dependent on that software and the functionality it provides. One of the consequences of Oryx's supply of operational gaming software to customers is the potential regulatory risk associated with doing so. While in many jurisdictions laws and regulations may not specifically apply to gaming software licensors (as distinct from its customers' delivery to end customers), this is not universally the case and, indeed, some jurisdictions have sought to regulate or prohibit such supply explicitly.

Furthermore, Oryx relies on the continuity of supply by Oryx's customers to their end-users using the gaming related software and technology which Oryx licenses. Laws and regulations relating to the supply of gaming services are complex, inconsistent and evolving and Oryx may be subject to such laws either directly through explicit service provision or indirectly insofar as it has assisted the supply to customers who are themselves subject to such laws.

Operators within the remote gaming industry have sought, in the past, to justify their activities by asserting that if remote gaming is permitted from the country of origin (i.e., from the point of supply) then the laws in the country of receipt would have to specifically outlaw the activity of the customer (remotely accessing interactive gaming services) or an entity in that jurisdiction or have the authority to implement laws that impacted outside the jurisdiction in order to render the activity illegal, or entitle the country of receipt to assert jurisdiction. Operators have sought to reduce any associated risks of jurisdictions forming a contrary view by limiting or omitting to have physical presence in such jurisdictions where any connected activities are not clearly legal. There are a number of jurisdictions that consider this rationale to be unjustified. Indeed in some territories, laws have been passed to expressly criminalize the provision of (and sometimes the participation in) gaming, irrespective of where the operator is located and licensed. For the greater part, these laws have not been tested. Some jurisdictions seek to regulate gaming; others seek to prohibit it. There is a corresponding, continuing risk to any participant in the gaming industry (be they an operator, supplier or other service provider) that jurisdictions in which customers are located may seek to argue that such a participant was acting illegally in accepting or assisting in the acceptance of wagers from its citizens or in the manner in which it operates gaming networks. This could lead to actions being brought against customers which, in turn, could have a detrimental effect on the financial performance and Oryx's reputation. Similarly, where supply by Oryx to the customer is critical to the gaming transaction, one cannot rule out the risk that direct enforcement action will be taken against Oryx or any of Oryx's employees and directors.

Many jurisdictions have not updated their laws to address the supply of remote gaming, which by its nature is a multi-jurisdictional activity. Moreover, the legality of interactive gaming and the provision of software, services and gaming network management is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agents including in relation to determining in which jurisdiction the gaming takes place and therefore which law applies. This uncertainty creates a risk for Oryx that even in instances where older laws have not been updated to address new technology, courts may interpret older legislation in an unfavorable way and determine customers' and/or Oryx's activities to be illegal. This could lead to actions being brought against customers and/or Oryx or any of Oryx's employees and directors, all or any of which may, individually or collectively, have a detrimental effect on Oryx's financial performance and Oryx's reputation.

Oryx's seek to keep abreast of legal and regulatory developments affecting the gaming industry as a whole. However, Oryx does not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where Oryx's customers derive business and, correspondingly, from where Oryx may derive revenue. Oryx adapts its regulatory policy and, therefore, the scope of Oryx's ongoing monitoring on the basis that an individual market's materiality to both any relevant customer and to Oryx may change. As such, Oryx may receive revenue from customers' dealing in jurisdictions where Oryx may be unaware of the full extent of enforcement risk.

Oryx's employees and directors are not located, nor does Oryx have tangible assets or physical presence, in jurisdictions where the directors are aware of any material legal or regulatory risk associated with such location, nor does Oryx conduct activities where Oryx's support of customers is also explicitly illegal. Where appropriate and where Oryx is able, Oryx takes the additional precautionary step of blocking wagers from such jurisdictions. When appropriate, Oryx reviews the regulatory rationale of customers

but, given that day-to-day management of operational risk will remain in the purview of customers, Oryx protects itself through contractual mechanisms explicitly allowing Oryx to suspend or terminate services.

Despite the monitoring undertaken by Oryx and the precautions Oryx takes as to the location of employees or assets, there remains a prospect that, in the event of legislation being interpreted in an unfavorable or unanticipated way, such measures are not sufficient and result in actions being brought against Oryx or Oryx's employees and directors, all of which would have a detrimental effect on the financial performance and Oryx's reputation. Furthermore, similar actions could be brought against customers with the consequence that revenue streams from such customers may be frozen or traced at the behest of authorities even if none of Oryx's entities are made a party to any legal proceedings against any such customer. Customers may also face problems in legitimately moving monies in and out of certain jurisdictions which will impact upon payments from customers. Finally, there is also a risk that Oryx's directors or employees or individuals engaged by Oryx (or directors, employees or individuals connected to any customer) may face extradition, arrest and/or detention in (or from) such territories even if they are only temporarily present.

REGULATORY PERCEPTION OF GAMING OPERATORS AND SUPPLIERS, AND THEIR RESPECTIVE REGULATORY RISK

While from a gaming regulatory perspective, operators that directly provide gaming services to their customers are generally perceived to be exposed to a greater degree of enforcement risk than their suppliers, in some jurisdictions laws extend to directly impact such gaming suppliers. Furthermore, a supplier's nexus with a particular jurisdiction may expose it to specific enforcement risks, irrespective of whether there has been an attempt to bring proceedings against any supported operator.

The interactive gaming market has developed such that the nature of some of the services undertaken by suppliers on behalf of operators places them closer to the actual customer transaction, arguably rendering them quasi-operators in their own right. A number of fundamental points have begun to emerge from these market developments. Suppliers cannot claim ignorance of, or indifference to, the origin of an operator's business. Indeed, enforcement proceedings brought against an operator may result in action being taken against a supplier (and even brought in the absence of the former). From a reputational and risk perspective, therefore, it is not sufficient for a supplier to avoid evaluating the risks associated with the businesses of the entities it supplies.

Ultimately, the market may view, or in the future may view, the regulatory risk associated with the business of supplying software and services to gaming operators as being comparable with the regulatory risk attaching to operators themselves. In such circumstances, there is an associated risk that investors may apply valuation methods to any such supplier that are the same as the valuation methods used to value operators, and which build in the same regulatory risk even though, in many territories, such suppliers would be considered sufficiently removed from the transactional activity to warrant the application of a discrete risk analysis.

EVOLVING NATURE OF GAMING REGULATION

The application of laws designed to enshrine trade freedoms is the subject of ongoing and developing jurisprudence which, ultimately, may result in a regulatory environment that impacts negatively on multi-national stakeholders in the gaming industry such as Oryx and Oryx's customers.

The way in which gaming laws are evolving is unpredictable and in some instances, laws have appeared to have been fully implemented by certain jurisdictions in contravention of the jurisprudence and guidance given by related jurisdictions, even following review and comment on draft laws and regulations.

As a result, Oryx and its customers remain subject to some ongoing uncertainty and to the associated risks that such laws may, ultimately, be interpreted and implemented in a disadvantageous way.

While much global legislative action focuses on liberalizing interactive gambling regulations, in many cases these efforts move slowly, and it may take many years for markets to actually open up to licensed competitors even after laws pass. In addition, there is still potential for legislation that is intended to reduce or eliminate interactive gambling. Furthermore, credit card companies have tightened restrictions on the use of credit cards for interactive gambling transactions.

SEPTEMBER 11, 2018



ORYXGAMING

Oryx Gaming International LLC

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD ENDED
JUNE 30, 2018

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MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the results of operations, financial condition and cash flows for Oryx Gaming International LLC on a consolidated basis, for the period ended December 31, 2017. References to "Oryx", the "Company", the "Group" or the "Corporation" in this MD&A refer to Oryx Gaming International LLC and its subsidiaries, unless the context requires otherwise. This document should be read in conjunction with the information contained in the Corporation's audited consolidated financial statements and related notes for the period ended June 30, 2018 (the "Interim June 2018 Financial Statements") as well the financial statements for the year ended December 31, 2017 (the "2017 Financial Statements") and the Management Discussion and Analysis for the year ended December 31, 2017 (the "2017 MD&A").

For reporting purposes, the Corporation prepared the Interim June 2018 Financial Statements in U.S. dollars and, unless otherwise indicated, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial information contained in this MD&A was derived from the Interim June 2018 Financial Statements. Unless otherwise indicated, all dollar ("\$") and "USD" amounts and references in this MD&A are in and to U.S. dollars, references to "EUR" or "€" are to European Euros, references to "GBP" or "£" are to British pound sterling and references to "CDN" or "CDN \$" are to Canadian dollars. Unless otherwise indicated, all references to a specific "note" refer to the notes to the Interim June 2018 Financial Statements.

This MD&A references non-IFRS and generally accepted accounting principles ("GAAP") financial measures, including those under the headings "Selected Financial Information" and "Key Metrics" below. The Corporation believes these non-IFRS financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business and making decisions. Although management believes these financial measures are important in evaluating the Corporation, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. They are not recognized measures under IFRS U.S. GAAP and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for period-over-period comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on the Corporation's operating results.

For purposes of this MD&A, the term "gaming license" refers collectively to all the different licenses, consents, permits, authorizations, and other regulatory approvals that are necessary to be obtained in order for the recipient to lawfully conduct (or be associated with) gaming in a particular jurisdiction.

