



## **FANDOM SPORTS MEDIA CORP.**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

**QUARTER ENDED APRIL 30, 2019**

The following management discussion and analysis (“MD&A”) of the financial position and results of operations for FANDOM SPORTS Media Corp. (the “Company” or “FANDOM SPORTS”) should be read in conjunction with the audited consolidated financial statements and notes thereto for the period ended April 30, 2019. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian Dollars.

#### **Forward-Looking Statements**

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company’s actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, the Company undertakes no obligation to release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to future price levels, success of technology development, success of marketing and product adoption, development time lines, currency fluctuations, requirements for additional capital, unanticipated expenses, trademark or patent disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price levels; accidents, labor disputes and other risks of the technology industry; delays in obtaining approvals or financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.



## 1.1 Date of Report: June 28, 2019

## 1.2 Overall Performance

FANDOM SPORTS Media Corp., the “Company” is a publicly listed company incorporated in Canada under the *British Columbia Corporations Act* on May 12, 2006. The Company is listed on the Canadian Securities Exchange under the trading symbol “FDM” and on the OTCBQ under the trading symbol “FDMSF”.

FANDOM SPORTS Media is a sports entertainment company that aggregates, curates and produces unique fan-focused content. *“FANDOM SPORTS exists to allow sports fans to unleash their primal sports passions; to express their adoration for their teams and players, as well as their deep scorn for their opponents. We facilitate uncensored and unfiltered dialogue, rewarding die-hard fans for their vehemence. Together we celebrate the victories of your champions and make fun of the losses of your rivals; always delivering and creating the most provocative and entertaining sports content.”*

The Company’s ability to continue as a going concern, to fund its technology developments and acquisitions and to ensure adequate working capital is dependent upon achieving profitable operations or upon obtaining sufficient additional financing. These factors may cast significant doubt on the Company’s ability to continue as a going concern. While the Company is expanding its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

The address of the Company’s head office and principal place of business is 3250 Bloor Street West, East Tower Suite 600, Toronto, Ontario Canada M8X 2X9 and the registered and records office is located at 2200 HSBC Building, 885 West Georgia Street, suite #900, Vancouver, B.C., Canada, V6C 3E8. The Company maintains a website at <http://www.fandomsports.net>.

### **Principle Products**

#### **FANDOM SPORTS Platform**

FANDOM SPORTS Entertainment Platform is a distributed micro-services architecture using IBM Blockchain Platform Starter Plan to serve as a foundation to build applications for sports and esports fans. It uses The Linux Foundation’s Hyperledger Fabric to facilitate the App Economy powered by FANCOIN™. Technically a distributed microservice mesh, FANDOM leverages IBM Cloud and Kubernetes Services that include intelligent scheduling, horizontal scaling, load balancing, automated rollouts and rollbacks, and secret and configuration management. The key idea behind choosing blockchain platform for FANDOM is that it enables frictionless global operations: Hyperledger chain-codes allow for executing transactions in a fraction of a second at a global scale. FANCOIN™ transactions are placed on the distributed ledger, making them immutable and completely transparent to the public, ensuring pay-outs to the correct users interacting with the app ecosystem. Tracking this digital footprint using the distributed ledger also provides extremely valuable metadata generated by users’ very recent behavior and sports passions.

IBM Blockchain Platform’s Starter Plan has opened up multiple opportunities for FANDOM, including in-app economy, maximizing daily revenue with moment-based marketing on daily check-ins using blockchain, and in-app purchases verified on-chain. IBM Blockchain Platform has enabled FANDOM’s applications to be operated in partnership with leading sports-themed brands, leagues and service providing companies within three verticals – live sports, fantasy, and esports – from around the world by supplying interactive sports entertainment from superfans to fans.

#### **FANDOM SPORTS App**

The Company’s FANDOM SPORTS APP is the ultimate mobile only application for unfiltered raw sports talk. We allow passionate sports fans to unleash their primal sports passions, pick fights and earn rewards. We facilitate uncensored and unfiltered dialogues, rewarding die-hard fans for their vehemence. Together we celebrate the victories of your champions, and make fun of the losses of your rivals; always delivering and creating the most provocative and entertaining sports content. FANDOM SPORTS operates on a Android and iOS mobile device



targeting “superfans” who aspire to show the world they know sports better than the experts - giving them a chance to prove it.

