Consolidated financial statements of

Blue Ant Media Corporation

August 31, 2025 and 2024

Independent auditor's report

To the Shareholders of Blue Ant Media Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Blue Ant Media Corporation and its subsidiaries (together, the Company) as at August 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of net income for the years ended August 31, 2025 and 2024;
- the consolidated statements of comprehensive income for the years ended August 31, 2025 and 2024;
- the consolidated statements of financial position as at August 31, 2025 and 2024;
- the consolidated statements of changes in equity for the years ended August 31, 2025 and 2024;
- the consolidated statements of cash flows for the years ended August 31, 2025 and 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended August 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessments of goodwill and broadcast licenses for the Canadian Media group of cash generating units (CGUs) *Refer to note 3 – Summary of material accounting policies and critical accounting estimates and judgments, note 8 Intangible assets note 9 – Goodwill, and note 20 – Impairment of assets to the consolidated financial statements.* The Company's Canadian Media group of CGUs has broadcast licenses of $46.4 million and nil goodwill as at August 31, 2025 after recording an impairment of goodwill during the year amounting to $8.3 million. Goodwill and broadcast licenses are reviewed for impairment annually or when circumstances indicate that the asset might be impaired. An impairment charge is recognized when the carrying value of the group of CGUs exceeds its recoverable amount. Management identified that there were indicators of impairment associated with the Canadian Media group of CGUs, due to the reassignment of the Smart TV advertising operations and Canadian Free Ad-Supported Streaming Television channels business to Global Channels & Streaming operating segment from the Canadian Media operating segment. Accordingly, the Company tested goodwill and broadcast licenses of the Canadian Media group of CGUs for impairment immediately after the re-allocation of goodwill as at May 31, 2025. The annual impairment test was performed as at August 31, 2025.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the Canadian Media group of CGUs which included the following: – Tested underlying data used in the discounted cash flow models. – Tested the mathematical accuracy of the discounted cash flow models. – Evaluated the reasonableness of significant assumptions such as the revenue growth rates, EBIT margin percentages used by management in the discounted cash flow models by considering management's budget and strategic plans approved by the Board of Directors, current and past performance of the Canadian Media group of CGUs and external industry data. – Evaluated the appropriateness of management's value in use and fair value less costs disposal methods and assessed the reasonableness of the discount rates and the terminal growth rates with the assistance of professionals with specialized skill and knowledge in the field of valuation.

Key audit matter	How our audit addressed the key audit matter
Management applied significant judgment in determining the recoverable amounts of the Canadian Media group of CGUs. The recoverable amounts as at May 31, 2025 and August 31, 2025 were based on a value-in use method and on fair value less costs of disposal respectively, and both methods using discounted cash flow models. Significant assumptions used in the discounted cash flow models included the discount rates, revenue growth rates, EBIT margin percentages and terminal growth rates. As at May 31, 2025, management concluded that the carrying value exceeded the recoverable amount and therefore recorded an impairment of $8.3 million and no further impairment was recorded as of August 31, 2025. We considered this a key audit matter due to the significant judgment made by management in the determination of the recoverable amounts of Canadian Media group of CGUs, which have resulted in a high degree of subjectivity in performing procedures related to these judgements applied by management.	• Tested the disclosures, including sensitivity analysis, made in the consolidated financial statements, with regard to the impairment assessments.
Timing of revenue recognition in production licensing and distribution revenue for the production and distribution segment *Refer to note 3 – Summary of material accounting policies and critical accounting estimates and judgments, and note 18 – Revenue to the consolidated financial statements.* For the year ended August 31, 2025, the Company recognized revenues from production licensing and distribution of $57.8 million of which a significant portion related to the revenue of Blue Ant Media Inc. Production licensing revenue is tied to episodic delivery of programs, which are each considered	Our approach to addressing the matter included the following procedures, among others: • Assessed the appropriateness of revenue recognition policy followed by the Company for the production and distribution segment specifically related to production licensing and distribution revenue. • Tested the operating effectiveness of a control relating to the timing of revenue recognition for the distribution revenue. • Tested a sample of production licensing revenue recognized during the fourth

Key audit matter	How our audit addressed the key audit matter
separate performance obligations, and is recognized when the production is complete and the underlying content has been delivered to the customer. Distribution revenue is license fees for the right to exhibit film and television programs in specified geographic markets and within specified time periods. Distribution revenue is recognized at the start of the license period when the customer has access to the licensed content. Management identified material weaknesses in Internal Control over Financial Reporting in Blue Ant Media Inc. related to revenue controls within its production and distribution segment; specifically: • The controls over the accounting for certain production deliveries were not properly designed to capture episodic or partial recognition that spanned more than one quarter within the same fiscal year. • The controls over the accounting for certain distribution revenue contracts that have a license commencement date that is not clearly specified in the contract, were not properly designed to ensure the appropriate timing of revenue recognition. We considered this a key audit matter due to the severity of the control deficiencies identified by management, which in turn resulted in significant audit effort in performing procedures needed to test the timing of the revenue recognition.	quarter of the year ended August 31, 2025 and the subsequent month, by examining contracts and episodic delivery notifications to assess the appropriateness of the timing of revenue recognition in Blue Ant Media Inc. • Tested a sample of distribution revenue recognized during the fourth quarter of the year ended August 31, 2025 and the subsequent month, by examining contracts and third party evidence to determine the license commencement date and the access to the licensed content by the customer to assess the appropriateness of the timing of revenue recognition in Blue Ant Media Inc.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is John Simcoe.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
November 26, 2025

Blue Ant Media Corporation

Consolidated statements of net income
For the years ended August 31, 2025 and 2024
(Expressed in thousands of Canadian dollars, except per share amounts)

	2025	2024
	$	$
Revenues (Note 18)	203,955	196,380
Expenses		
Direct content, production and delivery expenses	116,793	106,358
Sales, general and administrative expenses	50,059	53,027
Share-based compensation (Note 17)	10,484	3,419
Depreciation and intangible amortization	6,268	5,097
Impairment of assets (Note 20)	9,197	28,531
Finance expenses, net (Note 21)	5,259	6,375
Loss (gain) on warrants (Note 17)	311	(22,568)
Bargain purchase gain (Note 4)	(36,828)	—
Loss (gain) on sale of assets	4	(82)
Transaction and other related costs (Note 4)	12,098	704
Restructuring costs (Note 31)	2,530	2,733
	176,175	**183,594**
Income from continuing operations before income taxes	**27,780**	**12,786**
Income tax expense (Note 22)		
Current tax expense	9,079	1,925
Deferred tax expense (recovery)	4,420	(1,550)
	13,499	**375**
Net income from continuing operations	**14,281**	**12,411**
Net income from discontinued operations	—	6,051
Net income	**14,281**	**18,462**
Net income attributable to:		
Shareholders	13,466	18,110
Non-controlling interest	815	352
	14,281	**18,462**
Income per share attributable to shareholders (Note 27):		
Basic - from continuing operations	0.81	0.75
Diluted - from continuing operations	0.75	0.69
Basic - from discontinued operations	—	0.38
Diluted - from discontinued operations	—	1.03

The accompanying notes are an integral part of these consolidated financial statements.

Blue Ant Media Corporation

Consolidated statements of comprehensive income
For the years ended August 31, 2025 and 2024
(Expressed in thousands of Canadian dollars)

	Year ended August 31,	
	2025	**2024**
	$	**$**
Net income from continuing operations	14,281	12,411
Item that may be subsequently reclassified to income		
Cumulative translation adjustment	1,303	80
	1,303	**80**
Comprehensive income from continuing operations	**15,584**	**12,491**
Net income from discontinued operations	—	6,051
Cumulative translation adjustments on foreign operations for discontinued operations	—	204
Comprehensive income from discontinued operations	**—**	**6,255**
Comprehensive income for the year	**15,584**	**18,746**
Comprehensive income attributable to:		
Shareholders	14,769	18,394
Non-controlling interest	815	352
	15,584	**18,746**
Comprehensive income attributable to shareholders arises from:		
Continuing operations	14,769	12,139
Discontinued operations	—	6,255
Comprehensive income for the year attributable to shareholders	**14,769**	**18,394**

The accompanying notes are an integral part of these consolidated financial statements.

Blue Ant Media Corporation

Consolidated statements of financial position
As at August 31, 2025 and 2024
(Expressed in thousands of Canadian dollars)

	2025 $	2024 $
Assets		
Current assets		
Cash	54,477	12,020
Restricted cash	8	—
Trade and other receivables (Notes 10, 23)	120,214	87,824
Prepaids and other assets	7,520	3,510
Income taxes receivable	237	7,038
Total current assets	**182,456**	**110,392**
Property and equipment (Note 5)	5,118	3,232
Right-of-use assets (Note 6)	22,808	12,312
Investment in content rights (Note 7)	119,106	96,743
Intangible assets (Note 8)	61,359	59,931
Goodwill (Note 9)	38,658	46,960
Other long-term receivables (Note 10)	32,691	693
Deferred tax assets (Note 22)	9,210	10,220
Total non-current assets	**288,950**	**230,091**
Total assets	**471,406**	**340,483**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	64,785	40,893
Deferred revenue (Note 15)	35,709	20,533
Current portion of lease liability (Note 6)	4,343	1,363
Current portion of bank indebtedness (Note 12)	14,587	18,487
Interim production financing (Note 12)	52,144	26,588
Current portion of promissory notes (Note 13)	4,536	3,250
Provisions (Note 31)	—	2,388
Other current liabilities (Note 14)	2,757	2,881
Total current liabilities	**178,861**	**116,383**
Non-current liabilities		
Lease liability (Note 6)	21,066	13,495
Bank indebtedness (Note 7)	4,755	15,480
Long-term deferred revenue (Note 15)	2,251	580
Promissory notes (Note 13)	—	4,078
Deferred tax liabilities (Note 22)	12,639	12,366
Total non-current liabilities	**40,711**	**45,999**
Shareholder's Equity		
Total equity attributable to shareholders	244,919	171,564
Non-controlling interests (Note 30)	6,915	6,537
Total equity	**251,834**	**178,101**
Total liabilities and equity	**471,406**	**340,483**

Commitments (Note 25)
Subsequent events (Note 34)

On Behalf of the Board of Directors

(signed) "Michael MacMillan" _____ Director

(signed) "Robb Chase" _____ Director

The accompanying notes are an integral part of these consolidated financial statements.

Blue Ant Media Corporation

Consolidated statement of changes in equity
For the years ended August 31, 2025 and 2024
(Expressed in thousands of Canadian dollars, except shares)

	Share capital (Note 17)	Share capital	Other capital	Accumulated other comprehensive income / (loss)	Deficit	Accumulated paid in capital	Total equity attributable to shareholders	Non-controlling interest	Total equity
	#	$	$	$	$	$	$	$	$
Opening Balance - August 31, 2023	125,447,157	155,311	36,714	1,362	(32,411)	(15,729)	145,247	11,592	156,839
Issuance of non-voting common shares	401,738	1,373	(1,079)	—	—	—	294	—	294
Share-based compensation expense	—	—	3,223	—	—	—	3,223	—	3,223
Disposal of subsidiary	—	—	—	—	—	5,000	5,000	(4,969)	31
Transactions with non-controlling interest	—	—	—	—	—	—	—	(438)	(438)
Other transactions	—	(534)	340	—	(59)	(341)	(594)	—	(594)
Net income and comprehensive income	—	—	—	284	18,110	—	18,394	352	18,746
Total as of August 31, 2024	**125,848,895**	**156,150**	**39,198**	**1,646**	**(14,360)**	**(11,070)**	**171,564**	**6,537**	**178,101**

	Share capital (Notes 4, 17)	Share capital	Other capital	Accumulated other comprehensive income / (loss)	Deficit	Accumulated paid in capital	Total equity attributable to shareholders	Non-controlling interest	Total equity
	#	$	$	$	$	$	$	$	$
Opening Balance - August 31, 2024	125,848,895	156,150	39,198	1,646	(14,360)	(11,070)	171,564	6,537	178,101
Issuance of non-voting common shares	137,491	210	(23)	—	—	—	187	—	187
Share-based compensation expense	—	99	10,385	—	—	—	10,484	—	10,484
Issuance of subordinate voting shares on exercise of awards at time of reverse take-over	4,956,024	5,738	(7,908)	—	—	—	(2,170)	—	(2,170)
Share exchange premium	32,735,213	—	—	—	—	—	—	—	—
Share consolidation impact	(147,309,861)	—	—	—	—	—	—	—	—
Impact of business combination through reverse take-over	5,493,626	48,345	1,740	—	—	—	50,085	—	50,085
Issuance of subordinate voting shares	31,095	245	(245)	—	—	—	—	—	—
Transactions with non-controlling interest	—	—	—	—	—	—	—	(437)	(437)
Net income and comprehensive income	—	—	—	1,303	13,466	—	14,769	815	15,584
Total as of August 31, 2025	**21,892,483**	**210,787**	**43,147**	**2,949**	**(894)**	**(11,070)**	**244,919**	**6,915**	**251,834**

The accompanying notes are an integral part of these consolidated financial statements.