Unless otherwise stated, in preparing this MD&A the Corporation has considered information available to it up to September 11, 2018, the date the Corporation's board of directors (the "Board") approved this MD&A.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A and the Interim June 2018 Financial Statements may constitute forward-looking information and statements (collectively, “forward-looking statements”) within the meaning of the Canadian securities legislation and applicable securities laws, including financial and operational expectations and projections. These statements, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect the Corporation, its subsidiaries and their respective customers and industries. Although the Corporation and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing”, “imply” or the negative of these words or other variations or synonyms of these words or comparable terminology and similar expressions.

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 Corporation’s stage of development, long-term capital requirements and future ability to fund operations, future developments in the Corporation’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 Corporation’s operations. Each factor should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. See the section, “Risk Factors and Uncertainties”, below noting that these factors are not intended to represent a complete list of the factors that could affect the Corporation.

Shareholders and investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Unless otherwise indicated by the Corporation, forward-looking statements in this MD&A describe the Corporation’s expectations as of September 11, 2018 and, accordingly, are subject to change after such date. The Corporation does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

LIMITATIONS OF KEY METRICS AND OTHER DATA

The Corporation's key metrics are calculated using internal company data. While these numbers are based on what the Corporation believes to be reasonable judgments and estimates of its customers for the applicable period of measurement, there are certain challenges and limitations in measuring the usage of its product offerings across its customer base.

In addition, the Corporation's key metrics and related estimates may differ from estimates published by third parties or from similarly-titled metrics of its competitors due to differences in methodology and access to information.

For important information on the Corporation's non-IFRS measures, see the information presented in "Key Metrics" and "Selected Financial Information" below. The Corporation continually seeks to improve its estimates of its active customer base and the level of customer activity, and such estimates may change due to improvements or changes in the Corporation's methodology.

OVERVIEW

BUSINESS OVERVIEW AND BACKGROUND

Oryx is a turnkey gaming solution provider offering a one-stop solution adaptable to various gaming markets and legislature environments. Oryx's customer base consists of online gaming operators. Oryx is incorporated in the State of Delaware and headquartered in Las Vegas. Its primary operations are provided through its wholly-owned subsidiaries in Malta¹ and Slovenia².

A history of Oryx is provided in the 2017 MD&A.

In the period ended June 2018, Oryx continued to expand its client base and signed agreements for services with ElectraWorks (GVC), Pi Piper, Quasar, Stanleybet, Wetten.com, Viks and Grupo Vinnare.

PRODUCTS

The product offering of Oryx remained unchanged between 2017 and the period ended June 2018.

The principal products and services provided by Oryx are Oryx Games, its I-Gaming Platform, its Turnkey Services and a Content Aggregator Platform a description of which is set out below. In addition to these products and services, Oryx has developed a Sportsbook Platform however, at this time its revenues deriving from the Sportsbook Platform are immaterial.

ORYX GAMES

Oryx has its own in-house games studio and has developed a full range of games including slot games, table & card games and scratch card games. These games are featured on Oryx's I-Gaming Platform and are also available for use on other gaming platforms offered by third parties.

THIRD PARTY CONTENT AND CONTENT AGGREGATION

In addition to Oryx's own games, Oryx has strong relationships with a number of other best-in-breed games and content providers and as a result Oryx is able to offer a 'one stop shop' to its customers. Oryx is able to pass this content through to its customers and end users through a single point of integration. To provide this service to its customers it charges a one-off integration fee per provider as well as ongoing aggregation fees.

I-GAMING PLATFORM

Oryx offers an omni-channel and cross-product platform called the 'I-Gaming Platform' that enables operators to manage their entire product suite using one shared account and one wallet for casino, lottery, sportsbook, bingo, poker and other operations. The platform allows operators to maximize cross-sale opportunities and increase player value by using the fully-integrated set of tools and solutions to manage users, transactions, campaigns, reporting and analytics. The platform features Oryx Games and content developed by third parties. The platform offers a full payment solution integrated with a large number of payment solution providers covering local and global markets. The platform also includes a player risk profile level and an advanced rule engine for customization.

Through a single account across all products and channels, operators get a complete overview and history of customer activities, transactions, balance and personal data. This enables a personalized

¹ Oryx Gaming Ltd. was incorporated in Malta on March 11, 2013.

² Oryx razvojne storitve d.o.o was incorporated in Slovenia on April 4, 2014

approach in communication with players and tailor-made offers. The platform also offers player protection features such as deposit limits, play-time limits, loss limits and reality checks for operators to encourage responsible gaming.

The I-Gaming Platform has an integrated chat function which enables quick access to customer data, enables operators to provide unrivalled customer support as well as up-selling and cross selling opportunities. The platform also has bonus and wagering management, whereby the platform can enable automatically triggered bonuses for deposits and signup promotions, manual bonuses given to players by customer support, bonus code and many other flexible bonus configurations.

With respect to reporting and business intelligence, there is a sophisticated business intelligence tool which can create insightful dashboards and reports on customer behavior, financial transactions, gaming income, bets, detailed statistics of game-play, all with flexible filtering and grouping options, as well as campaigns performance reporting.

The I-Gaming Platform contains an affiliate management system and portal to enable operators to build productive relationships with affiliates using redirect or download links, direct marketing CDs, coupon codes, as well as real-time earning and payment reporting.

The I-Gaming Platform also has online functions which are applied to land-based operators. The I-Gaming Platform enables player management for retail operations, connected with online operation, supporting both account-based and anonymous play.

The I-Gaming Platform also provides for an integrated land-based self-serve betting system with support for cash-in and cash out components, anonymous play (cash and cashless play support) and account play (registration, login, deposit and fund transfers).

TURNKEY SERVICES

Oryx is able to offer a complete solution for gaming operators through its team whereby it will manage the operators' customers and marketing communication. Additionally, Oryx's operations management services can assist with hosting and security, know-your-client requirements, payment and transaction management, customer support and risk and fraud management.

Oryx's campaign management services address retention and conversion marketing programs, VIP marketing and VIP management and provide a personalized approach to players, based on player data and correspondence history to create a strong relationship and customer loyalty. Additionally, Oryx has analytics and business intelligence services aggregate, manage and utilize significant amounts of data and prepare periodic and per-request reports and insights.

THE INDUSTRY

THE ONLINE GAMING MARKET

The global online gambling market continues to exhibit strong growth and remains at the forefront of innovation while continuing to evolve. The average rate (mean) of revenue growth experienced in Q1 2018 is 22% with the median Year-on-Year growth rate of 18%³. Additionally, H2 Gambling Capital estimates that in 2017 Gross Gambling Revenues (for casino, poker, bingo, sports betting, skill-based gaming and lotteries, grew by approximately 9% to €40.5 billion from €37.2 billion in 2016.

The Online Casino market, which is Oryx's primary market, experienced an average growth rate of 24% over the same period with the median Year-on-Year growth rate of 16%.

Looking forward, H2 Gambling Capital predicts the market will continue to grow at a compound annual growth rate of 8% from 2017 to 2020.

GEOGRAPHICAL DEVELOPMENT

The UK remains the largest as well as the most mature online market according to H2 Gambling Capital. They estimate that China and Japan are the next largest markets. Europe remains the largest territory, comprising 53% of the overall online gambling market in 2017 and is forecast to grow at a compound annual growth rate of 9% from 2017 to 2020. Growth in Europe is driven by more mature markets such as the UK but also relatively smaller markets such as Italy and Spain that are growing faster due to more recent regulation related to online gambling.

DRIVERS OF MARKET GROWTH

In line with the growth of e-commerce across all consumer and leisure related sectors globally, the online gaming market continues to benefit from the transition of land-based revenue to online revenue. Improved broadband penetration and capacity, faster mobile data transfer rates, improved smartphone penetration, a growing number of market participants, along with increased marketing expenditure by operators through a wide range of marketing channels are all driving factors for growth in the industry. In addition, the growing trend of greater acceptance of online gambling as a mainstream leisure pastime is contributing to increasing regulatory regimes appearing globally.

REGULATION

Regulation remains one of the key opportunities for growth as there is a move from a predominantly .com (international) regime to a nationally or locally regulated regime. This presents numerous challenges to operators and suppliers (such as Oryx) but also reduces long term risk and creates opportunities, potentially opening up new product verticals and increased marketing activity for operators. A combination of factors determine whether the opportunity will be attractive in the long term; including tax rate, product availability and technical requirements. Oryx is uniquely placed given its strength, geographic diversity and technical acumen to manage these challenges and continue to be the leading supplier in regulated markets.

Europe continues to lead the regulatory movement, with the Czech Republic, Poland, Sweden and Portugal recently introducing new regulated and licensed regimes. Holland, Switzerland, and Germany are expected to regulate in the near future. In Latin America, Brazil is a big opportunity, whilst Peru and

³ Source: Online Gambling Quarterly (MECN). Summer 2018 Edition. Available at: <http://online-gambling-quarterly.com/>

Mexico are reviewing historic positions. Finally, the Indian sub-continent remains an interesting and lucrative long-term opportunity.

MOBILE

Online Gambling Quarterly reports that of the operators analyzed 65% of their total online casino revenue is derived from mobile channels. The number of mobile devices, smartphones and tablets in use continues to grow every day. In the sector there is an increasing number of players choosing mobile gaming for the convenience it brings.