### **RTO Transaction**

On August 30, 2015, Tosca Resources Corp. (“Tosca”) completed a Share Exchange Agreement with Hatchitech Technologies Corp. (“Hatchitech”), a private company incorporated on February 21, 2011 under the laws of British Columbia, Canada. On September 4, 2015, the Company began trading on the Canadian Securities Exchange under the trading symbol “HAT” (now “FDM”). The transaction was accounted for as an acquisition of Tosca by Hatchitech, resulting in a reverse take-over (“RTO”). Immediately following the RTO, Tosca changed its name to Hatch Interactive Technologies Corp. and on August 3, 2016 to FANDOM SPORTS Media Corp. On February 10, 2016, Hatchitech changed its name to Fandom Media Group Inc. For the purposes of this MD&A, the “Company” refers to Hatchitech prior to the date of the RTO and the consolidated entity thereafter.

### **1.3 Selected Annual Information**

	Period Ending Apr 30, 2019 (\$)	Period Ending Apr 30, 2018 (\$)	Year Ending Jan 31, 2019 (\$)
<b>Results of Operations</b>			
<b>Total Revenues</b>	-	-	-
<b>Loss and comprehensive loss Basic and Diluted Income (Loss)</b>	<b>(547,598)</b> <b>(0.004)</b>	(424,109) (0.003)	(4,129,961) (0.03)
<b>Financial Position</b>			
<b>Total Assets</b>	<b>863,069</b>	3,499,032	1,208,993
<b>Short Term Liabilities</b>	<b>193,470</b>	385,385	282,196
<b>Long Term Debt</b>	-	-	-
<b>Cash Dividends declared</b>	-	-	-

### **1.4 Results of Operations for the period ended April 30, 2019**

#### **Revenue:**

The Company is in the development stage and does not generate any revenues. To date the Company has not earned any significant revenues.

*Period ended April 30, 2019:*



## General and Administrative Expenses:

General and Administrative expenses increased by \$123,488 to \$547,598 during the three months ended April 30, 2019 (2018: \$424,109). During the year ended January 31, 2019, the Company FANDOM SPORTS Entertainment Platform is a distributed micro-services architecture using IBM Blockchain Platform. The Company reached its goal of launching the FANDOM SPORTS commercial version of the Android mobile application in the spring of 2018 (see news release dated April 16, 2018). The Company is continuing to develop the FANDOM SPORTS products further with enhanced user features.

Significant expenses incurred during the three months ended April 30, 2019 compared to 2018:

- Consulting and Management fees increased \$38,315 to \$182,176 (2018: \$143,861).
- International travel decreased \$58,102 to \$56,709 (2018: \$114,811).
- Legal and Audit increased \$131,279 to \$153,886 (2018: \$22,607) due to significant costs associated with the application for trademarks associated with the Company's intellectual property and the initiation of arbitration proceedings against HHS Technology.
- Marketing and Promotion decreased \$29,877 to \$83,350 (2018: \$113,228).
- The Company recognized \$40,400 in stock-based compensation during the three months ended April 30, 2019 (2018: \$0)

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of social media and marketing trends, and the uncertainty of fundraising activities.

## 1.5 Summary of Quarterly Results

This financial data has been prepared in accordance with IFRS accounting principles and all figures are stated in Canadian dollars. The Company's quarterly results are summarized as follows:

<b>Three months ended</b>	<b>Total revenues</b>	<b>Net loss (\$)</b>	<b>Loss Per Share (basic and diluted) (\$)</b>
April 30, 2019	Nil	547,598	0.004
January 31, 2019	Nil	2,309,508	0.017
October 31, 2018	Nil	538,189	0.004
July 31, 2018	Nil	858,155	0.01
April 30, 2018	Nil	424,109	0.003
January 31, 2018	Nil	2,887,327	0.03
October 31, 2017	Nil	635,491	0.01
July 31, 2017	Nil	592,421	0.006
April 30, 2017	Nil	181,434	0.003
January 31, 2017	Nil	800,212	0.01
October 31, 2016	Nil	275,284	0.004

The Company has been developing the FANDOM SPORTS Platform throughout the quarters listed above and built a IBM Blockchain solution for commercial development for fiscal year 2019. Major fluctuations are due to key short term strategic consultants, development and technology implementation and associated programs.