Blue Ant Media Corporation

Consolidated statements of cash flows
For the years ended August 31, 2025 and 2024
(Expressed in thousands of Canadian dollars)

	2025 $	2024 $
Operating activities		
Net income from continuing operations	14,281	12,411
Adjustments to reconcile net income to cash flow from operations:		
Depreciation of property and equipment	1,235	950
Depreciation of right-of-use assets	1,803	1,639
Amortization of content rights (Note 7)	57,816	65,199
Amortization of intangible assets (Note 8)	3,228	2,508
Impairment of assets (Note 20)	9,197	28,531
Bargain purchase gain (Note 4)	(36,827)	—
Gain on debt instruments	—	(22,568)
Finance expenses, net (Note 21)	5,259	6,375
Share-based compensation (Note 17)	10,484	3,419
Deferred tax expense (Note 22)	4,420	(2,853)
Income tax expense (Note 22)	9,079	280
Cash income taxes paid	(2,010)	(2,672)
Additions to content rights (Note 7)	(63,262)	(67,823)
Cash flows from operations	**14,703**	**25,396**
Net changes in non-cash working capital balances related to operations (Note 26)	4,310	(1,676)
Net cash provided by operating activities for continuing operations	19,013	23,720
Net cash used in operating activities for discontinuing operations	—	(2,757)
Net cash provided by operating activities	**19,013**	**20,963**
Financing activities		
Issuance of share capital for cash consideration, net of issuance cost	—	100
Share repurchases	—	(540)
Distributions to non-controlling interest (Note 30)	(437)	(438)
Bank indebtedness, draws (Note 12)	9,473	19,242
Bank indebtedness, repayment (Note 12)	(24,490)	(27,817)
Production financing, draws (Note 12)	11,533	13,961
Production financing, repayment (Note 12)	(10,781)	(27,077)
Repayment of promissory notes (Note 13)	(3,250)	(3,250)
Cash interest paid	(3,606)	(6,593)
Costs associated with financing transactions	(60)	(147)
Repayment of lease liability (Note 6)	(2,202)	(2,166)
Cash flows used in financing activities for continuing operations	(23,820)	(34,725)
Cash flows used in financing activities for discontinuing operations	—	(102)
Cash flows used in financing activities	**(23,820)**	**(34,827)**
Investing activities		
Additions to property and equipment	(2,074)	(853)
Additions to intangible assets (Note 8)	(3,887)	(2,037)
Cash acquired from business combination (Note 4)	53,390	—
Proceeds from sale of other assets	—	390
Cash flows provided by (used in) investing activities for continuing operations	47,429	(2,500)
Cash flows provided by investing activities for discontinuing operations	—	9,977
Cash flows provided by investing activities	**47,429**	**7,477**
Effect of foreign exchange rate changes on cash for continuing operations	(165)	(415)
Effect of foreign exchange rate changes on cash for discontinuing operations	—	47
Effect of foreign exchange rate changes on cash	**(165)**	**(368)**
Net increase (decrease) in cash	**42,457**	**(6,755)**
Cash, beginning of year	12,020	18,775
Cash, end of year	**54,477**	**12,020**

The accompanying notes are an integral part of these consolidated financial statements.

1. Corporate information and nature of operations

Blue Ant Media Corporation (the "Company") (formerly Boat Rocker Media Inc. "BRMI") was incorporated in Ontario and is domiciled in Canada. The address of the Company's registered office and principal place of business is 99 Atlantic Ave, 4th Floor, Toronto, Ontario.

On August 1, 2025, the Company acquired Blue Ant Media Inc. ("BAMI"), a corporation incorporated under the Canada Business Corporations Act on December 7, 2010 and domiciled in Canada, through a reverse takeover transaction which was implemented by way of a statutory plan of arrangement under the Canada Business Corporations Act (the "RTO" or the "Transaction").

Former shareholders of BAMI exchanged their shares for shares of the Company, which resulted in the reverse takeover of the Company by BAMI. On closing of the RTO (the "Closing"), the Company's fiscal year end, previously December 31, was changed to August 31.

As BAMI has been identified for accounting purposes as the acquirer, the Company is considered to be a continuation of BAMI. The Company's subordinate voting shares resumed trading on the Toronto Stock Exchange on August 7, 2025 under the trading symbol "BAMI".

The Company's controlling shareholder is the Company's chief executive officer, Michael MacMillan, who holds approximately 77.3% of the voting rights of the Company as of the date of these consolidated financial statements.

The Company's principal business activities include the creation and exploitation of video content across a range of traditional and digital media platforms.

The Company has three reportable segments, as follows:

Reportable segment	Nature of operations and location
Production and Distribution	International content production and distribution with operations in London, Los Angeles, Toronto, Halifax, Ottawa, New York and Washington.
Global Channels and Streaming	International channel operations in London, Singapore, Sydney, Los Angeles, Miami, Washington and Toronto. Also includes Smart TV advertising operations, based in Toronto.
Canadian Media	Channel operations in Toronto and media placement across multiple platforms including television, print and consumer shows in Canada.

2. Basis of preparation and statement of compliance

a) Basis of presentation

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. All amounts are expressed in thousands of Canadian dollars, with the exception of per share amounts, which are presented in dollars.

The Company has significant subsidiaries in the following locations that have the following functional currencies:

Office location	Functional currency
Canada	Canadian dollar
United Kingdom	US dollar
United States	US dollar

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are the entities over which the Company has control. All intra-company transactions, balances, income, and expenses are eliminated in full on consolidation. Consistent with film and television industry practice, the Company utilizes single-purpose entities to manage the costs and funding for its content production projects. For accounting purposes, control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of the acquisition. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements were authorized for issuance by the Board of Directors on November 25, 2025.

3. Summary of material accounting policies and critical accounting estimates and judgments

a) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognized in profit or loss as incurred and included in transaction and other related costs.

Goodwill is initially measured as the excess of the aggregate of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary or business acquired, the difference is recognized as a bargain purchase gain in the consolidated statement of net income.

b) Property and equipment

Property and equipment are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Useful life	Method
Leasehold improvements	Lease term	Straight-line
Office furniture and equipment	10 years	Straight-line
Computer hardware and software	5 years	Straight-line
Technical equipment	3 to 7 years	Straight-line
Building improvements	5 to 14 years	Straight-line

An asset's residual value, useful life and amortization method are reviewed, and adjusted, if appropriate, on an annual basis. Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and are recognized net in the consolidated statement of net income.

c) Investment in content rights

Acquired program rights

Acquired program rights represent license rights acquired for a finite time period to broadcast television programs and feature films on the Company's television channels.

- Recognition

  The Company records an acquired program asset when the license period has commenced and all of the following conditions have been met: (i) the cost of the program is known or reasonably determinable, (ii) the program material has been accepted by the Company in accordance with the license agreement and (iii) the material is available to the Company for telecast. The acquired program right is measured initially at cost and any advance payments prior to the program being available and licensed to air are recorded as deposits within program rights.

- Amortization

  Acquired program rights airing on premium subscription channels are amortized on a straight-line basis over the license term. In the case where the license agreement contains a limited number of plays, the program is amortized over the allowed number of plays.

  The consumption pattern of acquired program rights airing on commercial channels is such that earlier runs drive higher viewership and stronger commercial performance. Program scheduling reflects this with fresher programming run more often in earlier years. Accordingly, the Company applies an accelerated basis of amortization to acquired program rights airing on commercial channels with such content amortized over four years at rates of 35% / 30% / 25% / 10% respectively. If the license period is less than four years, the content is amortized on a straight-line basis over the actual term.

Owned content

Owned content represents programs that are produced in-house or through a production services arrangement, where the rights of ownership are held outright by the Company. It includes costs of productions in development, productions in process and completed productions.

- Recognition

  In the case of owned content rights, an asset is recorded once the production has been completed and the following conditions have been met: (i) the cost to produce the program is known or reasonably determinable and (ii) the material is available to the Company for distribution or telecast. Prior to the completion of the production, the costs incurred are carried as productions-in-progress. Owned content programs are measured at the cost to produce, net of relevant tax credits or similar subsidy funding obtained by the Company.

- Amortization

  For owned content rights, the premise underlying control of production and retention of ownership rights is that the content will be utilized on multiple platforms over an extended period of time with the intention of creating a growing library of content available for use by the Company into the future and for sale in distribution into other international markets. Accordingly, the Company amortizes owned content rights over the estimated consumption pattern of the owned content. Productions are amortized upfront upon completion and delivery, any retained rights to participate in certain future cash flows are amortized on a straight-line basis over a four-year period.

Distribution rights

Distribution rights represent rights acquired by the Company to distribute content where the Company does not own the underlying intellectual properties.

- Recognition

  An intangible asset is recorded once the Company obtains control of the content and once it is available for use. Distribution rights are measured at the purchase price, plus any directly attributable cost of preparing the assets for their intended use.

- Amortization

  Distribution rights have a contractual license period that often is four to ten years; however, the rights are amortized over an accelerated four-year period, not to exceed the contractual term, as substantially all of the benefits from the use of these assets are realized within the first four years of the license period. As such, these assets are amortized over four years at rates of 50% / 20% / 20% / 10%.

Change in estimated useful life

Acquired program rights, owned content and development assets are periodically reviewed and assessed by management to ensure each asset has a continuing value to the Company. Any remaining carrying value of programs that are considered to be no longer suitable for distribution or broadcast is written off in the period.

d) Intangible assets

Broadcast licenses

Canadian broadcast licenses represent assets acquired in a business combination and recognized separately from goodwill. Broadcast licenses are initially recognized at fair value at the acquisition date. Broadcast licenses represent identifiable assets with indefinite useful lives and are therefore not subject to amortization. Subsequent to initial recognition, broadcast licenses acquired in a business combination are reported at cost less accumulated impairment losses.

Canadian broadcast licenses are granted to the Company by the Canadian Radio-television and Telecommunications Commission (“CRTC”) for a period of time. A renewal option is embedded in the license, at the discretion of the CRTC, provided that all conditions of license are met. Renewals are approved at little or no cost to the Company. As a result, the Company believes that broadcast licenses have an indefinite useful life as the Company has always adhered to its conditions of license.

Trademarks

Trademarks are recognized at fair value on the date they are acquired. Trademarks represent identifiable assets with indefinite useful lives and therefore are not subject to amortization. They are carried at cost less accumulated impairment losses.

Customer relationships

Customer relationships represent assets acquired in a business combination and recognized separately from goodwill. Customer relationships are initially recognized at fair value at the acquisition date and subsequently

carried at that value less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over estimated useful life of up to 3 years.

Library

Library represents assets acquired in business combinations and recognized separately from goodwill and catalogue content purchased. Library is initially recognized at fair value at the acquisition date and subsequently carried at that value less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over estimated useful life between 2 to 5 years.

e) Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is acquired. Goodwill is measured as the excess of the sum of the consideration transferred, the fair value 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.

Goodwill is reviewed for impairment annually or when circumstances indicate that the carrying amount may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units ("CGUs") expected to benefit from the synergies of the combination. If the recoverable amount of the CGU to which goodwill relates is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. For the purposes of allocating goodwill, the Company has determined that it has four groups of CGUs: Canadian Media, Global Channels and Streaming, Program Production and Program Distribution.

f) Impairment of goodwill and long-lived assets

The carrying amounts of the Company's long-lived assets with finite lives, including investment in content rights, intangible assets, and property and equipment, are reviewed whenever there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Goodwill and broadcast licenses, the Company's only indefinite-lived intangible assets, are reviewed for impairment annually or when circumstances indicate that the carrying amount may be impaired.

The recoverable amount of an asset or group of CGUs is the greater of its value in use and its fair value less costs of disposal. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

If the recoverable amount of an asset or group of CGUs is estimated to be less than its carrying amount, the carrying amount of the asset or group of CGUs is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or group of CGUs is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the net amortized carrying amount that would have been determined had no impairment loss been recognized for the asset or group of CGUs in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. An impairment loss in respect of goodwill is not reversed.

g) Government funding and assistance

The Company has access to government programs that are designed to assist film and television production. Amounts receivable with respect to production assistance are recorded as a reduction of the cost of the program or production when there is reasonable assurance that eligible expenditures are incurred and there is reasonable expectation of collection of the funding.

Government assistance with respect to digital and magazine activities is recorded as a reduction in the related expenses when management has reasonable assurance that the conditions of the government programs are met.

All such funding is recognized in the consolidated statement of net income as an offset to the costs to which they relate.

h) Share-based payments

The Company's share-based payment arrangements include an employee stock option plan and restricted stock units.

Stock option plan

Stock option awards with an equity settlement feature are accounted for as equity instruments. The fair value of stock option awards is measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the stock option awards is expensed using the graded method over the vesting period, based on the Company's estimate of stock options that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of stock options expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Restricted stock units

Restricted stock units ("RSUs") with an equity settlement feature are accounted for as equity instruments as the awards are settled with shares. The fair value of RSUs is measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the RSUs is expensed using the graded method over the vesting period, based on the Company's estimate of RSUs that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of RSUs expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

i) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restructuring

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

j) Other capital

Other capital consists of warrants treated as equity and reserves for share-based compensation expense. Other capital is reduced as warrants or stock options are exercised through a credit to share capital. The consideration paid by option holders is credited to share capital when the options are exercised.

k) Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with the customer;
2. Identify the performance obligation in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies the performance obligation.