RECENT CORPORATE DEVELOPMENTS

Oryx continued its rapid business growth in 2018 and managed to on board numerous clients; among them: ElectraWorks (GVC), Pi Piper, Quasar, Stanleybet, Wetten.com, Viks and Grupo Vinnare. Oryx also obtained Romanian software and platform licenses allowing it to provide clients with services in the regulated Romanian market.

KEY METRICS

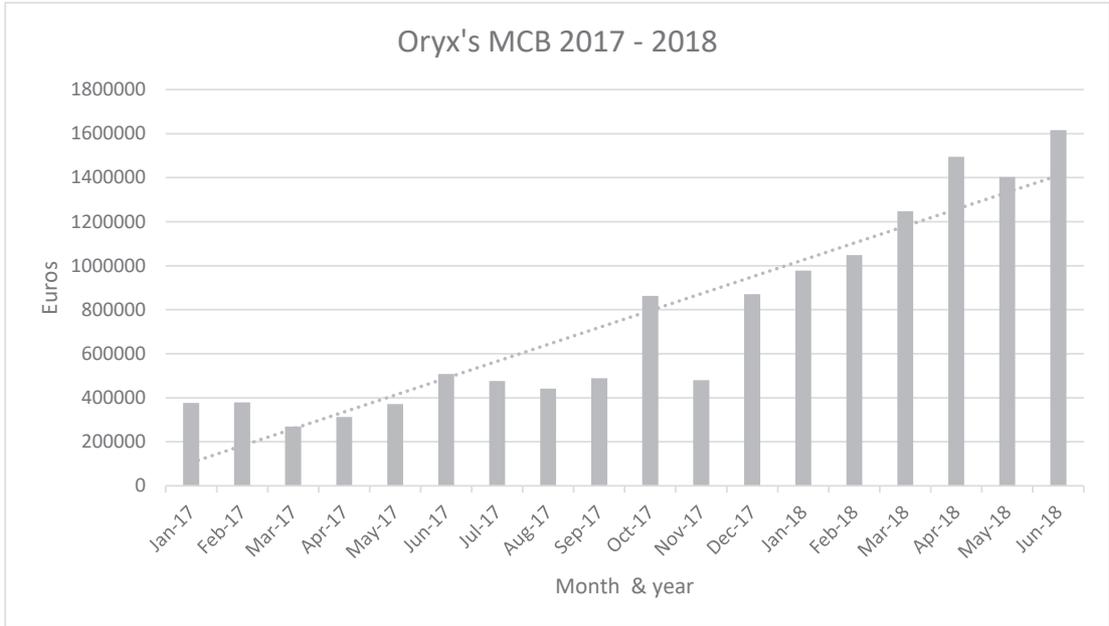
The Corporation reviews a number of metrics, including those key metrics set forth below, to evaluate its business, measure performance, identify trends, formulate business plans and make strategic decisions.

For information on how the Corporation calculates its key metrics and factors that can affect such metrics, see “Limitations of Key Metrics and Other Data” above.

MONTHLY CUSTOMER BILLINGS (MCB)

The Corporation defines MCB as the primary metric which points to the health of the business. The definition of MCB has excluded billings to customers which relate to a period greater than one year. This data may not reconcile directly with the Corporation’s reported revenue due to accounting adjustments between billings and revenue recognition.

The graph overleaf shows MCB on a monthly basis between January 2017 and June 2018:



Average MCB between January and June 2018 was €1,298,000 compared with €370,000 in period to June 2017. This represents an increase of 251% as a result of an increase in the customer base and an increase in the ultimate number of end users.

FINANCIAL RESULTS

SELECTED FINANCIAL INFORMATION

Selected financial information for the six months ended June 30, 2018 and 2017 are set forth below:

	Six months ended June 30, 2018 \$'000	Six months ended June 30, 2017 \$'000
Revenue	9,493	1,847
Net income for the year	1,639	2
Total assets (as at)	5,719	3,679 (at December 31, 2017)
Total liabilities (as at)	3,658	3,073 (at December 31, 2017)
Cash generated from operating activities	923	434

Revenue increased by 414% in the period ended June 30, 2018 as compared to the prior period ended June 30, 2017 as a result of the increase in the number customers.

Net profit for the period was \$1,638,671 (H1 2017: Net profit of \$1,775). The aggregate favorable variance of \$1,637k is summarized in the table below:

	Variance: Six months to June 30, 2018 vs 2017 \$
Favorable variances	
Increase in revenue	7,645,659
Decrease in Development expenses	73,222
Decrease in Travel expenses	27,231
Decrease in Phantom stock plan expenses	14,977
Total favorable variances	7,761,089
Adverse variances	
Increase in Cost of sales	(3,268,331)
Increase in Salaries and wages	(958,988)

	Variance: Six months to June 30, 2018 vs 2017
	\$
Increase in Professional fees	(1,005,565)
Increase in Bad Debt expense	(91,679)
Increase in Hosting fees	(162,383)
Increase in General and administrative expenses	(458,088)
Increase in Rent expense	(17,018)
Increase in Amortization and depreciation	(38,734)
Increase in Interest and bank charges	(19,094)
Increase in Foreign exchange losses	(50,557)
Increase in Income tax expense	(53,756)
Total adverse variances	(6,124,193)
Total variances	1,636,896

OTHER FINANCIAL INFORMATION

To supplement its 2018 Interim Financial Statements presented in accordance with IFRS, the Corporation considers certain financial measures that are not prepared in accordance with IFRS. The Corporation uses such non-IFRS financial measures in evaluating its operating results and for financial and operational decision-making purposes. The Corporation believes that such measures help identify underlying trends in its business that could otherwise be masked by the effect of the expenses that it excludes in such measures.

The Corporation also believes that such measures provide useful information about its operating results, enhance the overall understanding of its past performance and future prospects and allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. However, these measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. There are a number of limitations related to the use of such non-IFRS measures as opposed to their nearest IFRS equivalents.

The primary non-IFRS financial measure which the Corporation uses is EBITDA. A reconciliation from Reported net income to EBITDA is presented in the table below:

	Half year ended June 30, 2018	Half year ended June 30, 2017
	\$'000	\$'000
Reported net income / (loss) for the year	1,639	2
Add interest and bank charges	35	16
Add income tax	105	51
Add amortization and depreciation	203	164
EBITDA	1,982	233

The table below presents a reconciliation for EBITDA between the half year ended June 2018 and June 2017:

	Variance: Six months to June 30, 2018 vs 2017
	\$
Favorable variances	
Increase in revenue	7,645,659
Decrease in Development expenses	73,222
Decrease in Travel expenses	27,231
Decrease in Phantom stock plan expenses	14,977
Total favorable variances	7,761,089
Adverse variances	
Increase in Cost of sales	(3,268,331)
Increase in Salaries and wages	(958,988)
Increase in Professional fees	(1,005,565)
Increase in Bad Debt expense	(91,679)
Increase in Hosting fees	(162,383)
Increase in General and administrative expenses	(458,088)
Increase in Rent expense	(17,018)
Increase in foreign exchange losses	(50,557)

	Variance: Six months to June 30, 2018 vs 2017
	\$
Total adverse variances	(6,012,609)
Total variance of EBITDA	1,748,480

DISCUSSION OF OPERATIONS

The discussion of the operational income statement items covers some of the significant variances (defined as those with a variance over \$200,000) between the six months to June 30, 2018 and June 30, 2017.

REVENUE

Revenue increased 414% from \$1,847,066 to \$9,492,725. This was primarily as a result of increasing the client base, including ElectraWorks (GVC), Pi Piper, Quasar, Stanleybet, Wetten.com, Viks and Grupo Vinnare. Additionally, the corporation benefited from a full period of result of customers which were signed in the previous periods.

COST OF SALES

A number of the new contracts are reliant on third-party content and therefore the Corporation has experienced an increase in the cost of sales from \$280,688 to \$3,549,019. As a result of this, Oryx's Gross profit margin has decreased from 84.8% to 62.6%.

SALARIES AND WAGES

Within the period, the Corporation experienced a reduction in the capitalization of salaries for development of software and a result experienced a 134% increase in the salaries and wages compared with the prior period.

PROFESSIONAL FEES

Professional fees have increased due to the increased use of consultants as well as professional temporary contractors.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses have increased due to increased expenditure on IT and digital services to support growth of the business.

SUMMARY OF QUARTERLY RESULTS

Prior to the publication of this MD&A and the 2017 MD&A, the Corporation was not a reporting issuer. As a result, the Corporation has not prepared financial statements for any prior period.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's principal sources of liquidity are its cash generated from operations. Currently available funds consist primarily of cash on deposit with banks.

The Corporation calculates its working capital requirements as follows:

	As at June 30, 2018	As at December 31, 2017
	\$	\$
Cash	298,736	68,024
Add trade and other receivables	3,294,433	1,633,873
Add due from / (to) shareholder	12,016	12,230
Less accounts payable and accrued liabilities	(2,559,184)	(1,749,042)
Less current taxes payable	(146,855)	(169,914)
Less current portion of long-term debt	(138,174)	(156,004)
Net Working Capital	760,972	(360,833)

The total net working capital is now positive with trade and other receivables in excess of accounts payables and accrued liabilities.

The Corporation is EBITDA positive and generates cash from operations on a monthly basis. As a result, its additional working capital requirements are generally minimal over the year. Management also believes that investing is a key element necessary for the continued growth of the Corporation's customer base and the future development of new and innovative product offerings. Management believes that the Corporation will have the cash resources necessary to satisfy current obligations and working capital needs, and fund currently planned development activities and other capital expenditures, as well as currently planned acquisitions, for at least the next 12 months.