During the summer of 2017, the iOS MVP version of the mobile application was launched and the Company has continued to refine the Android version of the product based on old backend delivered by the technology developer selected in August 2016. The three months ended January 31, 2017 had an extra-ordinary non-cash cost due to debt settlement of \$313,429. The quarter ended January 31, 2018 saw increased costs due to the write down of intangibles from the previously developed web and mobile MVP application versions totaling \$1,261,715 and bonus payments



totaling \$625,000 to two management consultants which were immediately invested back into the Company as part of the February 2018 private placement demonstrating their long-term commitment to the Company. The three months ended April 30, 2018 continued to see the Company's development of its mobile application as did the quarter ended October 31, 2018 during which marketing consultants and marketing programs were tested to provide valuable feedback for user acquisition mechanisms in addition to trademark procedures to guard the Company's intellectual property. During the quarter ended January 31, 2019, the Company expensed platform development costs of \$1,359,351.

### 1.6 Liquidity

At April 30, 2019, the Company had a working capital of \$410,647 compared to working capital of \$917,947 as at January 31, 2019. Accounts payable and accrued liabilities decreased 31% to \$193,470 (January 31, 2019: \$282,196).

The Company has financed its operations to date primarily through the issuance of common shares and debt. The Company believes that it has sufficient working capital for its short-term corporate obligations but generation of additional capital will be required for future operations until sufficient revenue can be generated from the Company's PLATFORM and mobile applications. As the Company cannot predict the time at which revenue will exceed expenses, the Company continues to seek capital through various means including the issuance of equity and/or debt.

In management's view, given the nature of the Company's operations, which consist of the development of the PLATFORM and the mobile applications, the most relevant financial information relates primarily to current liquidity, solvency and planned development expenditures. The Company's financial success will be dependent upon the extent to which it can complete development of its current core products and the user absorption the products receive. Such development may take longer than expected and the amount of resulting revenue, if any, is difficult to determine. The value of the core products is largely dependent upon many factors beyond the Company's control, including live sports and esports entertainment and media trends and marketing trends.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

### 1.7 Capital Resources

At April 30, 2019 the capital of the Company consists of cash in the bank, and Commodity tax recoverable totaling \$490,053. The Company will have to generate additional cash from equity and/or debt raised through the Canadian public markets to meet its commitments.

### 1.8 Off Balance Sheet Arrangements

At April 30, 2019, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

### 1.9 Transactions with Related Parties

#### Key Management Compensation

During the period ended April 30, 2019, the Company has incurred charges from directors and senior management, or companies controlled by them, for management fees and consulting fees as outlined in the table below:

Name	Role	2019	2018
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William McGraw *	Former Director and former President	-	-
Blair Naughty *	Former Director and CEO	-	-
(1) Henri Holm **	CEO (present)	\$293,200	\$36,000
Allen Ezer **	Former COO and Director	-	\$30,000
(2) Jonna Birgans **	CCO, President	\$40,041	\$29,408
Alexander Helmhel	Former CFO	-	\$12,000
Christopher Hollinger	CFO (present)	\$12,018	-
		<b>\$345,259</b>	<b>\$107,408</b>

(1) Henri Holm was appointed CEO and President of the Company on July 11, 2017 replacing Blair Naughty and William McGraw. Mr. Naughty resigned as a director on January 24, 2018.

(2) On August 1, 2018, Ms. Jonna Birgans was appointed President and CCO of the Company. Mr. Holm remains as CEO of the Company.

\*\* See bonus payment detail below.