The Company applies the following specific revenue recognition policies:

Production and Distribution

Production revenue includes revenue from the license of proprietary content as well as revenue from production services for third parties. Licensing is tied to episodic delivery of programs, which are each considered separate performance obligations, and is recognized when the production is complete and the underlying content has been delivered to the customer. Production services revenue is recognized based on an input method, using the proportion of costs incurred in the period relative to total expected costs.

Distribution revenue is license fees for the right to exhibit film and television programs in specified geographic markets and within specified time periods. Revenue is recognized at the start of the license period when the customer has access to the licensed content.

Global Channels and Streaming

Subscriber revenue is recognized monthly based on fixed fee arrangements or estimated subscribers, as deliveries are complete and payments are contractually enforceable.

Promotion and advertising revenue, net of agency commissions if applicable, is recognized upon fulfillment of contractual campaigns based on the number of advertising units utilized.

Distribution license fees are recognized in accordance with the above policy.

Other revenue relates to contracts to perform advertising or talent related services and is recognized over time on a monthly basis as the performance obligations related to services are satisfied.

Canadian Media

Subscriber revenue is recognized in accordance with the above policy.

Publishing revenue includes both a subscriber component, which is recognized in accordance with the above policy, as well as print advertising revenue.

Promotion and advertising revenue, which includes revenue from consumer shows and digital properties, is recognized in accordance with the above policy. Print advertising revenue is recognized upon publication of the magazine issue in which the advertisement is placed.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer for which consideration has already been received. Contract liabilities are presented as deferred revenue in the consolidated statement of financial position and recognized as revenue when the performance obligation has been satisfied.

Multiple performance obligations

Certain services are offered as part of contracts with multiple performance obligations. The Company identifies which performance obligations are distinct on a standalone basis and in the context of the contract and allocates consideration to each of these performance obligations on the basis of their relative standalone selling price.

Gross versus net revenue

Third party arrangements are evaluated to determine whether the Company acts as the principal or agent under the specific terms of each arrangement. To the extent that the Company acts as the principal in an arrangement, revenues are reported on a gross basis; revenues and expenses are recognized in their respective financial statement line items. Conversely, if the Company acts as the agent, revenues are reported on a net basis; revenues are presented net of any related expenses.

Determination of principal or agent classification is based on an evaluation of whether the nature of the Company's promise is a performance obligation to provide specific goods or services to the customer (principal), or simply arrange for those goods and services to be provided to the customer by a third party (agent). The most significant factors to consider include whether the Company controls the good or service immediately before it is transferred to the customer, is primarily responsible for fulfilling the promise to provide the specified good or service, has inventory risk before transferring the specified good or service, and has discretion in establishing prices for the specified good or service.

l) Foreign currencies

Items included in the financial statements of each consolidated entity of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Primary and secondary indicators are used to determine the functional currency (primary indicators have priority over secondary indicators). The primary indicator that applies to the Company is the currency that mainly influences revenues and expenses. Secondary indicators include the currency in which funds from financing activities are generated. The financial statements of consolidated entities that have a functional currency other than Canadian dollars ("foreign operations") are translated into Canadian dollars as follows:

- assets and liabilities - at the closing rate at the date of the balance sheet; and
- income and expenses - at the average rate for the period.

All resulting changes are recognized in other comprehensive income (loss) as cumulative translation adjustments in the period in which they arise.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the consolidated statement of comprehensive income.

m) Income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. 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. Deferred tax assets arising from deductible temporary differences 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 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 set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

n) Financial instruments

The Company follows IFRS 9, *Financial Instruments* (“IFRS 9”), to account for its financial assets and liabilities.

IFRS 9 contains three primary measurement categories for financial assets: measured at fair value through profit and loss ("FVPL"), amortized cost, and fair value through other comprehensive income ("FVOCI").

Other than cash and restricted cash, which are measured at FVPL, the Company measures all of its financial assets at amortized cost, where amounts are initially measured at fair value and subsequently remeasured at amortized cost.

Accounts payable and accrued liabilities, bank indebtedness, interim production financing, lease liabilities and promissory notes payable are also measured at amortized cost. All other financial liabilities of the Company are measured at FVPL.

Refer to Note 23 for a full breakdown of the Company’s financial assets and liabilities classified as amortized cost or FVPL.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company applies the simplified approach in calculating lifetime expected credit losses on accounts receivable. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the financial asset is no longer credit impaired and the improvement can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the counterparty’s credit rating).

o) Leases

The following describes the Company's accounting policy for leases under IFRS 16, *Leases* (“IFRS 16”), applied from the date of initial application:

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized at the inception of the lease, initial direct costs incurred, and lease payments made at or before the lease commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Right-of-use assets are tested for recoverability when an indicator of impairment exists. Impairment is assessed at the lowest CGU level, and is measured by comparing the recoverable amount to its carrying value and recording an impairment expense where the carrying value exceeds the recoverable amount.

Lease liabilities

The Company recognizes lease liabilities at the commencement date of the lease, measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. The amount of lease liabilities is increased through interest expense and reduced for lease payments made at the time of the payment. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the lease or a change in the assessment to either to exercise extension or termination options, or purchase the underlying asset.

Extension and termination options

The Company determines the lease term based on the non-cancellable term of the lease, including any periods covered by an option to extend the lease if it is reasonably certain to be exercised, considering all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

p) Use of accounting estimates and judgments

In the application of the Company’s accounting policies, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future estimates.

The following are the key critical accounting estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the fair value and the value in use of the individual assets or CGUs to which the assets have been allocated. Additionally, the identification of indicators of impairment may require significant judgment. The value in use and fair value

calculations require management to estimate the future cash flows expected to arise from the individual assets or CGUs and a suitable discount rate in order to calculate present value.

Recoverability of tax credits

The amount of production tax credits the Company files for as costs are incurred and the amounts ultimately recovered may differ. The expected timing of the receipt of production tax credits is subject to uncertainty and amounts have been classified as current or long-term based on the expected date of receipt.

Business combinations

The purchase price allocation process requires management to use significant estimates and assumptions, including fair value estimates, including but not limited to:

- estimated fair values of investment in content rights;
- estimated fair values of intangible assets;
- probability of required payment under contingent consideration provisions, if any; and
- estimated income tax assets and liabilities.

While management uses its best estimates and assumptions as a part of the purchase price allocation process to accurately value the assets acquired and liabilities assumed at the business combination date, estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the measurement period, which is the earlier of the date management receives the information it is looking for or one year from the business combination date, adjustments are recorded to the assets acquired and liabilities assumed, with the corresponding offset to goodwill, if any. Subsequent to acquisition, the Company estimates the fair value of future purchase consideration payable, if any, based on estimates of the future financial performance of the relevant entity.

Although management believes the assumptions and estimates made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies which are inherently uncertain. Examples of critical estimates in valuing certain of the assets and liabilities acquired include but are not limited to:

- future expected cash flows from customer contracts;
- the acquired company’s trademarks and customer relationships as well as assumptions about the period of time these acquired intangible assets will continue to benefit the combined company; and
- discount rates applied to future expected cash flows.

Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill, if any, in the purchase price allocation, which could also impact net income as expenses and impairments could change. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

q) Recently adopted accounting standards

Amendments to IAS 1, Presentation of Financial Statements

In January 2020, the International Accounting Standards Board (IASB) issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)', which was amended to clarify how to classify debt and other liabilities as either current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2024. These amendments did not have an impact on the Company’s consolidated financial statements.

Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosure

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after January 1, 2024. Since the Company does not have any supplier finance arrangements with third parties, these amendments did not have an impact on the Company's consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements

In October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024. These amendments did not have an impact on the Company's consolidated financial statements.

r) Accounting standards and amendments issued but not yet effective

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1 as the primary standard for financial statement presentation. The standard aims to enhance the comparability of financial performance by introducing new requirements for categorizing and presenting items in the statement of profit or loss, such as mandatory sub-totals like operating profit. It also updates the statement of cash flows and includes provisions for presenting management-defined performance measures with reconciliations to IFRS compliant figures. Effective from January 1, 2027, IFRS 18 requires restatement of comparative periods and allows earlier adoption. Management is still assessing the impact of this new accounting standard.

Amendments to IFRS 7 and 9, Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 aimed at improving the classification and measurement of financial instruments. The recent amendments simplify financial reporting by allowing earlier recognition of liabilities settled via electronic payments, clarifying the assessment of cash flows for basic lending arrangements and refining definitions for non-recourse features and linked instruments. The amendments also introduce more detailed disclosure requirements for fair value changes in equity instruments and mandate reporting of terms that could affect cash flow timings or amounts. The amendment will be effective from January 1, 2026, and entities must apply these amendments retrospectively, with earlier adoption permitted. Management is still assessing the impact of this change in the accounting standards.

4. Business combination

On August 1, 2025, the Company completed the Transaction. In connection with the Transaction, the shares of BAMI were exchanged for shares of the Company on the basis of an exchange ratio of 1.25 shares (prior to the share consolidation noted below) of the Company for each share of BAMI. Furthermore, any equity incentive plan ("EIP") awards and warrants of BAMI issued and outstanding immediately prior to the Closing were subject to the same exchange ratio.

Immediately prior to the Closing, the Company completed a share capital reorganization (the "Share Capital Reorganization"), which included a consolidation of its shares and EIP awards issued and outstanding on the basis of one (1) post-consolidation share for 10 pre-consolidation shares. The Share Capital Reorganization also included the exercise of certain fully vested restricted share units ("RSUs"), as well as the assumption of EIP awards issued and outstanding of the Company, which included options, performance-based share units ("PSUs"), deferred share units ("DSUs") and RSUs. Each non-voting common share of BAMI was exchanged for subordinate voting shares ("SVS") of the Company, and each special voting share of BAMI was exchanged for multiple voting shares ("MVS") of the Company, both on a one-for-one basis.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

Of total transaction costs and other related costs of $12,098 recorded in the Company's statement of net income for the year ended August 31, 2025, $11,538 relates to the Transaction and includes legal fees of $5,264, consulting fees of $2,557, audit and tax consulting fees of $2,493, and other costs of $1,224.

The following table summarizes the Share Capital Reorganization:

	July 31, 2025	Exercise of RSUs	Share exchange premium	Pre-consolidation shares and equity awards	Consolidated shares and equity awards	Shares exchanged to SVS or MVS	Post-Share Capital Reorganization shares and equity awards*	Balance - post-Share Capital Reorganization
Non-voting common shares	125,986,386	4,956,024	32,735,213	163,677,623	16,367,762	(16,367,762)		—
Warrants	4,375,000		1,093,750	5,468,750	546,875			546,875
Options	11,687,000		2,921,750	14,608,750	1,460,875		29,021	1,489,896
RSUs	8,810,906	(6,802,299)	502,152	2,510,759	251,065		138,968	390,033
DSUs	—			—	—		54,843	54,843
PSUs	—			—	—		10,110	10,110
Subordinate voting shares						**16,367,762**	**5,493,626**	**21,861,388**
Special voting shares	100		25	125	12.5	(12.5)		—
Multiple voting shares						**12.5**		**12.5**

*Subordinate voting shares and EIP awards of BRMI that were combined with those of BAMI on a post-Share Capital Reorganization basis.

Further to the above, 75,000,000 restricted voting shares were issued at Closing to BAMI's chief executive officer ("CEO"), Michael MacMillan, for a price of $0.0001 per share (refer to note 17).

In addition to the Transaction resulting in BAMI becoming the subsidiary of a public company, three Canadian production businesses were acquired: Insight Productions, Jam Filled Entertainment and Proper Television (the "Retained Business"). The Retained Business is included in the Company's Production and Distribution reporting segment.

As part of the Transaction, one of the Company's significant shareholders committed to provide the Company with the following: (a) a commitment for a cash contribution of up to $34,700 dependent on meeting certain performance targets of the Retained Business in the year ending December 31, 2025 and to be paid by March 30, 2026; (b) guarantees for a vendor take-back promissory note receivable of $18,000 for the sale of certain production assets to a group of shareholders immediately prior to the Closing of the RTO (the "VTB Note"), and US$2,655 of notes receivable from a former BRMI executive in relation to a prior transaction; and (c) commitment for a period of one year from the Closing, to subscribe for up to $20,000 in any new equity offering of the Company up to a maximum of $60,000.