MARKET RISK

The Corporation is exposed to market risks, including changes to foreign currency exchange rates and interest rates.

FOREIGN CURRENCY EXCHANGE RISK

The Corporation is exposed to foreign currency risk, which includes risks related to its revenue and operating expenses denominated in currencies other than the U.S. dollar (which is its reporting currency). In general, the Corporation is a net receiver of currencies other than the U.S. dollar, primarily the Euro, which is the primary contracting currency of the Corporation's customers. Accordingly, changes in exchange rates may in the future reduce the purchasing power of the Corporation's customers thereby potentially negatively affecting the Corporation's revenue and other operating results.

The Corporation has experienced and will continue to experience fluctuations in its net earnings as a result of translation gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded.

LIQUIDITY RISK

The Corporation is also exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Corporation manages liquidity risk by continuously monitoring its forecasted and actual cash flows, and matching maturity profiles of financial assets and liabilities.

LONG TERM DEBT

The Corporation has two loans outstanding at June 30, 2018. The balances of these loans are \$474,273 and \$39,210 totaling \$513,483 outstanding as at June 30, 2018. A description on both of these loans is provided below:

Loan A – During year ended December 31, 2017, the Corporation restructured and extinguished loans resulting in two tranches. The restructured tranches are unsecured maturing September 1, 2019 and July 1, 2022, and bear interest of 3.0% and 0.0% per annum, respectively.

Loan B – On May 27, 2016, the Corporation amended the terms of the revolving loan which requires 31 monthly principal payments in the amount of €6,000 and the final instalment in the amount of €3,468, which is due on December 15, 2018. The bank loan bears interest of 5.0% per annum and is guaranteed by the sole shareholder.

CASH FLOWS BY ACTIVITY

COMPARISON OF THE PERIOD ENDED JUNE 30, 2018 AND 2017

	Six months ended June 30, 2018	Six months ended June 30, 2017
	\$	\$
Net cash inflows from operating activities	923,017	433,846
Net cash outflows from financing activities	(332,249)	(51,059)
Net cash outflows from investing activities	(393,753)	(379,218)

CASH INFLOWS FROM OPERATING ACTIVITIES

The Corporation generated cash inflows from operating activities for the year ended June 30, 2018 and 2017. The Corporation's cash inflows from operating activities increased over this period as compared to the prior year period primarily as a result of an increase in net earnings generated from the underlying operations of the Corporation.

CASH OUTFLOWS FROM INVESTING ACTIVITIES

The Corporation invested \$53,169 in property and equipment in H1 2018 (H1 2017: \$34,985) and \$340,584 in intangible assets (H1 2017: \$344,233). The investment into intangible assets predominantly relates to internally developed software which meets the requirements of IAS 38.

CASH OUTFLOWS FROM FINANCING ACTIVITIES

The cash outflow from financing activities relates to the repayment of long-term debt of \$73,901 in H1 2018 (H1 2017 \$51,059) and interim dividend payment of \$258,348 (H1 2017 \$nil).

RISK FACTORS AND UNCERTAINTIES

The Corporation has not determined any additional risks since the publication of the 2017 MD&A. For full details see that document.

Note that, the risks and uncertainties described with the 2017 MD&A are not the only ones the Corporation may face. Additional risks and uncertainties that the Corporation is unaware of, or that the Corporation currently believes are not material, may also become important factors that could adversely affect the Corporation's business. If any of such risks actually occur, the Corporation's business, financial condition, results of operations, and future prospects could be materially and adversely affected.

SCHEDULE "I"
PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

See attached.

Bragg Gaming Group, Inc.

Unaudited pro forma consolidated statement of financial position as at June 30, 2018
(Expressed in United States Dollars, unless otherwise noted)

	Breaking Data Corp. as at June 30, 2018	AA Acquisition Group, Inc. as at June 2018	Oryx International, LLC. as at June 2018	Note 4	Adjustments	Total
Assets	\$	\$	\$		\$	\$
Current assets						
Cash and cash equivalents	1,027,006	2,171,093	298,736	(d)	(438,960)	3,588,926
				(e)	(513,483)	
				(f)	(7,547,133)	
				(g)	9,140,072	
				(h)	(548,404)	
Trade and other receivables, net	2,081,011	104,515	3,294,433			5,479,959
Amounts due from shareholder	-	-	12,016			12,016
Prepaid expenses, deposits and other assets	325,127	-	34,336			359,463
Total current assets	3,433,144	2,275,608	3,639,521		92,091	9,440,364
Non-current assets						
Equipment, net of depreciation	144,181	-	103,054			247,235
Intangible assets, net	2,087,136	-	1,976,660			4,063,796
Goodwill	6,238,925	-	-			6,238,925
Unallocated purchase price	-	-	-	(f)	33,256,345	33,256,345
Total assets	11,903,386	2,275,608	5,719,235		33,348,437	53,246,666
Liabilities						
Current liabilities						
Trade payable and accrued liabilities	1,418,563	351,708	2,559,184	(k)	1,286,184	5,615,639
Debentures - Current portion	-	-	138,174	(e)	(138,174)	-
Current tax liability	-	-	146,855			146,855
Phantom stock liability	-	-	438,960	(d)	(438,960)	-
Deferred stock unit liability	-	-	-	(m)	494,927	494,927
Contingent consideration	-	-	-	(f)	18,896,553	18,896,553
Total current liabilities	1,418,563	351,708	3,283,173		20,100,530	25,153,974
Non-current liabilities						
Debentures - Long-term portion	-	-	375,309	(e)	(375,309)	-
Total liabilities	1,418,563	351,708	3,658,482		19,725,221	25,153,974
Shareholders' Equity						
Share capital	28,551,592	2,257,000	1,000	(a)	(2,258,000)	45,569,685
				(f)	10,797,312	
				(j)	463,762	
				(g)	6,341,591	
				(h)	(380,495)	
				(i)	(204,077)	
Warrants	4,406,796	-	-	(g)	2,798,481	7,241,444
				(h)	(167,909)	
				(i)	204,077	
Contributed surplus	5,391,440	-	-	(l)	886,278	9,333,469
				(p)	3,055,751	
(Deficit) / Retained Earnings	(27,754,043)	(333,100)	2,093,101	(b)	(1,760,001)	(33,940,945)
				(j)	(463,762)	
				(k)	(1,286,184)	
				(l)	(886,278)	
				(m)	(494,927)	
				(p)	(3,055,751)	
Accumulated other comprehensive loss	(110,962)	-	(33,348)	(c)	33,348	(110,962)
Total shareholders' equity	10,484,823	1,923,900	2,060,753		13,623,215	28,092,691
Total liabilities and shareholders' equity	11,903,386	2,275,608	5,719,235		33,348,437	53,246,666

See accompanying notes to the unaudited pro forma financial statement

Bragg Gaming Group, Inc.

Unaudited pro forma statement of loss and comprehensive loss for the year ended March 31, 2018
(Expressed in United States Dollars, unless otherwise noted)

	Breaking Data Corp.	AA Acquisition Group, Inc.	Oryx International, LLC.	Note 4	Adjustments	Total
	\$	\$	\$		\$	\$
Revenue	8,363,234	-	6,644,425			15,007,659
Cost of sales	4,473,323	-	1,122,251			5,595,574
Gross margin	3,889,911	-	5,522,174		-	9,412,085
Expenses						
General and administrative	1,587,939	-	861,950			2,449,889
Salaries and subcontractors	4,493,461	-	2,001,749			6,495,210
Stock-based compensation	3,254,148	-	104,548	(l), (m), (o), (p)	4,332,408	7,691,104
Professional fees	520,269	12,037	1,001,127			1,533,433
Sales and marketing	743,562	-	-			743,562
Development expenses	-	-	364,254			364,254
Accretion on debentures	172,811	-	-			172,811
Interest and financing fees	23,464	-	66,123	(n)	(66,123)	23,464
Bad debt expense	-	-	650,509			650,509
Gain on settlement of debt and accounts payable	-	-	(104,407)			(104,407)
Foreign exchange loss	142,165	4,109	(52,616)			93,658
Amortization of intangible assets	430,770	-	308,213			738,983
Gain on sale of equipment	(15,336)	-	-			(15,336)
Depreciation of equipment	13,921	-	39,653			53,574
Total Expenses	11,367,174	16,146	5,241,103		4,266,285	20,890,708
Net Loss Before Changes in Fair Value of Goodwill and Transaction and Acquisition Costs	(7,477,263)	(16,146)	281,071		(4,266,285)	(11,478,623)
Change in fair value of goodwill	(8,933,700)	-	-			(8,933,700)
Transaction and acquisition costs	(772,875)	(316,954)	-	(i), (k)	(1,749,946)	(2,839,775)
Net Loss From Continuing Operations	(17,183,838)	(333,100)	281,071		(6,016,231)	(23,252,098)
Net income from discontinued operations	39,866	-	-			39,866
Income tax expense	-	-	(294,532)			(294,532)
Net Loss for the Period	(17,143,972)	(333,100)	(13,461)		(6,016,231)	(23,506,764)
Cumulative translation adjustment	84,881	-	(141,721)			(56,840)
Net Loss and Comprehensive Loss for the Period	(17,059,091)	(333,100)	(155,182)		(6,016,231)	(23,563,604)
Number of shares						75,206,082
Pro forma loss per share						(0.31)

See accompanying notes to the unaudited pro forma financial statement

Bragg Gaming Group, Inc.