On July 11, 2017, the Company and Mr. Holm entered into an Executive Agreement for Mr. Holm's services in the capacity of President and Chief Executive Officer at a monthly rate of CAD\$12,000 which increased to CAD\$14,400 per month as of August 1<sup>st</sup>, 2018. Termination of Mr. Holm's contract would require six-month's notice by the Company or three-month's notice by Mr. Holm, and termination pay will be no less than \$72,000. The Company granted Mr. Holm 1,800,000 incentive stock options with an exercise price of \$0.19 per common share (Expiring June 4, 2022). On September 22, 2017, the Company issued 2,000,000 common shares at a fair value of \$200,000 pursuant to the Executive Agreement. The Company will pay two bonuses of \$250,000 each to Mr. Holm on May 11, 2018 and 2019, respectively. As at January 31, 2019, the Company accrued bonus payable of \$177,083 (2018: \$162,500). During the year ended January 31, 2018, the Company issued 5,000,000 units to settle \$250,000 accounts payable and recorded a loss on settlement of \$89,519. During April 2019, the Company paid \$250,000 to the Mr. Holm representing the second bonus payment pursuant to the contract. The payment was immediately reinvested in the Company as per exercise of warrants.

Mr. Naughty (former CEO) and a Director of the Company, entered into a consulting contract with the Company whereby Mr. Naughty was paid \$5,000 monthly for his services. The contract expired on October 31, 2017. During the year ended January 31, 2018, the Company issued 900,000 units to settle \$45,000 accounts payable and recorded a loss on settlement of \$16,113.

The Company entered into an agreement with Lumina Global Partners for the services of the Company's Chief Operating Officer (COO), Mr. Allen Ezer, whereby Lumina is paid \$10,000 monthly for his services plus HST. Termination of Mr. Ezer's contract would require six-month's notice by the Company or three-month's notice by Mr. Ezer, and termination pay will be no less than \$67,800. In connection with the agreement, the Company granted Mr. Ezer 1,000,000 incentive share purchase options on August 1, 2017 with an exercise price of \$0.17 per common share (Expiring July 31, 2022). During the year ended January 31, 2018, the Company paid a signing bonus of \$375,000 to Mr. Ezer to extend the agreement for a minimum of two additional years. The bonus funds were immediately invested into the Company's subsequent private placement financing which closed on February 9, 2018. Mr. Ezer resigned in July 2018 and the services agreement with Lumina Global Partners was subsequently terminated.

The Company entered into an agreement with Jonna Birgans for the services of the Company's Chief Content Officer (CCO and President). Ms. Birgans was paid USD\$7,500 monthly for her services which increased to USD\$10,000 per month as of August 1<sup>st</sup>, 2018. Termination of Ms. Birgans' contract would require six-month's notice by the Company or three-month's notice by Ms. Birgans, and termination pay will be no less than USD\$45,000. In connection with the agreement, the Company granted Ms. Birgans 500,000 incentive share purchase options on August 1, 2017 with an exercise price of \$0.17 per common share and expiry date of July 31, 2022. During the year ended January 31, 2018, the Company paid a signing bonus of \$250,000 to Ms. Birgans to extend the agreement for a minimum of two additional years. The bonus funds were immediately invested into the Company's subsequent private placement financing which closed on February 9, 2018.

The Company entered into an agreement with Alexander Helmhel for the services of the Company's Chief Financial officer (CFO). Mr. Helmhel was paid \$4,000 monthly for his services plus GST which increased on August 1<sup>st</sup>, 2018



to \$6,050 per month plus GST. Termination of Mr. Helmel's contract would require six-month's notice by the Company or three-month's notice by Mr. Helmel, and termination pay will be no less than \$24,000. In connection with this agreement, the Company granted Mr. Helmel 500,00 incentive stock options on January 22, 2018 with an exercise price of \$0.30 per common share and expiry date of January 21, 2023. In addition, and pursuant to the agreement, the Company granted an additional 500,000 stock options at \$0.09 on July 24, 2018 with a five year term. On December 17, 2018, the Company announced that it had accepted the resignation of Mr. Alexander Helmel as Chief Financial Officer.

The Company entered into an agreement with Christopher Hollinger to serve as the Company's Chief Financial Officer. The Company has engaged Mr. Hollinger's firm, Blackwell Hollinger LLC, based in New York City, for an initial term of six months, renewable by mutual consent for CFO and related advisory services. Pursuant to the engagement agreement, the Company has also granted Blackwell Hollinger LLC 500,000 incentive share purchase options exercisable at \$0.10 per share.

As at January 31, 2019, \$Nil (January 31, 2018, \$12,042) due to directors and senior management or companies controlled by directors and senior management, was included in accounts payable (Note 8).