The Transaction was entered into as the continuing shareholders of the Company, including former shareholders of both companies, expect to benefit from the newly combined Company.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following table shows the fair value of assets acquired and liabilities assumed on August 1, 2025:

	$
Cash	53,390
Trade and other receivables*	55,332
Unbilled receivables	1,201
Current portion of notes receivable	6,706
Prepaid expense and other assets	2,942
Total current assets	119,571
Property and equipment	1,040
Right-of-use assets	11,868
Investment in content rights	17,154
Intangible assets	685
Notes receivable	18,257
Deferred tax assets	3,064
Total long-term assets	52,068
Accounts payable and accrued liabilities	23,615
Current portion of lease liability	11,868
Insight note payable	1,181
Income taxes payable	922
Deferred revenue	22,284
Current portion of production financing	24,857
Total current liabilities	84,727
Fair value of net assets acquired on August 1, 2025	86,912

*Trade and other receivable includes $nil of allowance of doubtful accounts.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following table shows the calculation of the bargain purchase gain on August 1, 2025:

	$
Pre-Share Capital Reorganization BRMI shares offered*	48,344
BRMI surviving equity instruments**	1,740
Total consideration	**50,084**
Fair value of net assets acquired on August 1, 2025	**86,912**
Bargain purchase gain	**(36,828)**

*Consists of 54,936,316 SVS pre-Share Capital Reorganization at a price of $0.88 per share
**Consists of 1,389,858 RSUs, 548,625 DSUs, 290,333 stock options, and 101,103 PSUs pre-Share Capital Reorganization at a price of $0.88 per unit

The following table reflects a proforma revenue and net income (loss) of the Company as if the acquisition of Retained Business occurred on September 1, 2024:

	Combined entity
Revenue	**296,650**
Net income / (loss)	**9,806**

The following table shows the financial results of the Retained Business included in the Company's consolidated statement of net income for the year ended August 31, 2025:

	August 1-31, 2025
	$
Revenue	**10,536**
Net loss	**(2,178)**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

5. Property and equipment

	Computer hardware and software	Technical equipment	Leasehold improvements	Office furniture and equipment	Total
	$	$	$	$	$
Year Ended August 31, 2024					
Opening net book value	732	1,904	866	331	3,833
Additions	336	382	2	133	853
Depreciation	(462)	(532)	(84)	(41)	(1,119)
Disposals - sale of subsidiary	(4)	(400)	—	(54)	(458)
Foreign exchange	(12)	138	—	(3)	123
Net book value	**590**	**1,492**	**784**	**366**	**3,232**
August 31, 2024					
Cost	2,948	3,073	1,382	490	7,893
Accumulated depreciation	(2,358)	(1,581)	(598)	(124)	(4,661)
Net book value	**590**	**1,492**	**784**	**366**	**3,232**
Year Ended August 31, 2025					
Opening net book value	590	1,493	784	367	3,234
Additions	337	1,566	40	131	2,074
Additions - acquisition	160	434	337	109	1,040
Depreciation	(393)	(691)	(88)	(63)	(1,235)
Disposals - sale of subsidiary	—	—	—	—	—
Foreign exchange	2	5	2	(4)	5
Net book value	**696**	**2,807**	**1,075**	**540**	**5,118**
August 31, 2025					
Cost	3,434	5,060	1,758	725	10,977
Accumulated depreciation	(2,737)	(2,253)	(683)	(186)	(5,859)
Net book value	**697**	**2,807**	**1,075**	**539**	**5,118**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

6. Leases

The tables below summarize the movements in the resulting right-of-use assets and lease liabilities associated with leases.

Right-of-use assets

	August 31, 2025	August 31, 2024
Cost	**$**	**$**
Opening balance	17,310	20,405
Additions	427	306
Additions - acquisition	11,868	—
Disposal of subsidiaries	—	(1,329)
Lease expired	(287)	(2,125)
Foreign exchange and other adjustment	10	53
	29,328	**17,310**
Accumulated amortization		
Opening balance	4,998	**6,108**
Amortization	1,803	1,731
Disposal of subsidiaries	—	(745)
Lease expired	(287)	(2,125)
Foreign exchange and other adjustment	6	29
	6,520	**4,998**
Net book value - end of the year	**22,808**	**12,312**

Lease liabilities

Lease Liability	**August 31, 2025**	**August 31, 2024**
	$	**$**
Opening balance	14,858	16,818
Additions	169	280
Additions - acquisition	11,868	—
Disposal of subsidiaries	—	(663)
Interest expense	632	622
Payments	(2,202)	(2,268)
Foreign exchange and other adjustments	84	69
	25,409	**14,858**
Less current portion of lease liability, continuing operations	(4,343)	(1,363)
Long-term portion of lease liability, continuing operations	**21,066**	**13,495**

For the year ended	**August 31, 2025**	**August 31, 2024**
Variable lease payment expenses not included in the measurement of lease liabilities	922	920
Expenses for short-term leases	226	155

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

7. Investment in content rights

	Acquired program rights	Owned content	Total
	$	$	$
For the year ended August 31, 2024			
Opening net book value	30,123	78,030	**108,153**
Additions, net	19,285	52,376	**71,661**
Impairment	—	(8,906)	**(8,906)**
Amortization	(17,026)	(48,398)	**(65,424)**
Expense of development costs	—	(884)	**(884)**
Disposals - sale of subsidiary	—	(8,207)	**(8,207)**
Foreign exchange	181	169	**350**
Net book value	**32,563**	**64,180**	**96,743**
At August 31, 2024			
Cost	84,913	87,396	**172,309**
Accumulated amortization	(52,350)	(23,216)	**(75,566)**
Net book value	**32,563**	**64,180**	**96,743**

	Acquired program rights	Owned content	Total
	$	$	$
For the year ended August 31, 2025			
Opening net book value	32,563	64,180	**96,743**
Additions, net	20,092	43,170	**63,262**
Additions - acquisition (Note 4)	—	17,154	**17,154**
Impairment	(335)	(545)	**(880)**
Amortization	(18,180)	(39,636)	**(57,816)**
Expense of development costs	—	(239)	**(239)**
Foreign exchange	707	175	**882**
Net book value	**34,847**	**84,259**	**119,106**
At August 31, 2025			
Cost	105,980	121,108	**227,088**
Accumulated amortization	(70,894)	(37,088)	**(107,982)**
Net book value	**35,086**	**84,020**	**119,106**

During the year ended August 31, 2025, included in additions is $1,558 of interest capitalized to investment in content - owned content (year ended August 31, 2024 - $3,353).

Additions to investment in content during the year ended August 31, 2025, have been reduced by $3,301 (year ended August 31, 2024 - $2,044) in respect of production tax credits.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

8. Intangible assets

	Library	Broadcast licenses	Trademarks	Customer relationships	Total
	$	$	$	$	$
For the year ended August 31, 2024					
Opening net book value	7,293	46,356	4,355	2,405	**60,409**
Additions	2,009	—	28	—	**2,037**
Amortization	(1,902)	—	—	(606)	**(2,508)**
Disposals through sale of subsidiaries and assets	—	—	(34)	—	**(34)**
Foreign exchange	26	—	—	1	**27**
Net book value	**7,426**	**46,356**	**4,349**	**1,800**	**59,931**
At August 31, 2024					
Cost	10,726	46,356	4,349	3,453	**64,884**
Accumulated amortization	(3,300)	—	—	(1,653)	**(4,953)**
Net book value	**7,426**	**46,356**	**4,349**	**1,800**	**59,931**
For the year ended August 31, 2025					
Opening net book value	7,426	46,356	4,349	1,800	**59,931**
Additions	3,830	—	57	—	**3,887**
Additions - acquisition	685	—	—	—	**685**
Amortization	(2,645)	—	—	(583)	**(3,228)**
Foreign exchange	84	—	—	—	**84**
Net book value	**9,380**	**46,356**	**4,406**	**1,217**	**61,359**
At August 31, 2025					
Cost	15,337	46,356	4,406	3,453	**69,552**
Accumulated amortization	(5,957)	—	—	(2,236)	**(8,193)**
Net book value	**9,380**	**46,356**	**4,406**	**1,217**	**61,359**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

9. Goodwill

	August 31, 2025	August 31, 2024
	$	$
Balance, beginning of year	46,960	67,334
Disposals during the year	—	(1,095)
Measurement period adjustments	—	861
Impairment	(8,317)	(20,000)
Foreign exchange	15	(140)
Balance, end of year	**38,658**	**46,960**

The following table presents the goodwill by group of CGUs as at August 31, 2025, and 2024:

Goodwill by group of CGUs	**August 31, 2025**	**August 31, 2024**
	$	$
Canadian Media	—	15,047
Global Channels and Streaming	6,760	—
Program Production	25,714	25,714
Program Distribution	6,184	6,199
Total goodwill	**38,658**	**46,960**

Goodwill and indefinite life intangible assets are tested for impairment annually as at August 31 or more frequently if events or circumstances indicate that the asset might be impaired.

In assessing the goodwill for impairment, the Company compares the carrying value of the CGU to the recoverable amount, where the recoverable amount is the higher of fair value less costs of disposal and the value in use. An impairment charge is recognized to the extent that the carrying value exceeds the recoverable amount.

As at May 31, 2025 the Company applied the value-in-use method.

As at August 31, 2025, the Company applied the fair value less cost of disposal method.

In conducting its impairment testing, management uses its best estimates of market participant assumptions. The recoverable amount, determined based on value-in-use and fair value less cost of disposal of the group of CGUs, was determined by utilizing a discounted cash flow approach using cash flow projections based on financial forecasts covering a five-year period.

The cash flows used in determining the recoverable amounts for each of the Company's CGUs were forecasted for five years based on management’s best estimate and considering historical and expected operating plans, current strategies, economic conditions and the general outlook for the industry. Cash flows beyond the five-year period are extrapolated using estimated growth rates.

The after-tax discount rate represents a weighted average cost of capital (“WACC”) for comparable companies operating in the Company’s industry, based on publicly available information. Determination of the WACC requires separate analysis of the cost of equity and debt and considers a market participant risk premium based on an assessment of risks related to the projected cash flows of the Company’s group of CGUs. The terminal growth rate reflects the long-term terminal growth rate for the Company’s group of CGUs within the market in which they operate.

The Company’s assumptions used in the model are affected by current market conditions that may affect expected revenues. The Company also has significant competition in the markets in which it operates that may

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

impact its revenue and operating costs. The Company has made certain assumptions for the discount rate and revenue and expense growth rates to reflect possible variations in the cash flows.

May 31, 2025 impairment testing of Canadian Media CGUs

During the three months ended May 31, 2025, the Company undertook a reorganization of its internal reporting structure, which resulted in changes to the Company's operating segments (Note 28). These changes were made to better align the Company's structure with its strategic objectives and management responsibilities. In particular, the Company's Smart TV advertising operations and Canadian FAST channels business have been reassigned to the Global Channels and Streaming operating segment from the Canadian Media operating segment.

As a result of this reorganization, the composition of the Company's reportable segments and levels at which the goodwill is monitored for internal management purposes changed, and accordingly, the allocation of goodwill was reassessed in accordance with IAS 36, *Impairment of Assets*, using a relative fair value approach. As at May 31, 2025, the Company reallocated $6,730 of $15,047 goodwill previously assigned to Canadian Media to Global Channels and Streaming. Due to the reassignment of the Smart TV advertising operations and Canadian FAST channels businesses to Global Channels & Streaming, management identified that there were indications of impairment associated with the Canadian Media group of CGUs. Accordingly, the Company tested goodwill and broadcast licenses of Canadian Media for impairment immediately after the re-allocation of goodwill as at May 31, 2025. There were no indicators that suggest a potential impairment of goodwill for the other groups of CGUs at that date.

In determining the recoverable value based on a value-in-use model for the Canadian Media group of CGUs the following significant assumptions were used:

	Discount rate		Terminal growth rate	
Group of CGUs	**2025**	**2024**	**2025**	**2024**
Canadian Media	12% - 13%	12 %	(5%) - 2%	(1%) - 2%

For the Canadian Media group of CGUs:

- Broadcast revenue is estimated to decline by 5% per annum in the Canadian Media group of CGUs, which is a result of the ongoing decline of the Canadian traditional television industry and the shift of advertising away from traditional broadcast media. Consumer show average revenue growth estimate was 7% for 2026 to 2030. Earning before interest and taxes ("EBIT") margin percentage estimates for broadcast revenue included in the Canadian media group of CGUs ranged from 30% to 34% for 2026 to 2030. EBIT margin percentage estimates for the consumer shows business included in the Canadian media group of CGUs is 26% to 30% for 2026 to 2030.
- Indefinite life intangible assets are part of Canadian Media and the assumptions applied for impairment assessment are equivalent to those applied for goodwill assessment. In assessing goodwill for impairment, the Company compared the recoverable amount of the assets included in each group of CGUs, to their respective carrying amounts.

Based on the analysis performed of the Canadian Media group of CGUs as at May 31, 2025, it was determined that the carrying value exceeded the recoverable amount and therefore an impairment of $8,317 was recorded at this date. The recoverable amount of the Canadian Media group of CGUs is $71,529 as at May 31, 2025.