Unaudited pro forma statement of loss and comprehensive loss for the period ended June 30, 2018
(Expressed in United States Dollars, unless otherwise noted)

	Breaking Data Corp.	AA Acquisition Group, Inc.	Oryx International, LLC.	Note 4	Adjustments	Total
	\$	\$	\$		\$	\$
Revenue	2,621,552	-	9,492,725			12,114,277
Cost of sales	1,316,999	-	3,549,019			4,866,018
Gross margin	1,304,553	-	5,943,706		-	7,248,259
Expenses						
General and administrative	350,759	-	910,273			1,261,032
Salaries and subcontractors	1,103,824	-	1,672,976			2,776,800
Stock-based compensation	854,395	-	-	(l), (m), (p)	3,770,798	4,625,193
Professional fees	72,964	12,037	1,193,147			1,278,148
Sales and marketing	109,361	-	-			109,361
Development expenses	-	-	43,283			43,283
Interest and financing fees	-	-	35,339	(n)	(35,339)	-
Bad debt expense	-	-	91,679			91,679
Foreign exchange loss	25,401	4,109	50,917			80,427
Amortization of intangible assets	117,452	-	182,710			300,162
Depreciation of equipment	10,207	-	19,984			30,191
Total Expenses	2,644,363	16,146	4,200,308		3,735,459	10,596,276
Net Loss Before Transaction and Acquisition Costs	(1,339,810)	(16,146)	1,743,398		(3,735,459)	(3,348,017)
Transaction and acquisition costs	-	(316,954)	-	(j), (k)	(1,749,946)	(2,066,900)
Net Loss From Continuing Operations	(1,339,810)	(333,100)	1,743,398		(5,485,405)	(5,414,917)
Income tax expense	-	-	(104,727)			(104,727)
Net Loss for the Period	(1,339,810)	(333,100)	1,638,671		(5,485,405)	(5,519,644)
Cumulative translation adjustment	(226,099)	-	74,435			(151,664)
Net Loss and Comprehensive Loss for the Period	(1,565,909)	(333,100)	1,713,106		(5,485,405)	(5,671,308)
Number of shares						75,206,082
Proforma loss per share						(0.08)

See accompanying notes to the unaudited pro forma financial statement

1. Basis of presentation

The unaudited pro forma consolidated statement of financial position of Bragg Gaming Group Inc, formally Breaking Data Corp. (the "Company") as at June 30, 2018 (the "Pro Forma Financial Statements"), has been prepared by management based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the proposed Transaction Agreement between the Company and AA Acquisition Group ("AAA"). AAA has entered into a Share Purchase Agreement (the "SPA") with Oryx Gaming International LLC ("Oryx") to acquire all the share capital of Oryx. The effects of the proposed Transaction Agreement and SPA have been prepared on the basis of the assumptions, estimations and adjustments described in notes 2, 3, and 4.

The unaudited pro forma consolidated statement of financial position has been prepared to give effect that the Transaction had taken place on June 30, 2018. This unaudited pro forma consolidated statement of financial position has been derived from:

- (a) the unaudited statement of financial position of the Company as at June 30, 2018,
- (b) the statement of financial position of AAA as at June 30, 2018; and
- (c) the unaudited statement of financial position of Oryx as at June 30, 2018.

The unaudited pro forma consolidated statement of loss and comprehensive loss has been prepared to give effect that the Transaction had taken place at the beginning of the financial year ended March 31, 2018. This unaudited pro forma consolidated statement of loss and comprehensive loss has been derived from:

- (a) the statement of loss and comprehensive loss of the Company for the year ended March 31, 2018,
- (b) the statement of loss and comprehensive loss of AAA for the period April 12 to June 30, 2018; and
- (c) the statement of loss and comprehensive loss of Oryx for the year ended December 31, 2017.

The unaudited pro forma consolidated statement of loss and comprehensive loss has been prepared to give effect that the Transaction had taken place at the beginning of the period ended June 30, 2018. This unaudited pro forma consolidated statement of loss and comprehensive loss has been derived from:

- (a) the unaudited statement of loss and comprehensive loss of the Company for the three months ended June 30, 2018,
- (b) the statement of loss and comprehensive loss of AAA for the period April 12 to June 30, 2018; and
- (c) the unaudited statement of income and comprehensive income of Oryx for the six months ended June 30, 2018.

Unless otherwise noted, the unaudited pro forma consolidated statements of financial position and unaudited pro forma consolidated statements of loss and comprehensive loss and the accompanying notes are presented in United States dollars.

It is management's opinion that the unaudited Pro Forma Financial Statements, include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with the Company's accounting policies, except as otherwise noted. The unaudited Pro Forma Financial Statements are not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on June 30, 2018 and are not necessarily indicative of the financial performance that would have resulted if the combination had actually occurred during the reported period. The unaudited Pro Forma Financial Statements should be read in conjunction with the historical financial statements and notes thereto of the Company, AAA and Oryx, included elsewhere in this Information Circular.

2. Significant accounting policies

The unaudited Pro Forma Financial Statements have been compiled using the significant accounting policies, as set out in the audited consolidated financial statements of the Company as at and for the year ended March 31, 2018. Management has determined that no material pro forma adjustments are necessary to conform AAA and Oryx's accounting policies to the accounting policies used by the Company in the preparation of its financial statements.

3. The Transaction

- a) The Company and AAA have entered into a Transaction Agreement pursuant to which the Company will issue 21,000,000 shares to the shareholders of AAA in exchange for all the shares of AAA, totalling 2,257,000.
- b) AAA has entered in a Share Purchase Agreement (the "SPA") with Oryx to acquire all the shares of Oryx with an initial consideration of €1.5 million in cash on signing of the SPA.
- c) Consideration of €4.125 million in cash on closing of the Transaction.
- d) Consideration of €1.875 million worth of common shares of the Company payable 60 days post-closing based on the volume weighted average price of the shares on the TSX Venture Exchange (the "TSXV") at the time of issuance, subject to a maximum of 2 million shares – in the event that the payment is limited by the maximum number of shares issuable, the balance of the payment will be paid in cash.
- e) Earn-out payments comprised as follows: (i) after the first year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that first year, subject to Oryx having achieved EBITDA of at least €2 million; and (ii) after the second year following the closing date, a payment equal to 8 times 33% of the EBITDA of Oryx for that second year, subject to Oryx having achieved EBITDA of at least €3 million. The earn-out payments will be partly satisfied by cash and partly by the issuance of common shares of the Company based on the 60-day volume weighted average price of the shares on the TSXV, provided that the maximum number of shares to be issued for the first earn-out payment will be 2 million shares and for the second earn-out payment will be 2.5 million shares.

4. Pro forma assumptions and adjustments

The unaudited pro forma consolidated statement of comprehensive reflects the following assumptions and adjustments:

- (a) A reduction in share capital of \$2,258,000 to eliminate AAA and Oryx's share capital.
- (b) An adjustment of \$1,760,001 to eliminate AAA and Oryx's historical retained earnings.
- (c) An adjustment of \$33,348 to eliminate Oryx's historical accumulated other comprehensive loss.
- (d) An adjustment of \$438,960 to reflect settlement of phantom stock liability in Oryx on completion of the Transaction.
- (e) An adjustment of \$513,483 to reflect settlement of debentures in Oryx on completion of the Transaction.
- (f) The purchase price consideration transferred by the Company and AAA as part of the Transaction is calculated as follows:

Acquisition of AAA stock (21,000,000 Company shares)	\$	9,898,538
Cash consideration due to Oryx vendors upon signing of the SPA (€1.5m)		1,751,352
Cash consideration due to Oryx vendors upon completion (€4.125m)		4,816,218
Less working capital purchase price adjustment		(310,853)
Stock consideration due to Oryx vendors within 60 days of completion on acquisition of Oryx (€1.875m capped at a maximum of 2m Company shares)		898,774
Balancing cash consideration as a result of issuing a maximum 2m Company shares		1,290,416
Contingent consideration - cash after the first year following the closing date (1)		6,363,836
Contingent consideration - stock after the first year following the closing date (2,000,000 Company shares) (1)		936,508
Contingent consideration - cash after the second year following the closing date (2)		10,397,022
Contingent consideration - stock after the second year following the closing date (2,500,000 Company shares) (2)		1,199,187
	\$	<u>37,240,998</u>

The acquired net assets and unallocated purchase price is as follows:

Cash and cash equivalents	\$	1,517,386
Trade and other receivables, net		3,398,948
Amounts due from shareholder		12,016
Prepaid expenses, deposits and other assets		34,336
Equipment, net of depreciation		103,054
Intangible assets		1,976,660
Trade payables and accrued liabilities		(2,910,892)
Current tax liability		(146,855)
Unallocated purchase price		33,256,345
	\$	<u>37,240,998</u>

(1) The contingent consideration arrangement requires the Company to pay the former owner a multiple of Oryx EBITDA contributed in the first year following completion of the Transaction. The fair value of \$7,300,344 was estimated calculating the present value of future expected cashflows provided by Oryx.