### **1.10 First Quarter**

The first quarter's focus was the continued development of the FANDOM platform and mobile application for live sports.

*Highlights (fourth quarter ending January 31, 2019)*

- a) The Company participated in the IBM Flagship Technology Conference, think 2019 as an invited guest aiming to further strengthen the fandomplatform with IBM services and technology offerings. A wide range of off-the-shelf options are available to be include into the platform's Architecture to support the global sports application launch. IBM offers a wide range of suitable services under the Watson portfolio to be considered as part of the business ecosystem. This is a continuation of a very successful relationship with IBM and their service portfolio.
- b) FANDOM SPORTS further strengthened its global trademark portfolio to cover the brand and technology assets of the company. The revolutionary Pick A Fight sports entertainment platform is servicing sports super fans under the registered trademark Pick a Fight, which also serves as the company's tagline. Registered trademarks for the FANDOM SPORTS brand logo and FANCOIN have been obtained across the main global markets. The registered trademarks cover the key global markets of China, Japan, Korea, Taiwan, India, United Kingdom and Germany. United States and Canada trademarks were filed in Q1 2018.

### **1.11 Proposed Transactions**

There are no proposed transactions that will materially affect the performance of the Company.

### **1.12 Critical Accounting Estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **1.13 Adoption of New Accounting Policies**

The Company adopted new accounting policies as disclosed in the accompanying financial statements.



### ***New standards not yet adopted***

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") but are not yet effective (as at January 31, 2018) and, accordingly, have not been applied in preparing these financial statements. The Company has not yet assessed the potential impact of these standards on its financial reporting.

### **1.14 Financial Instruments and Other Risks**

As at April 30, 2019, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and loans due to affiliates. The carrying value of these financial instruments approximate their fair values.

#### *Fair Value*

The Company classifies its fair value measurements in accordance with an established hierarchy that priorities the inputs in valuation techniques used to measure fair value 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 the assets or liabilities either directly or indirectly, and
- Level 3 Inputs that are not based on observable market data

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and accounts payable approximate their fair value because of the short-term nature of these instruments.

#### *Credit Risk*

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. Cash deposits and term deposits are maintained with a financial institution of reputable credit and are redeemable on demand. Amounts receivable consists primarily of GST returns due from Revenue Canada. The Company's opinion is that credit risk is minimal.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At April 30, 2019, the Company had current assets of \$604,117 to settle accounts payable and accrued liabilities of \$193,470. Readers' attention is drawn to Note 1 of the financial statements regarding going concern issue of the Company and section 1.6 of this MD&A.

#### *Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, marketing prices and/or stock market movements (price risk).

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature or being non-interest bearing.

#### *Foreign currency risk*





Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low.

#### *Commodity Price risk*

The Company is not exposed to commodity price risk.

### **Other Risks**

#### *Fandom's limited operating history*

The Company has no operating history, and no history of earnings or profits. It currently has no customers or means of cash flow from operations. As such, 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. As the Company is in an early stage and is only introducing its service to the public, it is very difficult to evaluate the viability of the Company's business. The Company has no experience in addressing the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as the Company's target markets. There can be no assurance that the Company will be successful in addressing these risks and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. There is no assurance that the Company's business will be a success.

#### *Need for funds*

In the short term, the continued operation of the Company will be dependent upon its ability to procure additional financing. The Company must obtain such financing through a combination of equity and debt financing and there can be no assurance that the Company can raise the required capital it needs to build and expand the Company's business. Without this additional financing, the Company may be unable to advance the Company's business model, and the Company will likely fail. There can be no certainty that the Company can obtain these funds, in which case any investment in the Company may be lost.

The raising of equity funding will also result in dilution of the equity position held by the Company's shareholders.

#### *Operational Risks*

The Company will be affected by a number of operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labor disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

#### *Unforeseen Competition*

There can be no assurance that significant competition will not enter the market and offer any number of similar services to those provided by the Company. Such competition could have a significant adverse effect on the growth potential of the Company's business by effectively dividing the existing market for such products and services.