For the Canadian Media group of CGUs, the discounted cash flow models were most sensitive to the discount rate and the terminal growth rate assumptions, the Company has conducted a sensitivity analysis on the significant assumptions used to determine the recoverable amount for the group of CGUs evaluated during the goodwill test. The sensitivity of the discount rate was assessed by applying a hypothetical increase or decrease of 2% to the determined rate. The sensitivity of the terminal growth rate was also evaluated by applying a hypothetical increase or decrease of 1% to the established rate. These sensitivity analyses are conducted to assess the potential impact of reasonable changes in significant assumptions on the calculated fair value of the group of CGUs.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

As of May 2025, for the Canadian Media group of CGUs, holding all other assumptions constant:

- a 2% increase in the discount rate would result in an additional impairment of $7,386, and a 2% decrease in the discount rate would result in a reduction of the amount recorded impairment of goodwill by $8,317.
- a 1% decrease in the terminal growth rate would result in an additional impairment of $1,793, and a 1% increase in terminal growth rate would result in a reduction of the amount of recorded impairment of goodwill by $4,447.
- a 1% decrease in the revenue growth rate would result in an additional impairment of $4,027, and a 1% increase in revenue growth rate would result in a reduction of the amount of recorded impairment of goodwill by $6,329.
- a 1% decrease in the earning before interest and taxes (“EBIT”) margin percentage would result in an additional impairment of $1,580, and a 1% increase in EBIT percentage would result in a reduction of the amount of recorded impairment of goodwill by $1,580.

August 31, 2025 annual impairment testing

The Company completed its annual impairment testing for goodwill and indefinite life intangible assets as at August 31, 2025. In determining the recoverable value using the FVLCD method for each group of CGUs the following significant assumptions were used:

	Discount rate		Terminal growth rate	
Group of CGUs	**2025**	**2024**	**2025**	**2024**
Canadian Media	12% - 13%	12 %	(5%) - 2%	(1%) - 2%
Global Channels and Streaming	16 %	16 %	0% - 3%	1% - 3%
Program Production	18 %	18 %	1% - 3%	2% - 3%
Program Distribution	15 %	15 %	3 %	3 %

For the Canadian Media group of CGUs:

- Broadcast revenue is estimated to decline by 5% (2024 - 5%) per annum in the Canadian Media group of CGUs, which is a result of the ongoing decline of the Canadian traditional television industry and the shift of advertising away from traditional broadcast media. Consumer show average revenue growth estimate was 7% for 2026 to 2030 (2024 - 7% for 2025 to 2028). Earning before interest and taxes (“EBIT”) percentage estimates for broadcast revenue included in the Canadian media group of CGUs is 37% for 2026 to 2030 (2024 - 27% to 34% for 2025 to 2028). EBIT margin percentage estimates for the consumer shows business included in the Canadian media group of CGUs is 25% to 29% for 2026 to 2030 (2024 - 25% to 28% for 2025 to 2028).
- Indefinite life intangible assets are part of Canadian Media and the assumptions applied for impairment assessment are equivalent to those applied for goodwill assessment. In assessing goodwill for impairment, the Company compared the recoverable amount of the assets included in each group of CGUs, to their respective carrying amounts.

For the Global Channel & Streaming group of CGUs:

- Global Streaming channels, including the Love Nature brand, is estimated to grow between 7.5% to 15% (2024 - 7.5% to 15%) per annum which reflects the shift in consumer preference towards streaming channels as opposed to traditional linear television. Gross margin percentage estimates for the Global Streaming business is between 33% to 56% for 2026 to 2030 (2024 - 27% to 67% for 2025 to 2028). Smart TV Ad business is expected to grow 10% (2024 - 10%) per annum in the Global Channel & Streaming group of CGUs.Gross margin percentage estimates for the Smart TV Ad business is 24% for 2026 to 2030 (2024 - 32% for 2025 to 2028).

For the Program Production and Program Distribution group of CGUs:

- Production and distribution revenue was estimated for the next 12-24 months based on a slate of content currently in ongoing production or development with financing partners including major global broadcasters and streaming services, as well as content greenlit and planned to begin. Using these estimates as a basis, revenue in 2026 and beyond was estimated considering the number and size of the productions by CGU. Production margin was estimated based on known license fees, production service agreements and budgeted costs, consistent with historical and recent experience. Average revenue growth estimates for the Program Production and Program Distribution groups of CGUs for 2026 to 2030 range from 5% to 10% (2024 - 5% to 10% for 2025 to 2028). Gross margin percentage estimates for production revenue included in the production and distribution group of CGUs ranged from 7% to 24% for 2026 to 2030 (2024 - 8% to 16% for 2025 to 2028). Gross margin percentage estimates for distribution revenue included in the program distribution CGU ranged from 37% to 54% for 2026 to 2030 (2024 - 37% to 54% for 2025 to 2028).

For the Canadian Media group of CGUs, the discounted cash flow models were most sensitive to the discount rate and the revenue growth rate assumptions. Accordingly, the Company conducted a sensitivity analysis on the significant assumptions used to determine the recoverable amount for the group of CGUs. The sensitivity of the discount rate was assessed by applying a hypothetical increase or decrease of 2% to the determined rate. The sensitivity of the revenue and terminal growth rate was also evaluated by applying a hypothetical increase or decrease of 1% to the established rate. These sensitivity analyses are conducted to assess the potential impact of reasonable changes in significant assumptions on the calculated fair value of the group of CGUs.

As of August 31, 2025, for the Canadian Media group of CGUs, holding all other assumptions constant:

- a 2% increase in the discount rate would result in an impairment of $7,004, and a 2% decrease in the discount rate would result in a headroom of $12,149.
- a 1% decrease in the terminal growth rate would result in an impairment of $2,924, and a 1% increase in terminal growth rate would result in in a headroom of $6,008.
- a 1% decrease in the revenue growth rate would result in an impairment of $2,292, and a 1% increase in revenue growth rate would result in in a headroom of $4,781.
- a 1% decrease in the earning before interest and taxes (“EBIT”) margin would result in an impairment of $288, and a 1% increase in EBIT margin percentage would result in a headroom of $2,681

Based on the analyses performed on each of the Company’s groups of CGUs as at August 31, 2025, the recoverable amounts exceeded the respective carrying values and therefore no impairment was recorded.

2024 impairment testing

The annual impairment testing for goodwill and indefinite life intangible assets for the year ended August 31, 2024 was conducted on June 1, 2024 and again on August 31, 2024 after the Company elected to change the annual testing date. The significant assumptions at both dates are consistent with those disclosed above.

Based on the analysis performed on the Canadian Media group of CGUs as at June 1, 2024, it was determined that the carrying value exceeded the recoverable amount and therefore an impairment of $20,000 of goodwill was recorded at this date. For the Company’s other groups of CGUs at both the June 1, 2024 and August 31, 2024 testing dates, the recoverable amount exceeded the carrying value and no impairment was recorded.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

10. Other long-term receivables

	August 31, 2025	August 31, 2024
	$	$
VTB Note from business combination (a)	16,600	—
Other notes receivable from business combination (b)	8,321	—
Total notes receivable	24,921	
Less: Current portion of notes receivable included in Trade and other receivables	(6,646)	—
Long-term notes receivable	18,275	
Long-term tax credit receivables	13,971	—
Long-term receivables arising from the sale of assets	—	563
Lease deposits and other	445	130
Total other long-term amounts receivable	**32,691**	**693**

(a) The VTB Note for $18,000 for the sale of certain production assets to a group of shareholders immediately prior to the Closing of the RTO was included in the assets acquired resulting from the Transaction. The VTB Note is repayable in amounts of $3,000 annually from the Closing of the RTO, with and additional $1,000 in deemed interest payable included with the final payment. The VTB Note has been recorded at net present value with interest income being accreted over the 6-year term. The VTB Note is guaranteed by one of the Company's shareholders (also a former BRMI shareholder - see Note 4).

(b) Notes receivable of $8,321 including accrued interest, from a former BRMI executive in relation to a prior transaction were included in the assets acquired resulting from the Transaction. The $3,651 (US$2,655) current portion of these notes receivable, is guaranteed by one of the Company's shareholders (also a former BRMI shareholder - see Note 4). The long-term notes receivable are interest-bearing and guaranteed by the former executive's shareholdings in The Initial Group Global, LLC.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

11. Accounts payable and accrued liabilities

	August 31, 2025	August 31, 2024
	$	$
Accounts payable	20,799	10,144
Accrued liabilities	33,518	17,535
Royalty accruals	4,536	6,745
Content acquisition accruals	3,837	5,464
Other payables	2,095	1,005
Total accounts payable and accrued liabilities	**64,785**	**40,893**

12. Bank indebtedness and interim production financing

Interim production financing	**August 31, 2025**	**August 31, 2024**
	$	$
Outstanding	52,014	26,405
Accrued interest	130	183
Balance	**52,144**	**26,588**

Bank indebtedness	**August 31, 2025**	**August 31, 2024**
	$	$
Outstanding	20,573	35,590
Accrued interest	132	283
Unamortized financing costs	(1,363)	(1,906)
Balance	**19,342**	**33,967**
Less: Current portion	(14,587)	(18,487)
Non-current	**4,755**	**15,480**

Bank indebtedness

On December 6, 2022, the Company signed an amended and restated credit agreement (“2022 Credit Agreement”) with its existing syndicated lenders. The 2022 Credit Agreement amends and restates the provisions of the Company’s previous credit facility agreement originally entered on September 24, 2018 (“2018 Credit Agreement”). The 2022 Credit Agreement extended the maturity date of the 2018 Credit Agreement from February 28, 2023, to December 6, 2027 ("Maturity Date”).

On August 1, 2025, the Company entered into the second amended and restated credit agreement (“2025 Credit Agreement”) with its existing syndicated lenders.

The 2025 Credit Facility is summarized below.

- General purpose credit facility (“Facility A”)

  The Company’s revolving credit facility previously established under the 2022 Credit Agreement is amended to be $30,000 (2024 - $30,000, with additional $10,000 subjects lender approval). Advances under this facility are for working capital and general corporate purposes.

- Acquisition credit facility (“Facility C”)

  The Company’s acquisition revolving credit facility previously established under the 2022 Credit Agreement amended to be $35,000 (2024 - $35,000, with additional $10,000, subject to lender approval).

Advances under Facilities A and C may be drawn in Canadian dollars as a either prime rate loan or Canadian Overnight Repo Rate Average (“CORRA”) loan, or in U.S. dollars as either a base rate loan or Secured Overnight Financing Rate (“SOFR”) loan.

Amounts drawn under each respective facility will bear interest at the applicable reference rate plus an applicable margin ranging from 1.00% to 2.25% per annum for prime rate or base rate loans, and 2.00% to 3.25% per annum for CORRA or SOFR rate loans dependent on the Company’s leverage ratio. A standby fee will also be payable on the unutilized amount of this facility.

Principal repayments on Facilities C are as follows: 3.55% of the principal amount of each advance, payable in quarterly installments and the remainder payable on the Maturity Date. The facility permits voluntary repayments without payment of any penalty or fee.

Under the terms of the 2025 Credit Agreement, the Company is required to maintain the follow ratios at all times:

- Funded debt to EBITDA shall not be greater than 3.00 to 1.00
- Fixed charge coverage ratio shall not be less than 1.15 to 1.00
- Liquidity ratio shall not be less than 1.10 to 1.00

The Company was in compliance with all financial covenants as described above during both periods presented.

The indebtedness is secured by a guarantee executed by the Company and each of its subsidiaries.

Interim production financing

As at August 31, 2025, interim production financing includes the following facilities:

- Production revolving loan under 2025 Credit Agreement

  The 2022 Credit Agreement added a revolving credit facility under which advances may be used to provide interim production financing for eligible productions (“Facility B”). This facility is secured by a guarantee from the Company up to a maximum principal amount of $5,000.

  The 2025 Credit Agreement increased the total limit $50,000 in the 2022 Credit Agreement to $70,000.

  This facility is secured by specific production financing, licensing contracts and film tax credits receivables.

- Production revolving loan with respect to Marble Media

  On August 10, 2023, concurrent with the closing of the acquisition of Marble Media, a subsidiary of the Company entered into a revolving credit agreement with the syndicate of lenders from the 2022 Credit Agreement, from which the initial draw was used to repay all of Marble Media’s outstanding balance with respect to its interim production loans existing as at August 10, 2023 and provide interim production financing for eligible productions of Marble Media.

  This facility is secured by specific production financing, licensing contracts and film tax credits receivables. All outstanding draws on this facility were repaid in fiscal 2025 at which point the facility ceased.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

- Production revolving loan with respect to interim financing for service productions

  On August 1, 2025, as part of the 2025 Credit Agreement, the Company entered into a revolving credit agreement with the syndicate of lenders from the 2022 Credit Agreement specifically for interim financing on future service productions with limit up to $20,000. No amounts were drawn from this facility as of August 31, 2025.

  This facility is secured by specific production financing, licensing contracts and film tax credits receivables.

- Former BRMI revolving credit facility

  On August 1, 2025, on the Closing of the Transaction, the Company assumed a $20,000 revolving credit facility (the “Borrowing Base Facility”) secured by receivables such as production service tax credits. The Borrowing Base Facility is repayable on demand. Interest on amounts drawn is calculated at prime plus 0.50%, payable monthly in arrears.

- Single purpose loans with respect to Proper Television and Insight Productions

  On August 1, 2025, on the Closing of the RTO, the Company assumed a number of single-purpose production-specific interim financing loans and a general security agreement in respect to Proper Television and Insight Productions in the Retained Business. These loans are secured by production tax credits.