(2) The contingent consideration arrangement requires the Company to pay the former owner a multiple of Oryx EBITDA contributed in the second year following completion of the Transaction. The fair value of \$11,596,209 was estimated calculating the present value of future expected cashflows provided by Oryx.

4. Pro forma assumptions and adjustments (continued)

- (g) An increase in cash of \$9,140,072 and a corresponding increase in share capital of \$6,341,591 and increase in warrants of \$2,798,481 following the issue of 23,529,412 subscription receipts of the Company at an issue price of CDN\$0.51 as a result of a private placement. The total issue size of the placement is up to CDN\$12,000,000. Upon completion, each subscription receipt will convert to one common share and one common share purchase warrant of the Company. Each whole warrant is convertible into one common share at a price of CDN\$0.76 for a period of two years. The warrants were valued using the Black-Scholes Pricing Model applying a volatility of 101%, risk free rate of 2%, expected life of 2 years and dividend yield of nil.
- (h) Agent cash commission of 6%, equating to \$548,404, of the aggregate gross proceeds in relation to the private placement as per note 4(g). These transaction costs relate directly to the issue of equity instruments and has been allocated against share capital (\$380,495) and warrants (\$167,909).
- (i) The agent commission includes compensation warrants equal to 6% of the number subscription receipts sold. Each compensation warrant is convertible into one common share at CDN\$0.51 for period of two years following the closing date. The fair value of these compensation warrants is \$294,133, calculated using the Black-Scholes Pricing Model applying a volatility of 101%, risk free rate of 2%, expected life of 2 years and dividend yield of nil. These transaction costs relate directly to the issue of equity instruments and has been allocated against share capital (\$204,077) and warrants (\$90,057).
- (j) An issuance of share capital of \$463,762 to satisfy equity-settled transaction costs including completion bonuses and termination payments due to the existing Board of the Company.
- (k) An increase in accrued liabilities of \$1,286,184 representing estimated cash-settled transaction costs including termination payments incurred in relation to the Transaction.
- (l) To reflect the issuance by the Company of 4,185,000 stock options to Directors, Management and Consultants on completion of the Transaction, resulting in an increase in contributed surplus of \$886,278 and a corresponding share-based compensation charge (three month charge: \$220,120). These options were valued using the Black-Scholes Option Pricing Model applying volatility of 101% based on historical Company data, risk free rate of 2%, expected life of 5 years and dividend yield of nil.
- (m) An increase in deferred stock liabilities and a corresponding increase in stock-based compensation expense of \$494,927 representing issuance of 1,050,000 deferred stock units upon closing of the Transaction.
- (n) An reduction in interest and financing fees in Oryx to eliminate debenture interest expense that would not have occurred if the Transaction had occurred at the start of the reporting period of the statements of loss and comprehensive loss (Year ended December 31, 2017: \$66,123, six-months ended June 30, 2018 \$35,339)
- (o) An reduction in stock-based compensation in the statement of loss and comprehensive loss for the year-ended March 31, 2018 of \$104,548 to reflect phantom stock expense and reduction in fair value of phantom stock liability that would not have occurred if the Transaction had completed at the start of the reporting period.
- (p) An increase in contributed surplus and corresponding increase in share-based compensation of \$3,055,751 representing the expedited vesting of all existing non-vested Breaking Data Corporation options in conjunction with the Transaction.

Where an adjustment presented above has required the use of the current share price, the closing share price as at September 20, 2018 being CDN\$0.59 (US\$0.47) has been assumed. Where an adjustment has required conversion from foreign currency to USD the applicable historical exchange rate as published by the Bank of Canada website has been used.

5. Pro forma share capital

	<u>Number</u>	<u>Amount</u>
The Company's common shares outstanding - June 30, 2018	28,676,670	\$ 28,551,592
Consideration transferred to shareholders of AAA (note 4(f))	21,000,000	9,898,538
Consideration transferred to shareholders of Oryx (note 4(f))	2,000,000	898,774
Shares to be issued pursuant to the private placement in note 4(g)	23,529,412	6,341,591
Transaction fees as cash compensation in relation to the private placement in note 4(h)	-	(380,495)
Transaction fees as compensation warrants in relation to the private placement in note 4(i)	-	(204,077)
Shares issued to existing Company Board members on completion of the Transaction (note 4(j))	983,883	463,762
Pro forma share capital - June 30, 2018	<u>75,206,082</u>	<u>\$ 45,569,685</u>

6. Pro forma contributed surplus		<u>Amount</u>
The Company's contributed surplus	\$	5,391,440
Issuance of stock options in conjunction with the Transaction (note 4(l))		886,278
Expedited vesting of Breaking Data Corporation stock options as described in note 4(p)		3,055,751
Pro forma contributed surplus - June 30, 2018		<u>\$ 9,333,469</u>

7. Pro forma warrants		<u>Amount</u>
The Company's warrants	\$	4,406,796
Fair value of warrants issued pursuant to the private placement in note 4(g)		2,798,481
Fair value of broker compensation warrants in relation to the private placement in note 4(i)		294,133
Transaction fees as cash compensation in relation to the private placement in note 4(h)		(167,909)
Transaction fee as compensation warrants in relation to the private placement in note 4(i)		(90,057)
Pro forma warrants - June 30, 2018		<u>\$ 7,241,444</u>

8. Pro forma stock options				<u>Exercise price</u>
	<u>Weighted</u>	<u>Number</u>	<u>Number vested</u>	<u>(USD\$)</u>
	<u>average</u>	<u>outstanding</u>		
	<u>remaining</u>			
	<u>life (yrs)</u>			
The Company's options	8.39	4,492,168	4,492,168	\$0.375 - \$4.73
Company options issued (note 4(l))	5.00	4,185,000	-	\$0.47
Pro forma stock options - June 30, 2018		<u>8,677,168</u>	<u>4,492,168</u>	<u>\$0.375 - \$4.73</u>

9. Pro forma deficit		<u>Amount</u>
The Company's deficit	\$	27,754,043
AAA's deficit		333,100
Oryx's retained earnings		(2,093,101)
Elimination of the AAA's and Oryx's net deficit (note 4(b))		1,760,001
Transaction costs to existing Board of the Company as detailed in note 4(j)		463,762
Transaction costs as detailed in note 4(k)		1,286,184
Issuance of stock options (note 4(l))		886,278
Issuance of deferred stock units (note 4(m))		494,927
Expedited vesting of Breaking Data Corporation stock options as described in note 4(p)		3,055,751
Pro forma deficit - June 30, 2018		<u>\$ 33,940,945</u>

SCHEDULE "J"
DSU PLAN

See attached.

BREAKING DATA CORP.
DEFERRED SHARE UNIT PLAN

Section 1 Purpose of the Plan.

The purpose of the Plan is to advance the interests of the Corporation by: (i) providing eligible persons with additional incentive; (ii) encouraging stock ownership by such eligible persons; (iii) increasing the proprietary interest of eligible persons in the success of the Corporation; (iv) encouraging eligible persons to remain with the Corporation; and (v) attracting new directors, employees and officers.

Section 2 Definitions.

As used in the Plan, the following terms have the following respective meanings:

“Account” means an account maintained for each Participant on the books of the Corporation which will be credited with Deferred Share Units and Dividend Equivalents, in accordance with the terms of the Plan.

“Affiliate” has the meaning ascribed to that term under section 1(2) of the *Securities Act* (Ontario), as now in effect, or such other meaning, and shall include such other entities, as may be determined by the Board.

“Annual Board Retainer” means the annual retainer paid by the Corporation to a director in a fiscal year for service on the Board, together with Board committee fees, attendance fees and additional fees and retainers to committee chairs.

“Annual Bonus” means the discretionary annual bonus paid by the Corporation to an officer in a fiscal year for service to the Corporation.

“Board” means the Board of Directors of the Corporation.

“Broker” means a broker independent from the Corporation or any of its subsidiaries who has been designated by the Corporation as the broker that will purchase Common Shares pursuant to the Plan and who is a member of the principal Canadian stock exchange or other public exchange on which the Common Shares are listed.

“Committee” means the Compensation, Nominating and Governance Committee of the Board.

“Common Shares” means the common shares of the Corporation.

“Corporation” means Breaking Data Corp.

“Deferred Share Unit” means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account in accordance with the terms of the Plan.

“Dividend Equivalent” means a bookkeeping entry equivalent in value to a dividend paid on a Common Share credited to a Participant’s Account in accordance with Section 11 of the Plan.

“Final Payment” has the meaning ascribed to that term in Section 10 of the Plan.

“Grant Agreement” means an agreement between the Corporation and a Participant under which a Deferred Share Unit is granted, substantially in the form attached hereto as Schedule “A”, as each may be amended from time to time;

“Insider” means a “reporting insider” as defined in National Instrument 55-104 *-Insider Reporting Requirements and Exemptions*;

“Non-Executive Director” means a member of the Board who is not an officer or employee of the Corporation or of any of its Affiliates.

“Notice of Redemption” means written notice, substantially in the form attached hereto as Schedule “D”, by the Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant’s wish to redeem his Deferred Share Units for cash or Common Shares of the Corporation.

“Participant” means a director or officer of the Corporation who is designated by the Committee as eligible to participate in the Plan.

“Plan” means this Breaking Data Corp. Deferred Share Unit Plan as set forth herein and as may be amended from time to time.