#### *Trends*



The Company's success depends on the continuation of sports entertainment and media consumption popularity on mobile devices and the ability of products to add new users, sell brand sponsorship and generate revenue. Future revenues will be largely dependent on the company's ability to generate revenue from third parties advertising within the Company's products. Changes in media trends which affect user adoption and marketing habits may significantly affect the Company's ability to collect revenue in the future. If third party marketers decide that the Company's products are experimental or unproven, or if third party policies limit our ability to deliver or target advertising on mobile devices, or if adverse legal developments arise relating to advertising, including legislative and regulatory developments and developments in litigation, or if our products are unable to sustain or increase the value of our ads or marketers' ability to analyze and measure the value of our ads, or if trends for advertising on mobile devices or on personal computers changes, our advertising revenue could be adversely affected.

#### *Dependence on Personnel*

The Company's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable to unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members.

#### *Management of Growth*

The Company may experience a period of significant growth that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

#### *Data Security Risks*

The Company will utilize servers with significant amounts of data stored thereon. Should the Company be responsible for the loss of any or all of the data stored by it, the liability could materially undermine the financial stability of the Company. Also, much of the data stored at the Company's premises or within the aforementioned servers will be confidential. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations.

#### *Trading of the Company's Shares*

There can be no assurance that the trading price of the Company's shares will go up. Further, there can be no assurance that there will be sufficient liquidity so as to permit investors to buy or sell the Company's shares at any time, in quantities desired, or which not adversely affect the stock price. As noted above, the Company's continued operation will be dependent upon its ability to procure additional financing. There can be no assurance that any such financing will be obtained at higher or ever-increasing prices, or that such financings will not put downward pressure on the Company's share price.

#### *Dividends*

The Company has not paid dividends to shareholders in the past and does not anticipate paying dividends in the foreseeable future. The Company expects to retain its earnings to finance growth, and where appropriate, to pay down debt.

#### *Officer and Director Conflicts*



Because directors and officers of the Company and/or the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have a conflict of interest in conducting their duties. There can be no assurance such conflicts of interests will be resolved to the benefit of the Company.

### 1.15 Other MD&A Requirements

This MD&A should be read in conjunction with the unaudited consolidated financial statements for the three months ended April 30, 2019. This MD&A is intended to assist the reader's understanding of FANDOM SPORTS Media Corp. and its operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines to ensure transparency and accountability to shareholders. The board's audit committee meets with management to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The audit committee is free to meet with the independent auditors throughout the year.

#### Summary of Outstanding Share Data (as at the date of this report)

	Number Issued and Outstanding
Common shares	144,543,334
Stock Options	10,955,000
Warrants	28,314,466
<b>Fully Diluted</b>	<b>183,562,800</b>

### 1.16 Subsequent Events

- On May 3, 2019, the Company announced FANDOM SPORTS Oy Selected to Compete in Exclusive Esports Challenge by Finland's Only National Betting Agency Veikkaus Selects FANDOM SPORTS Oy as One of Elite Gaming Operators to Compete in Week-Long Challenge
- On May 7, 2019, the Company in preparation for the upcoming launch of their highly-anticipated sports social media engagement unveiled Justice, the Platform's first esports character.
- On May 14, the Company announced that it will create a first-of-its-kind esports superfan engagement campaign as part of Finland's first mega esports event, Artic Invitational, which will be held September 14<sup>th</sup> at the Hartwall Arena, in Helsinki, Finland.
- On May 27, 2019, the Company's FANDOM SPORTS App was released for BETA testing in North America. An exclusive group of sports super fans will get a chance to *Pick a Fight, Talk Trash and Get Rewarded* as part of the brute force friendly user testing of the mobile application.
- On June 12, 2019, the Company announced that is has team with SeatGIANT Inc., a ticket sales and distribution company servicing North America. Through this partnership, FANDOM SPORTS users will be granted access to purchase discounted tickets to their favorite sports teams games by entering their exclusive fan code "FDMSF." The code is only valid through the App.



- f) On June 24, 2019, the Company reported that the three-week, private beta session to test its first-of-its-kind entertainment platform for sports fans, the FANDOM SPORTS App, was a resounding success. As a result, in an effort to finalize the sport application technology, FANDOM SPORTS is seeking qualified investors to raise \$150,000, which will contribute to the final development of the app.

## **OTHER INFORMATION**

### **Approval**

The Board of Directors of FANDOM SPORTS Media Corp. has approved the disclosure contained in this MD&A.