13. Promissory notes

	Year ended August 31, 2025	Year ended August 31, 2024
	$	$
Opening balance	7,328	9,795
Repayment of principal, net	(3,250)	(3,250)
Interest accrued in the period	458	783
Ending balance	**4,536**	**7,328**
Less: Current portion	(4,536)	(3,250)
Non-current	**—**	**4,078**

On August 10, 2023, the Company issued two promissory notes to the former owners of Marble Media as part of the purchase price for the acquisition of Marble Media. Each promissory note has a principal amount of $4,875 payable on the maturity dates of the principal amount and bears interest at the same rate as the Company’s term credit facility (Note 12). The principal amount of each note is due and payable in three equal installments of $1,625 on August 10, 2024, August 10, 2025, and August 10, 2026. All accrued interest is payable on August 10, 2026. The Company may at any time, prepay all or any portion of the unpaid balance of the principal amount outstanding together with interest, without premium or penalty.

The Company recognized the promissory notes as financial liabilities measured at amortized cost upon issuance.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

14. Other current liabilities

	August 31, 2025	August 31, 2024
	$	$
2022 Put Option	1,300	700
Current portion of contingent consideration	276	2,181
Insight note payable	1,181	—
	2,757	**2,881**

2022 Put Option

This represents a put option held by Building Industry and Land Development Association ("BILD") which arose from the acquisition of the Toronto Home Shows during 2023 and grants BILD the right to sell its remaining 40% share of the Toronto Home Shows to the Company at a price based on future earnings performance, with a call obligation if unexercised by 2027 that would require the Company to acquire BILD's shares.

Contingent consideration

The current portion of contingent consideration of the Media Pulse Earnout arises from the achievement of EBITDA targets for the year ended August 31, 2024. The remaining amount outstanding as of August 31, 2025 relates to collection of certain outstanding receivables.

Insight note payable

This note payable arose from a legacy transaction by BRMI to acquire the remaining 30% non-controlling ownership interest in Insight Productions ("Insight") on December 31, 2024. The note payable to the former shareholders of Insight in the amount of $1,181 is to be paid from the collection of future tax credit receipts and other accounts receivable in respect of the operation of the business prior to December 31, 2024.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

15. Deferred revenue

	August 31, 2025	August 31, 2024
	$	$
Production contract revenue	29,065	11,515
Distribution license revenue	2,560	5,398
Consumer shows revenue	2,376	2,152
Other deferred revenue	3,959	2,048
Total	**37,960**	**21,113**
Less: Current portion	(35,709)	(20,533)
Long-term deferred revenue	**2,251**	**580**

Movements in deferred revenue balances in the years ended August 31, 2025 and 2024 were as follows:

	Year ended August 31, 2025	Year ended August 31, 2024
	$	$
Opening balance	20,685	13,935
Additions through business acquisition (Note 4)	22,284	—
Cash collections	128,612	125,052
Revenue recognized	(133,747)	(118,698)
Reclassification	(12)	—
Foreign exchange	138	824
Closing balance	37,960	21,113

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

16. Equity

	Authorized	Outstanding August 31, 2025	Share capital
			$
Subordinate voting shares	Unlimited	21,892,483	210,779
Special voting shares	12.5	12.5	—
Restricted voting shares	75,000,000	75,000,000	8
Total		96,892,495.5	210,787

	Authorized	Outstanding August 31, 2024	Share capital
			$
Non-voting common shares	Unlimited	125,850,000	156,150
Special shares	100	100	—
Total		125,850,100	156,150

On August 1, 2025, the RTO of the Company resulted in a Share Capital Reorganization (see Note 4).

A summary of the activities of the Share Capital Reorganization impacting equity outstanding of the Company is as follows:

- All BAMI RSUs outstanding, on a pre-consolidation basis, had vesting accelerated as a result of the RTO being considered a liquifying event
- A total of 6,802,299 RSUs, on a pre-consolidation basis, were exercised on Closing, resulting in 4,956,024 BAMI non-voting common shares being issued after net settlement of taxes on exercise
- A share exchange premium of 125% was applied to all BAMI awards on a pre-consolidation basis, resulting in 163,677,623 non-voting common shares being issued and outstanding immediately prior to the share consolidation on the Closing
- The 10:1 share consolidation resulted in BAMI non-voting common shares being exchanged for 16,367,762 subordinate voting shares of the Company on the Closing
- 5,493,626 subordinate voting shares of the Company from BRMI's shareholder base added on the Closing
- 100 special shares in BAMI on a pre-consolidation basis resulted in 12.5 special voting shares of the Company on the Closing
- 75,000,000 restricted voting shares issued to BAMI's CEO, Michael MacMillan, at a price of $0.0001 per share on the Closing

Further to the above, in August 2025, 31,095 subordinate voting shares of the Company were issued from the exercise of 18,400 DSUs and 12,695 RSUs.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

On a post-consolidation basis:

- Each subordinate voting share is entitled to one vote
- Each full special voting share is entitled to 5,000,000 votes, with partial shares being entitled to pro-rata voting rights
- Each restricted voting share is entitled to 0.1 vote
- All special voting shares and restricted voting shares are held by the Company's CEO, Michael MacMillan, giving Mr. MacMillan control over the Company

Pre-RTO share activities in the year ended August 31, 2025:

- 44,444 non-voting common shares issued to Directors
- 82,987 non-voting common shares issued for settlement of earnout contingent consideration
- 10,060 non-voting common shares issued on exercise of RSUs

Share activities in the year ended August 31, 2024:

- 88,888 non-voting common shares issued to Directors
- 212,850 non-voting common shares issued on exercise of 450,000 RSUs
- 100,000 non-voting common shares issued on exercise of 100,000 options

Lock-up provision

On the Closing, certain shareholders and EIP award holders of the Company were subject to lock-up provisions which prohibits the sale or transfer of any of their shareholdings or EIP awards: 50% of these shares cannot be sold or transferred for a period of six months from Closing, and the remaining 50% for a period of nine months from Closing.

Warrants

	August 31, 2025		**August 31, 2024**	
	#	**$**	**#**	**$**
Warrants included in other capital				
Issued on December 7, 2010	410,125	3,281	3,281,000	3,281
Issued on March 1, 2012	136,750	1,094	1,094,000	1,094
	546,875	**4,375**	**4,375,000**	**4,375**

Warrants were issued during the year ended August 31, 2011, to purchase 3,281,000 non-voting common shares at $1.00 per share. During the year ended August 31, 2012, in connection with an equity raise, warrants were issued to an investor to purchase a total of 1,094,000 non-voting common shares at $1.00 per share. These warrants have no expiration date and can be exercised at any time. At the time of issue, these warrants were valued at $1.00 per warrant using a Black-Scholes option pricing model and the related fair value was charged to operations on initial recognition. As a result of the RTO, the warrants were subject to the Share Capital Reorganization detailed above, and accordingly are now exercisable at a price of $8.00 per subordinate voting share. These warrants are included in other capital on the consolidated statement of financial position.

On January 28, 2024, a total of 27,667 warrants that had been issued in the year ended August 31, 2016 expired unexercised, and a gain of $22,240 was recognized on expiry.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

17. Share-based payments

On Closing of the RTO (note 4), the Company assumed awards granted under the equity incentive plan of the acquired company (the "Acquired EIP") in the form of stock options, restricted share units ("RSUs"), and performance share units ("PSUs") granted to employees and deferred share units ("DSUs") granted to independent directors. The fair value of stock options was determined using a Black-Scholes pricing model and is recognized as share-based compensation expense on a graded vesting basis over the vesting periods of the options. The fair value of RSUs granted was determined to be the share price on the grant date and is recognized as share-based compensation expense on a graded vesting basis over the vesting periods of the units. The fair value of DSUs granted was determined to be the share price on the grant date and was recognized as share-based compensation expense on the grant date, as the awards were fully vested on such date. The fair value of the PSUs granted was recognized as share-based compensation expense on a straight-line basis over the vesting periods of the PSUs. All awards issued and outstanding under the Acquired EIP are exercisable for subordinate voting shares of the Company on a one-for-one basis.

Further to the above, all awards issued under the BAMI Equity Incentive Plan ("BAMI EIP") were subject to a 25% pre-Closing premium and then a 10:1 share consolidation on Closing, exercisable for subordinate voting shares of the Company on a one-for-one basis. The impact of the Acquired EIP awards, along with the pre-Closing premium and share consolidation have been included in the tables that follow for the year ended August 31, 2025. The Acquired EIP and BAMI EIP were combined into the Company Equity Incentive Plan ("Company EIP") on the Closing of the RTO.

Employee stock option plan

BAMI EIP has an Employee Stock Option Plan ("BAMI ESOP"). Stock options under the BAMI ESOP were granted at exercise prices not less than the fair value of the optioned shares, unless otherwise determined by the Board, generally vest rateably over a five-year period, and have a term of ten years.

On Closing of the RTO, the Company assumed 29,021 post-consolidation options issued under the Acquired EIP.

The following summarizes the movements in stock options of the Company EIP for the year ended August 31, 2025:

	Options	Weighted average exercise price
	#	$
Options outstanding – August 31, 2024	11,885,000	1.43
Granted pre-RTO	30,000	2.25
Exercised pre-RTO	—	—
Expired pre-RTO	(228,000)	1.30
	11,687,000	1.43
Pre-RTO closing premium	2,921,750	
	14,608,750	
Share consolidation impact	(13,147,875)	
	1,460,875	11.47
Options assumed on RTO closing	29,021	73.34
Options outstanding - August 31, 2025	**1,489,896**	12.68

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following summarizes information about stock options outstanding under the Company EIP as at August 31, 2025:

Exercise price	Number outstanding	Weighted average remaining life	Number exercisable
$	#	years	#
8.00	785,250	4.47	781,500
9.20	750	8.58	250
12.00	280,125	6.04	184,325
18.00	395,500	7.30	131,325
57.60	7,206	1.34	7,206
68.50	384	6.39	384
74.90	12,006	2.79	12,006
90.00	8,675	5.34	8,675
	1,489,896	**5.82**	**1,125,671**

The fair value of each option granted in the following years ended was estimated using the Black-Scholes option pricing model on the date of the grant using the following assumptions:

	August 31, 2025	August 31, 2024
Share Price (pre-consolidation)	$ 2.25	2.25
Expected Life	3-7 years	3-7 years
Expected Volatility	51 - 56%	48 - 55%
Dividend Yield	—	—
Risk-Free Interest Rate	2.89 - 3.00%	3.22 - 3.68%

During the year ended August 31, 2024, the Company modified the exercise price on certain stock options, whereby a number of vested stock options that were set to expire in 2024 had their life extended for 10 years. This modification resulted in an incremental fair value of $157, which was estimated using the Black-Scholes option pricing model on the date of the modification and recognized as share-based compensation expense for the year ended August 31, 2024.

Additionally, included in share-based compensation expense is $50 for compensation paid to the Company's directors in form of non-voting common shares (2024 – $196).

Restricted Share Units

In May 2017, the Company implemented a plan under the BAMI EIP whereby the Company will issue RSUs under the plan to certain officers, directors and employees of the Company and its subsidiaries. A further RSU plan was implemented by the Company in 2023.

On Closing of the RTO, the Company assumed 138,968 post-consolidation RSUs issued under the Acquired EIP.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following summarizes the movements in RSUs for the year ended August 31, 2025:

	RSUs	Weighted average grant date fair value
	#	$
RSUs outstanding - August 31, 2024	7,587,633	1.66
Granted pre-RTO	1,233,333	2.25
Exercised pre-RTO	(10,060)	1.50
Exercised on RTO closing	(6,802,299)	1.80
	2,008,607	1.55
Pre-RTO closing premium	502,152	
	2,510,759	
Share consolidation impact	(2,259,694)	
	251,065	12.37
RSUs assumed on RTO closing	138,968	36.42
Exercised post-RTO closing	(12,695)	25.18
RSUs outstanding - August 31, 2025	**377,338**	19.65

Deferred Share Units

The following summarizes the movements in DSUs for the year ended August 31, 2025:

		Weighted average grant date fair value
	#	$
Deferred Share Units		
DSUs outstanding - August 31, 2024	—	—
DSUs assumed on RTO Closing	54,843	13.08
Exercised post-RTO	(18,400)	15.62
DSUs outstanding - August 31, 2025	**36,443**	11.78

Performance Share Units

The following summarizes the movements in PSUs for the year ended August 31, 2025:

		Weighted average grant date fair value
	#	$
Performance Share Units		
PSUs outstanding - August 31, 2024	—	—
PSUs assumed on RTO Closing	10,110	15.60
Exercised post-RTO	—	—
PSUs outstanding - August 31, 2025	**10,110**	15.60

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following summarizes the share-based compensation expense:

	Year ended August 31,	
	2025	**2024**
	$	**$**
Director's compensation	199	196
Options	758	1,306
RSUs	9,527	1,917
	10,484	**3,419**

Under the BAMI RSU plans, certain RSUs vest upon the occurrence of a qualifying liquidity event, defined as an initial public offering or a change in control. The expected close of the RTO during the year ended August 31, 2025 resulted in the fulfillment of the performance condition in the third quarter of the fiscal year and as a result, the Company has recognized the impact of the full vesting of these awards in its share-based payment expense for the year ended August 31, 2025.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

18. Revenue

During the year ended August 31, 2025, there was a change in the composition of the reportable segments whereby the Smart TV advertising operations and Canadian FAST channels business have been moved from the Canadian Media operating segment to the Global Channels and Streaming operating segment (Note 28). The resulting impact of this change has been applied to all periods presented in Segmented reporting note along with this revenue note. The three Canadian production businesses from the Transaction that were retained (Insight Productions, Jam Filled Entertainment and Proper Television - collectively, the "Retained Business") are included in the Company's Production and Distribution reporting segment.