“Share Price” means the volume weighted average trading price of the Common Shares on the TSXV for the five (5) consecutive trading days immediately preceding the applicable date.

“Termination Date” means the date upon which a Participant ceases to be a director, officer, and, if applicable, an employee of the Corporation and all Affiliates, for any reason including, without limiting the generality of the foregoing, as a result of retirement, death, voluntary or involuntary termination without cause, or permanent disability.

“TSXV” means the TSX Venture Exchange.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Section 3 Deferred Share Units Subject to the Plan.

- (1) At such time as the Common Shares are listed on the TSXV, the aggregate number of Common Shares issuable under this Plan, and under all other security based compensation arrangements of the Corporation, shall not exceed 15,266,893 Common Shares, representing approximately 20% of the Common Shares issued and outstanding as of [●], 2018. Any Common Share subject to a Deferred Share Unit which for any reason is cancelled or terminated without having been redeemed shall again be available for grants under the Plan, and under all other security based compensation arrangements.
- (2) The aggregate value of Deferred Share Units awarded to Non-Executive Directors within any one-year period under the Plan together with all other security based compensation arrangements of the Corporation, if any, shall not exceed \$150,000 in value of equity per Participant.
- (3) The maximum number of Common Shares issued to Insiders under the Plan, or when combined with any other previously established or proposed share compensation arrangements, within any one-year period, may not exceed 10% of the outstanding issue.
- (4) The maximum number of Common Shares issuable to Insiders under the Plan, or when combined with any other previously established or proposed share compensation arrangements, at any time, may not exceed 10% of the outstanding issue.

- (5) The maximum number of Common Shares issued to any individual in any twelve (12) month period under this Plan exceeding five percent (5%) of the issued Common Shares of the Corporation.

Section 4 Administration of Plan.

The Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend and rescind such rules and regulations from time to time;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan, and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;
- (c) to prescribe the form of the instruments used in conjunction with the Plan; and
- (d) to determine which members of the Board or officers of the Corporation are eligible to participate in the Plan.

Section 5 Awards of Deferred Share Units.

- (1) Subject to this Section 5(1) and such other terms and conditions as the Board or the Committee may prescribe, the Committee may recommend the award of, and the Board may, acting on such recommendation, from time to time award, Deferred Share Units to a Participant at such time, in such number and effective as of such date as the Board may determine. The Board shall base its decision to award Deferred Share Units to Participants on such criteria as the Board or Committee may determine, provided that such criteria and the award shall, in any event, relate to services performed or to be performed by the Participant as a director or officer of the Corporation.
- (2) The number of Deferred Share Units that a Participant is entitled to receive at a particular time shall be evidenced by a Grant Agreement, signed on behalf of the Corporation. Certificates representing Deferred Share Units shall not be issued by the Corporation. Fractional Deferred Share Units will not be issued under the Plan and any fractional entitlements will be rounded down to the nearest whole number.

Section 6 Election Notice; Elected Amount

- (1) Subject to Board approval, a Participant may elect by filing an election notice in the form of Schedule "B" attached hereto (the "**Election Notice**"), once each fiscal year, to be paid up to one hundred percent (100%) of his Annual Board Retainer or Annual Bonus, as applicable, in the form of Deferred Share Units (the "**Elected Amount**"), with the balance being paid in cash in accordance with the Corporation's regular practices of paying such cash compensation. In the case of an existing Participant, the election must be completed, signed and delivered to the Corporation by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new Participant, the election must be completed, signed and delivered to the Corporation as soon as possible, and, in any event, no later than 30 days, after the director's appointment, with such election to be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the election until the final day of such fiscal year. For the first year of the Plan, Participants must make such election as soon as possible, and, in any event, no later than 30 days after adoption of the Plan and the election shall be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the election until the final day of such fiscal year. If no election is made in respect of a particular fiscal

year, the new or existing Participant will be paid in cash in accordance with the Corporation's regular practices of paying such cash compensation.

- (2) The Election Notice shall, subject to any minimum amount that may be required by the Board, from time to time, designate the percentage of the Annual Board Retainer or Annual Bonus, as applicable, for the applicable fiscal year that is to be deferred into Deferred Share Units, with the remaining percentage to be paid in cash in accordance with the Corporation's regular practices of paying such cash compensation.
- (3) In the absence of a designation to the contrary (including delivery of an Election Notice by a Participant requesting that a greater or lesser percentage of his Annual Board Retainer or Annual Bonus, as applicable be payable in the form of Deferred Share Units relative to the percentage previously elected by such Participant), the Participant's Election Notice shall remain in effect unless otherwise terminated.
- (4) Each Participant is entitled to terminate his participation in the Plan by filing with the Corporation, a notice electing to terminate the receipt of additional Deferred Share Units in the form of Schedule "C" attached hereto ("**Termination Notice**").
- (5) Such Termination Notice shall be effective as of the date received by the Corporation.
- (6) Thereafter, any portion of such Participant's Annual Board Retainer or Annual Bonus, as applicable and all subsequent Annual Board Retainers or Annual Bonuses, as applicable, shall be paid in cash in accordance with the Corporation's regular practices of paying such cash compensation.
- (7) For greater certainty, to the extent a Participant terminates his participation in the Plan, he shall not be entitled to become a Participant again until the fiscal year following the fiscal year in which the Termination Notice becomes effective.

Section 7 Calculation

- (1) The number of Deferred Share Units granted at any particular time pursuant to this Plan will be calculated by:
 - (a) In the case of an Elected Amount, by dividing (i) the dollar amount of the Elected Amount allocated to the Participant by (ii) the Share Price of the Common Shares on the award date; or
 - (b) In the case of a grant of Deferred Share Units pursuant to Section 5, by dividing (i) the dollar amount of such grant by (ii) the Share Price of the Common Shares on the date of grant.

Section 8 Vesting.

- (a) Unless otherwise stated in an applicable Grant Agreement, all Deferred Share Units recorded in a Participant's Deferred Share Unit notional account shall vest on the date of grant.
- (b) Notwithstanding that a Deferred Share Unit may have vested, Participants will not have any right to receive any benefit under the Plan in respect of a Deferred Share Unit until the Termination Date.

Section 9 Taxes and Other Source Deductions.

- (1) The Corporation or an Affiliate may withhold from any amount payable to a Participant, either under the Plan or otherwise, such amounts as are required by law to be withheld, deducted or remitted by the Corporation or an Affiliate as a consequence of his participation in this Plan (“**Withholding Amount**”). In the event that a Participant does not deliver to the Corporation or an Affiliate upon the settlement of a Deferred Share Unit a cash payment in an amount equal to the Withholding Amount, the Participant shall be deemed to have elected that the Corporation shall have the right, in its discretion, to satisfy any Withholding Amount by:
 - (a) selling or causing to be sold by the Corporation or by a broker or otherwise, on behalf of any Participant, such number of Common Shares issued to the Participant, as applicable, on the settlement of Deferred Share Units as is sufficient to fund the Withholding Amount and to apply the cash received on such sale of underlying Common Shares to fund the Withholding Amount;
 - (b) retaining the amount necessary to satisfy the Withholding Amount from any cash amount which would otherwise be delivered, provided or paid to the Participant by the Corporation or an Affiliate, whether under this Plan or otherwise;
 - (c) requiring the Participant, as a condition of redemption to reimburse the Corporation or an Affiliate for any such Withholding Amount; and/or
 - (d) making such other arrangements as the Corporation may reasonably require.
- (2) The sale of Common Shares, by the Corporation, or by a Broker will be made on the exchange on which the Common Shares are then listed for trading

Section 10 Redemption of Deferred Share Units.

- (1) Each Participant shall be entitled to redeem his Deferred Share Units during the period commencing on the business day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation in the form of Schedule “D” attached hereto. In the event of the death of a Participant, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Participant. The Notice of Redemption must specify an election to receive the following:
 - (a) a cash payment equal to the number of Deferred Share Units credited to Participant’s Account as of the Termination Date multiplied by the Share Price on the Termination Date;
 - (b) Common Shares purchased on the Participant’s behalf on the open market by a Broker; or
 - (c) a percentage of the number of Deferred Share Units paid out in cash and the remaining percentage of the Deferred Share Units paid out as Common Shares or purchased on the Participant’s behalf on the open market by a Broker.

In the event a Notice of Redemption is not provided by a Eligible Participant, such Participant will be deemed to have elected to receive a cash payment as provided for in Section 10(1)(a).

- (2) Where Common Shares are purchased on the open market on the Participant’s behalf, the Corporation will remit all or a portion of the final payment to the Broker, and the Broker will be required to (within ten (10) business days) use such payment to purchase Common Shares in the open market on the TSXV or any other public exchange on which the Common Shares are traded. The number of Common Shares to be purchased will be computed by taking the number of

Deferred Share Units that the Participant elected to receive in Common Shares, net of the number of Deferred Share Units that would equal the Withholding Amount. Any Common Shares acquired by the Broker from all or a portion of the final payment and any cash remaining therefrom shall be delivered directly to the Participant forthwith as soon as practicable upon completion of such purchases. The Corporation will pay all brokerage fees arising in connection with the purchase of Common Shares by the Broker in accordance with the Plan.