The following is disaggregated revenues by segment and type for the periods:

For the year ended August 31, 2025	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
	$	$	$	$
Subscriber	—	18,848	26,066	**44,914**
Promotion and advertising	—	54,579	19,333	**73,912**
Production services	8,966	—	—	**8,966**
Production licensing and distribution	57,790	3,056	670	**61,516**
Consumer shows, publishing, service and digital	—	—	14,647	**14,647**
	66,756	**76,483**	**60,716**	**203,955**

For the year ended August 31, 2024	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
	$	$	$	$
Subscriber	—	18,373	28,154	**46,527**
Promotion and advertising	—	35,423	23,633	**59,056**
Production services	3,362	—	—	**3,362**
Production licensing and distribution	69,602	2,216	987	**72,805**
Consumer shows, publishing, service and digital	—	—	14,630	**14,630**
	72,964	**56,012**	**67,404**	**196,380**

The following is the Company's disaggregated revenue attributable to each geographic region, based on the location of the transacting subsidiary (for clarity, not based on the location of the customer or business):

	Year ended August 31,	
	2025	2024
	$	$
Canada	122,326	119,396
United States	24,275	21,077
United Kingdom	57,352	55,606
Rest of the world	2	301
	203,955	**196,380**

In the year ended August 31, 2025, the Company's top five customers accounted for approximately 29% (2024 - 21%) of total revenue.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

19. Expenses by nature

The following sets out the expenses by nature for the years ended August 31, 2025 and 2024:

	Year ended August 31,	
	2025	**2024**
	$	**$**
Amortization of programming assets	57,816	65,199
Salaries and benefits	37,455	42,455
Smart TV publishing costs	21,544	7,608
Production costs	14,785	10,206
Producer royalties and versioning	13,676	14,316
Transaction and other related costs	12,098	704
Share-based compensation (Note 17)	10,484	3,419
Impairment of assets (Note 20)	9,197	28,531
Events and merchandise costs	6,909	6,265
Depreciation and intangible amortization	6,268	5,097
Office expenses	6,329	4,700
Other finance expenses, net (Note 21)	4,659	6,475
Professional fees	3,073	2,917
Marketing expenses	2,280	2,962
Restructuring costs	2,530	2,733
Facilities expenses	1,439	1,273
(Gain)/loss on put option	600	(100)
Travel expense	963	984
Insurance expense	587	500
Loss/(gain) on warrants	311	(22,568)
Bargain purchase gain	(36,828)	—
Gain on sale of other assets	—	(82)
	176,175	**183,594**

20. Impairment of assets

The following sets out the impairment of assets by nature:

	2025	**2024**
	$	**$**
Impairment of goodwill (Note 9)	8,317	20,000
Impairment of acquired program rights and owned content (Note 7)	880	8,531
	9,197	**28,531**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

21. Finance expenses, net

The following finance income and expenses were incurred:

	Year ended August 31,	
	2025	**2024**
	$	**$**
Interest expense and standby fees:		
Interest expense, lease liability (Note 6)	632	612
Interest on bank indebtedness (Note 12)	2,222	3,392
Interest on promissory note (Note 13)	458	783
Interest on interim financing (Note 12)	1,646	3,245
Interest capitalized (Note 7)	(1,558)	(3,353)
Standby fee on bank loan	228	275
	3,628	4,954
Amortization on deferred financing cost related to:		
Bank indebtedness (Note 12)	603	556
Other		
Loss / (gain) on put option	600	(100)
Other charges	386	190
	1,589	646
Total finance expense	**5,217**	**5,600**
Interest Income		
Bank deposits	214	325
Other interest income	167	10
Total finance income	**381**	**335**
Currency loss / (gain)		
Unrealized	704	1,171
Realized	(281)	(61)
	423	**1,110**
Finance expense, net	**5,259**	**6,375**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

22. Income tax

	Year ended August 31,	
	2025	**2024**
	$	**$**
Current income tax expense	9,079	1,925
Deferred income tax expense (recovery)	4,420	(1,550)
Income tax expense	**13,499**	**375**

The following table reconciles the difference between the reported income tax recovery or expense with the amount arrived at by applying the statutory tax rate to the reported loss before income taxes:

	2025	**2024**
	$	**$**
Company's net income / (loss) before tax from continuing operations	27,780	12,786
Company's net income before tax from discontinued operations	—	5,776
	27,780	18,562
Statutory tax rate	26.5 %	26.5 %
Income tax provision at statutory rate	7,362	4,919
Permanent differences	(3,279)	(2,923)
Differences on foreign operations	(272)	(191)
Change in unrecognized deferred tax assets	7,307	29
Prior year true-ups / other	2,381	(1,734)
Income tax expense / (recovery) at effective rate	**13,499**	**100**
Less: income tax expense / (recovery) on discontinued operations	—	(275)
Income tax expense / (recovery), end of year	**13,499**	**375**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following table sets out the movement in the reported deferred income tax liability from for the years ended August 31, 2025 and 2024. It also lists the specific items for which the differing treatments under tax and accounting rules give rise to a deferred tax impact:

	2025	2024
	$	$
Deferred income tax assets		
Financing fees	800	(57)
Non-capital losses carried forward	6,442	3,734
Property and equipment and intangible assets	10,231	4,125
Unrecognized deferred income tax assets	(8,955)	(1,523)
Capital leases	692	3,883
Content write-off	—	58
Total deferred income tax assets, end of year	**9,210**	**10,220**
Deferred income tax liabilities		
Property and equipment and intangible assets	12,639	12,279
Investment tax credits	—	81
Other	—	6
Total deferred income tax liabilities, end of year	**12,639**	**12,366**

In assessing the value of deferred tax assets, the Company's management considers if it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. Available evidence considered by the Company includes, but is not limited to, the Company's historic operating results, projected future operating results, and changing business and market circumstances. As at August 31, 2025, the Company has determined that based on its projected future operating results in fiscal 2026 and beyond, realization of certain deferred tax assets is not probable and as a result has not recognized deferred tax assets of $8,955 (August 31, 2024 - $1,523).

As at August 31, 2025, the Company has non-capital losses of $24,333 (August 31, 2024 – $10,554) to be applied against future years’ taxable income.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

23. Financial instruments, capital management and financial risks

Fair value

The fair values of cash, trade and other receivables and accounts payable and accrued liabilities, and promissory notes payable approximate their carrying values due to the short-term nature of the expected cash flows. The fair value of the bank indebtedness approximates its carrying value as the interest rates on the debt are at variable market rate. Contingent consideration was valued based on achievement of historical adjusted EBITDA targets and achievement of projected EBITDA targets for the period-ended August 31, 2025 and August 31, 2024, respectively. The 2022 Put Option was valued with reference to the expected payout should it be exercised, based on a methodology agreed on in the original agreement in which the option arose.

Changes to the underlying assumptions and observable inputs did not result in significant changes in fair value.

		August 31, 2025		August 31, 2024	
	Fair value hierarchy	Carrying value	Fair value	Carrying value	Fair value
		$	$	$	$
Financial assets not measured at fair value					
VTB Note receivable (Note 10)	Level 3	16,600	16,600	—	—
Other notes receivable (Note 10)	Level 3	8,321	8,321	—	—
Financial liabilities measured at fair value					
Contingent consideration (Note 14)	Level 3	276	276	2,181	2,181
2022 Put Option (Note 14)	Level 3	1,300	1,300	700	700
Financial liabilities not measured at fair value					
Promissory note (Note 13)	Level 2	4,536	4,536	7,328	7,328
Insight note payable (Note 14)	Level 2	1,181	1,181	—	—

Capital management

The Company considers its capital structure to consist of cash, debt, capital stock and deficit, and makes adjustments to the structure based on the funds available to the Company in order to support the acquisition and development of content rights, licenses and programming. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company will continue to assess new opportunities and seek to acquire an interest in additional businesses if it determines there is sufficient economic benefit and if it has adequate financial resources to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

- minimizing discretionary disbursements;
- reducing or eliminating expenditures which are of limited strategic value; and
- exploring alternate sources of liquidity.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during year ended August 31, 2025 relative to the prior year. The Company is subject to externally imposed capital requirements, which are detailed in Note 12.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign exchange rate risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

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. The interest-bearing financial instruments are listed below:

	2025	2024
	$	$
Bank indebtedness	19,342	33,967
Interim production financing	52,144	26,588
Promissory notes	4,536	7,328
Total interest bearing loans and promissory notes	**76,022**	**67,883**

The impact of a 1% change in the interest rate would impact interest expense by +/- $675 (2024 – +/- $835).

Foreign exchange risk

Foreign exchange risk arises from transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The Company's reporting currency is Canadian dollars. Fluctuations in foreign currencies impact the amount of total assets and liabilities that are reported for foreign subsidiaries upon the translation of these amounts into Canadian dollars. In particular, the amount of cash, working capital, deferred revenue, bank indebtedness, and interim production financing held by these subsidiaries is subject to translation variance caused by changes in foreign currency exchange rates as at the end of each respective reporting period (the offset to which is recorded in accumulated comprehensive on the consolidated statement of changes in equity).

Management believes the net foreign exchange risk derived from currency conversions is low and therefore does not actively hedge its foreign currency risk. An assumed 1% increase or decrease in exchange rates as at August 31, 2025 would have an effect on income before income taxes of approximately +/- $131 (2024 – +/- $200).

Management continues to monitor its exposure to foreign currency risk and will as necessary undertake hedging transactions to mitigate this risk.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to trade and other receivables and cash. The Company mitigates this risk by monitoring the creditworthiness of its customers and dealing with reputable financial institutions. Management has assessed these amounts and the entities from which the funds are held and has determined that the risk of loss is remote.

The top five customers represented approximately 32% (as at August 31, 2024 - 32%) of the Company's trade receivables as at August 31, 2025. The amounts disclosed in the consolidated statement of financial position are net of an allowance for doubtful accounts of $87 (as at August 31, 2024 - $220), estimated by management of the Company based on previous experience and the current economic environment using the expected credit loss model.

As at August 31, 2025 and August 31, 2024, the aging of trade receivables was:

	August 31, 2025	August 31, 2024
	$	$
Trade receivables		
Current	26,146	26,973
Aged 31-60 days	2,390	3,569
Aged 61-90 days	3,177	4,196
Aged greater than 90 days	5,884	5,824
Total trade receivables	**37,597**	**40,562**
Note receivables	7,246	600
Unbilled receivables	6,658	6,552
Accrued receivables	9,779	6,549
Tax credits and funding receivable	58,971	33,781
Other receivables	50	—
	120,301	**88,044**
Allowance for doubtful accounts	(87)	(220)
Trade and other receivables, end of the period	**120,214**	**87,824**

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company's objective is to have sufficient liquidity to meet its liabilities when due and monitors its cash balances and projected cash flows from operations accordingly. Due to the nature of the Company's current assets, and the terms of settlement of its current liabilities, there is sufficient liquidity to meet short-term financial obligations. The Company has several potential sources of liquidity, which are regularly monitored by management, including corporate bank debt facilities, production interim financing, and other cash-settled financial instruments.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The following are the contractual maturities of the undiscounted financial liabilities as at August 31, 2025:

August 31, 2025	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
	$	$	$	$	$
Accounts payable and accrued liabilities	64,785	64,785	—	—	—
Bank indebtedness	19,342	14,587	4,755	—	—
Interim production financing	52,144	52,144	—	—	—
Lease liability	29,849	5,430	12,314	5,419	6,686
Promissory note	4,536	4,536	—	—	—
Total	170,656	141,482	17,069	5,419	6,686

The following are the contractual maturities of the undiscounted financial liabilities as at August 31, 2024:

August 31, 2024	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
	$	$	$	$	$
Accounts payable and accrued liabilities	40,893	40,893	—	—	—
Bank indebtedness	33,967	18,487	15,480	—	—
Interim production financing	26,588	26,588	—	—	—
Lease liability	17,783	1,946	5,498	3,699	6,640
Promissory note	7,328	3,250	4,078	—	—
Total	126,559	91,164	25,056	3,699	6,640

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

24. Related party transactions

The date of incorporation or acquisition for each principal subsidiary included in the consolidated financial statements is outlined below:

			Ownership interest held by the company	
Name of entity	**Location**	**Date of incorporation or acquisition**	**2025**	**2024**
Blue Ant Media Television General Partnership	Canada	2015-08-28	100%	100%
Smithsonian Channel General Partnership	Canada	2017-02-28	80%	80%
Blue Ant TV (UK) Limited	United Kingdom	2015-06-16	100%	100%
Blue Ant TV (US) LLC	United States	2018-06-15	100%	100%
Blue Ant Studios USA LLC	United States	2019-04-18	100%	100%
Blue Ant Commissioning USA LLC	United States	2019-04-18	100%	100%
Saloon Media Inc.	Canada	2019-10-09	100%	100%
Blue Ant International Limited	United Kingdom	2015-06-12	100%	100%
Media Pulse Insights and Technology Inc.	Canada	2022-09-23	100%	100%
Blue Ant (Home Show) Ltd.	Canada	2022-10-07	60%	60%
Blue Ant Studios Inc.	Canada	2023-08-10	100%	100%
Blue Ant APAC Pte. Ltd.	Singapore	2023-10-31	100%	100%
Blue Ant Australia & New Zealand Pty. Ltd.	Australia	2023-11-27	100%	100%
Blue Ant Media Inc.	Canada	2025-08-01	100%	0%
Insight Productions Ltd.	Canada	2025-08-01	100%	0%

During the years ended August 31, 2025 and 2024, the Company entered into transactions with related parties.