- (3) Notwithstanding the foregoing, the Corporation may, in its absolute discretion and subject to the receipt of any necessary shareholder and regulatory approvals, issue to the Participant such number of Common Shares from treasury that equals the number of Deferred Share Units, net of the number of Deferred Share Units that would equal the Withholding Amount, recorded in the Participant's Account on the Termination Date. If the Corporation issues Common Shares as aforesaid, such Common Shares will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Common Shares. The Corporation will also make a cash payment, less any Withholding Amount, to the Participant with respect to the number of fractional Deferred Share Units standing to the Participant's credit after the maximum whole Common Shares have been issued by the Corporation as described above.
- (4) The Corporation will make all of the payments described in this Section 10 (referred to hereinafter as the "**Final Payment**") to the Participant or the Broker within 120 days of the Termination Date. Upon making such payment to the Participant or the Broker, the Deferred Share Units upon which such payment was based shall be cancelled and no further payments shall be made from the Plan in relation to such Deferred Share Units.
- (5) In the event of the death of a Participant, provided that a Notice of Redemption is not filed with the Corporation as described in this Section 10, the Corporation shall, within one calendar year of the Participant's death, make a lump sum cash payment in each case to or for the benefit of the administrator or liquidator of the estate of the Participant. In any event, the payment date will be no later than the end of the first calendar year commencing after the Participant's death. The lump sum cash payment shall be equal to the number of Deferred Share Units credited to the Participant's Account on the date of death multiplied by the Share Price as of the Termination Date, net of any Withholding Amount. If permitted by applicable law, the Participant may appoint a beneficiary of his rights under the Plan. For this purpose, the beneficiary must be a dependent, a relation of the Participant, or the legal representative of the Participant.

Section 11 Award of Dividend Equivalents.

Dividend Equivalents will be awarded in respect of vested Deferred Share Units in a Participant's Account on the same basis as dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. These Dividend Equivalents will be credited to the Participant's Account as additional Deferred Share Units (or fractions thereof), with the number of additional Deferred Share Units equal to (a) the actual amount of dividends that would have been paid if the Participant had held Common Shares under the Plan on the applicable record date divided by (b) the closing price for Common Shares on the TSXV on the date on which the dividends on Common Shares are payable. For greater certainty, no Deferred Share Units representing Dividend Equivalents will be credited to a Participant's Account in relation to Deferred Share Units that have been previously cancelled or paid out of the Plan.

Section 12 Adjustments and Reorganizations.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Corporation assets to shareholders, or any other change affecting shares, such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, shall be made with respect to the number of Deferred Share Units outstanding under the Plan.

Section 13 Unfunded Plan.

The Plan shall be unfunded. To the extent any Participant or his estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Corporation.

Section 14 Plan Amendment.

- (1) The Board may at any time, and from time to time, and without shareholder approval, amend any provision of the Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:
 - (a) amendments to the termination provisions of Section 15;
 - (b) amendments necessary or advisable because of any change in application securities laws;
 - (c) amendments to Section 4 relating to the administration of the Plan;
 - (d) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the TSXV, including amendments of a “housekeeping” nature.
- (2) Notwithstanding Section 14(1), none of the following amendments shall be made to this Plan without approval by shareholders or disinterested shareholders (as applicable) by ordinary resolution:
 - (a) amendments to this Plan which would increase the number of securities issuable under this Plan, otherwise than in accordance with the terms of this Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (b) amendments to this Plan which would increase the number of securities issuable to Insiders, otherwise than in accordance with the terms of this Plan;
 - (c) amendments permitting awards other than DSUs to be made under this Plan;
 - (d) an amendment that would permit DSUs to be granted to persons other than Eligible Participants on a discretionary basis; and
 - (e) amendments deleting or reducing the range of amendments which require shareholders’ approval under this Section 14 (2).
- (3) Any amendment shall not alter the terms or conditions of any Deferred Share Unit or impair any right of any holder of Deferred Share Units pursuant to any Deferred Share Unit granted prior to such amendment.
- (4) No amendment shall be made which prevents the Plan from continuously meeting the requirements of paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor provision thereto.

Section 15 Plan Termination.

The Committee may decide to discontinue granting awards under the Plan at any time in which case no further Deferred Share Units shall be awarded or credited under Section 5 of the Plan. Any Deferred Share Units which remain outstanding in a Participant’s Account at that time shall continue to be

dealt with according to the terms of the Plan. For greater certainty, Dividend Equivalents shall continue to be awarded, as appropriate, in respect of such outstanding Deferred Share Units pursuant to Section 11 of the Plan. The Plan shall terminate when all payments owing pursuant to Section 6 of the Plan have been made and all Deferred Share Units have been cancelled in all Participants' Accounts.

Section 16 Final Determination.

Any determination or decision by or opinion of the Committee made or held pursuant to the terms of the Plan shall be final, conclusive and binding on all parties concerned. All rights, entitlements and obligations of Participants under the Plan are set forth in the terms of the Plan and cannot be modified by any other documents, statements or communications, except by Plan amendments referred to in Section 14 of the Plan.

Section 17 No Right to Continued Service.

Participation in the Plan shall not be construed to give any Participant a right to be retained as a director or officer of the Corporation.

Section 18 No Other Benefit.

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

Section 19 No Shareholder Rights.

Under no circumstances shall Deferred Share Units be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of Deferred Share Units.

Section 20 Reorganization of the Corporation.

The existence of any Deferred Share Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 21 Successors and Assigns.

The Plan shall be binding on all successors and assigns of the Corporation.

Section 22 General Restrictions and Assignment.

Except as required by law, the rights of a Participant under the Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Section 23 Governing Law.

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 24 Currency.

All amounts paid or values to be determined under the Plan shall be in Canadian dollars.

Section 25 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan and any invalid or unenforceable provision shall be severed from the Plan.

Section 26 Notice.

Any notice, direction, payment or other communication required, permitted or contemplated by the Plan shall be in writing and shall be sufficiently given if mailed by prepaid registered mail or delivered to the Corporation at its head office (and to the Participant at his address as shown on the books and records of the Corporation. Any such notice or other communication, if mailed, shall be deemed to have been given on the fifth day (including Saturdays, Sundays and statutory holidays) after the date of mailing and, if delivered, at the time of delivery, as the case may be. Any party may, at any time or from time to time by notice given as aforesaid to the parties, change its address for such notice or other communication.

SCHEDULE "A"
BREAKING DATA CORP. DEFERRED SHARE UNIT GRANT AGREEMENT

Name: [name of Participant]

Award Date [insert date]

Breaking Data Corp. (the "**Corporation**") has adopted the Deferred Share Unit Plan (the "**Plan**"). Your award is governed in all respects by the terms of the Plan, and the provisions of the Plan are hereby incorporated by reference. Capitalized terms used and not otherwise defined in this Grant Agreement shall have the meanings set forth in the Plan. If there is a conflict between the terms of this Grant Agreement and the Plan, the terms of the Plan shall govern.

Your Award The Corporation hereby grants to you [●] Deferred Share Units, which shall be payable on the Termination Date.

PLEASE SIGN AND RETURN A COPY OF THIS GRANT AGREEMENT TO THE CORPORATION.

By your signature below, you acknowledge that you have received a copy of the Plan and have reviewed, considered and agreed to the terms of this Grant Agreement and the Plan.

Signature: _____

Date: _____

On behalf of the Corporation:

Name:

Title:

**SCHEDULE “B”
BREAKING DATA CORP. (THE “COMPANY”)
DSU ELECTION NOTICE**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Deferred Share Unit Plan (the “**Plan**”), I hereby elect to receive _____% of my _____ (Annual Board Retainer or Annual Bonus) in the form of Deferred Share Units in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.
- (b) I have requested and am satisfied that the Plan and the foregoing be drawn up in the English language. *Le soussigné reconnaît qu’il a exigé que le Régime et ce qui précède soient rédigés et exécutés en anglais et s’en déclare satisfait.*
- (c) I recognize that when Deferred Share Units are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Share Units, the Company will make or arrange with me to make all appropriate withholdings as required by law at that time.
- (d) The value of Deferred Share Units is based on the value of the Common Shares of the Company and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE "C"
BREAKING DATA CORP.
ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED SHARE UNITS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "B" to the Plan, I hereby elect to terminate my participation in the Plan effective as of the date this Termination Notice is received by Breaking Data Corp.

I understand that the Deferred Share Units already granted under the Plan cannot be redeemed until the Termination Date.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to continue to be bound by the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE "D"
BREAKING DATA CORP. (THE "CORPORATION")
NOTICE OF REDEMPTION

I, _____, in respect of the _____ (print name)

Deferred Share Units that were granted to me as a director or officer of the Corporation, hereby elect to redeem _____ Deferred Share Units and to receive (check one):

- (i) Cash;
- (ii) Common Shares; or
- (iii) a combination of Cash and Common Shares as follows _____.

If I elect to receive cash or a portion of my Deferred Share Units in cash, I acknowledge that the Corporation will deduct applicable withholding taxes in accordance with the Deferred Share Unit Plan.

If I elect to receive only Common Shares, or insufficient cash to pay applicable withholding taxes, I (check one):

- (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of \$_____ as full payment for the applicable withholding taxes;
- (ii) undertake to direct that such number of Common Shares are to be sold, and the proceeds of such Common Shares delivered to the Corporation, as is necessary to put the Company in funds equal to the amount that would have otherwise been required in (i) above; or
- (iii) elect to redeem for cash such number of Deferred Share Units as is necessary raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.

Date: _____

(Name of Participant)

(Signature of Participant)