Transactions entered into during the year ended August 31, 2025, and trading balances outstanding at August 31, 2025 are as follows:

	2025		
	Sales	**Purchase**	**Due from**
	$	**$**	**$**
Advertising services provided to entities of which a director is a member of key management	3,840		502
Rent paid to a company owned by the controlling shareholder	—	110	—
Note receivable from a director	—	—	600
	3,840	110	1,102

Transactions entered into during the year ended August 31, 2024, and trading balances outstanding at August 31, 2024 are as follows:

	2024		
	Sales	**Purchase**	**Due from**
	$	**$**	**$**
Advertising services provided to entities of which a director is a member of key management	5,337	—	2,104
Rent paid to a company owned by the controlling shareholder	—	110	—
Note receivable from a director	—	—	600
	5,337	110	2,704

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The Company enters into production contracts with Directors or companies controlled by Directors.

Compensation of key management personnel and employees

Key management includes members of the executive committee. The remuneration of key management personnel during the year was as follows:

	2025	2024
	$	$
Salaries and employee benefits	3,318	3,251
Share-based payments	4,808	1,663
Termination and other benefits	5	1,722
	8,131	**6,636**

25. Commitments

The Company has entered into agreements to acquire programs or program rights. The total amount committed to acquiring programs or program rights to be delivered in future periods is approximately $18,908 (2024 - $34,680). The period in which these commitments will become payable will depend in part on the timing of the delivery to the Company of the acquired programs or program rights.

Management estimates the commitments will become payable as follows:

	Total
	$
2026	17,420
2027	1,488
2028 and thereafter	—
	18,908

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

26. Supplemental cash flow information

Operating activities

The net change in non-cash working capital balances related to operations consists of the following:

	Year ended August 31,	
	2025	**2024**
	$	**$**
Decrease (increase) in trade and other receivables	15,933	(2,475)
(Increase) decrease in prepaid and other assets	(819)	6,119
Decrease in income taxes receivable	2,384	1,001
Decrease in accounts payable and accrued liabilities	(2,493)	(19,568)
(Decrease) increase in deferred revenue	(9,167)	14,909
Decrease in other liabilities	(1,528)	(1,662)
	4,310	**(1,676)**

Supplemental cash flow information		
Interest received	335	10
Interest paid	3,913	6,593
Income taxes paid, net of refunds	1,505	9,529

Financing activities

The net change in cash and non-cash liabilities arising from financing activities consists of the following, for the years ended August 31, 2025 and 2024:

	Bank indebtedness	**Interim production financing**	**Promissory note**	**Total**
	$	**$**	**$**	**$**
Balance, August 31, 2024	33,967	26,588	7,328	**67,883**
Net cash (payments) / draws	(15,017)	752	(3,250)	**(17,515)**
Financing costs	(60)	—	—	**(60)**
Total financing cash flow / (outflow)	**(15,077)**	**752**	**(3,250)**	**(17,575)**
Amortization of deferred financing costs	603	—	—	**603**
Net change in accrued interest	(151)	(53)	458	**254**
Total financing non-cash inflow / (outflow)	**452**	**(53)**	**458**	**857**
Non-cash additions through acquisition (Note 4)	—	24,857	—	**24,857**
Balance, August 31, 2025	**19,342**	**52,144**	**4,536**	**76,022**

	Bank indebtedness	Interim production financing	Promissory note	Total
	$	$	$	$
Balance, August 31, 2023	42,148	39,645	9,795	**91,588**
Net cash payments	(8,575)	(13,116)	(3,250)	**(24,941)**
Financing costs	(147)	—	—	**(147)**
Total financing cash outflow	**(8,722)**	**(13,116)**	**(3,250)**	**(25,088)**
Amortization of deferred financing costs	556	—	—	**556**
Net change in accrued interest	(15)	59	783	**827**
Total financing non-cash inflow	**541**	**59**	**783**	**1,383**
Balance, August 31, 2024	**33,967**	**26,588**	**7,328**	**67,883**

27. Earnings per share

The following table reconciles the denominator used to calculate earnings per share (share numbers shown in thousands):

	Year ended August 31,	
	2025	2024
	$	$
Net income attributable to shareholders, continuing operations	13,466	12,059
Net income attributable to shareholders, discontinued operations	—	6,051
Net income attributable to shareholders	**13,466**	**18,110**
Weighted average number of common shares - Basic	16,552	16,030
Effect of dilutive securities	1,426	1,550
Weighted average number of common shares - Diluted	**17,978**	**17,580**
Net income per share from continuing operations - Basic	0.81	0.75
Net income per share from continuing operations - Diluted	0.75	0.69
Net income per share from discontinued operations - Basic	—	0.38
Net income per share from discontinued operations - Diluted	—	1.03

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

28. Segment reporting

The chief operating decision maker (CODM) evaluates segment performance at the segment profit level, which excludes depreciation, intangible asset amortization and impairment, share-based compensation, finance expenses and restructuring and acquisition related expenses.

The CODM is the Chief Executive Officer. During the year, the Company underwent a reorganization of its senior management structure. As a result, the Company's internal reporting and monitoring of performance have been revised to align with the new management responsibilities, in line with the reporting structure under the CODM. Consequently, in accordance with IFRS 8, *Operating Segments*, the Company has redefined composition of its reportable segments. Under the revised reportable segments, the Smart TV advertising operations and the Canadian FAST channels business have been moved from Canadian Media to Global Channels and Streaming. Comparative segment information for prior periods has been restated to reflect the new segment structure.

The following summarizes segment performance for the year ended August 31, 2025:

	Production and Distribution	Global Channels and Streaming	Canadian Media	Total of Segments
	$	$	$	$
Revenues	66,756	76,483	60,716	**203,955**
Direct content, production and delivery expenses	49,168	43,252	24,082	**116,502**
Sales, general and administrative expenses	13,245	13,764	17,938	**44,947**
Segment profit	**4,343**	**19,467**	**18,696**	**42,506**
Corporate general and administrative costs				**5,403**
Share-based compensation				**10,484**
Depreciation and amortization				**6,268**
Impairment of long lived assets				**9,197**
Finance expenses, net				**5,259**
Bargain purchase gain				**(36,828)**
Loss on sale of assets				**4**
Loss on warrants, unrealized				**311**
Acquisition related expenses				**12,098**
Restructuring costs				**2,530**
Income before taxes from continuing operations				**27,780**

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The following summarizes segment performance for the year ended August 31, 2024:

	Production and Distribution	Global Channels and Streaming	Canadian Media	Total of Segments
	$	$	$	$
Revenues	72,964	56,012	67,404	**196,380**
Direct content, production and delivery expenses	54,262	26,734	25,283	**106,279**
Sales, general and administrative expenses	14,393	11,506	21,485	**47,384**
Segment profit	**4,309**	**17,772**	**20,636**	**42,717**
Corporate general and administrative costs				**5,722**
Share based compensation				**3,419**
Depreciation and amortization				**5,097**
Impairment of long lived assets				**28,531**
Finance expenses, net				**6,375**
Gain on sale of property, plant, and equipment				**(82)**
Gain on expiry of warrants				**(22,568)**
Acquisition related expenses				**704**
Restructuring costs				**2,733**
Income before taxes from continuing operations				**12,786**

The following summarizes segment non-current assets as at August 31, 2025 and August 31, 2024:

As at August 31, 2025	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
Investment in content rights	47,325	39,221	32,560	**119,106**
Intangible assets	7,059	1,970	52,330	**61,359**
Goodwill	31,898	6,760	—	**38,658**

As at August 31, 2024	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
Investment in content rights	32,297	41,590	22,856	**96,743**
Intangible assets	6,271	946	52,714	**59,931**
Goodwill	31,913	—	15,047	**46,960**

Non-current assets by geographic region are as follows:

	August 31, 2025	August 31, 2024
	$	$
Non-current assets by geographic region:		
Canada	288,577	229,860
United States	263	45
Untied Kingdom	110	186
	288,950	230,091

29. Guarantees

In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The Company's primary guarantees are as follows:

- The Company has provided indemnities under its lease agreements for the use of its operating facilities. Under the terms of these agreements, the Company agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- Indemnity has been provided to all Directors and or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Company. The maximum amount of any potential future payment cannot be reasonably estimated.
- In the normal course of business, the Company has entered into agreements that include indemnities in favor of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Company to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined, and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability that stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Company has not made any payments under such or similar indemnification agreements and therefore no amount has been accrued in the consolidated statement of financial position with respect to these agreements.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

30. Interests in partly owned subsidiaries

Set out below is summarized financial information for each subsidiary that has non-controlling interests. The amounts disclosed for each subsidiary are before intercompany eliminations.

As at and for the year ended August 31, 2025:

Balance August 31, 2025	Smithsonian Channel General Partnership $	Toronto Home Shows LP $	Total $
Current assets	66	1,201	1,267
Investment in content rights	1,887	—	1,887
Other non-current assets	32,973	2,649	35,622
	34,926	**3,850**	**38,776**
Current liabilities	1,286	1,175	2,461
Non-current liabilities	3,478	589	4,067
	4,764	**1,764**	**6,528**
Net assets	**30,162**	**2,086**	**32,248**
Non-controlling interest ownership	20.0 %	40.0 %	
Dividends paid to non-controlling interest	**—**	**437**	**437**

Year Ended August 31, 2025	Smithsonian Channel General Partnership $	Toronto Home Shows LP $	Total $
Revenues	5,390	6,545	11,935
Net income (loss)	2,572	75	2,647
Net income (loss) attributable to non-controlling interests	917	(102)	815
Accumulated non-controlling interests	7,105	(190)	6,915

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

As at and for the year ended August 31, 2024:

Balance	Smithsonian Channel General Partnership	Toronto Home Shows LP	Total
August 31, 2024	**$**	**$**	**$**
Current assets	110	1,434	1,544
Investment in content rights	1,936	—	1,936
Other non-current assets	30,823	3,090	33,913
	32,869	**4,524**	**37,393**
Current liabilities	2,420	1,547	3,967
Non-current liabilities	2,860	(127)	2,733
	5,280	**1,420**	**6,700**
Net assets	**27,589**	**3,104**	**30,693**
Non-controlling interest ownership	20.0 %	40.0 %	
Dividends paid to non-controlling interest	**—**	**438**	**438**

	Beach House Pictures Pte Ltd	Smithsonian Channel General Partnership	Toronto Home Shows LP	Total
Year Ended August 31, 2024	**$**	**$**	**$**	**$**
Revenues	3,507	6,099	6,341	15,947
Net income (loss)	(1,544)	3,291	99	1,846
Net income (loss) attributable to non-controlling interests	(346)	658	40	352
Accumulated non-controlling interests	—	6,188	349	6,537

31. Provisions

Restructuring

In August 2024, the Company made a formal announcement to restructure its Canadian Media business in order to support the Company's long-term strategic objectives and in response to the change in the advertising market. As a result, the Company put forward a plan to engage in the outsourcing of non-critical business activities and elimination of certain positions. The Company recognized a provision of $2,388 for expected restructuring costs, which are mainly for severance obligations. The restructuring was completed in fiscal 2025. Unpaid restructuring costs as at August 31, 2025 relate to other restructuring activities and are included on the consolidated statement of financial position in accounts payable and accrued liabilities, as the amounts are all known.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

32. Discontinued operation

On February 8, 2024, the Company sold all of its shares in Beach House Pictures Pte. Ltd. ("Beach House") for total proceeds of $13,274 paid in cash.

The net assets of Beach House at the disposal date were as follows:

Assets	**$**
Current assets	
Cash	3,076
Trade and other receivables	2,562
Prepaids and other assets	297
Income taxes receivable	380
Investment in content rights	8,207
Total current assets	**14,522**
Non-current assets	
Property and equipment	659
Right-of-use assets	565
Total non-current assets	**1,224**
Total assets	**15,746**
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	1,504
Deferred revenue	8,078
Current portion of lease liability	643
Total current liabilities	**10,225**
Net assets	**5,521**

The sale resulted in a gain of $11,140 calculated as follows:

	$
Consideration received	13,274
Less: Carrying amount of net assets sold	(5,521)
Less: Forgiveness of note receivable	(1,629)
Add: Non-controlling interest	5,052
Reclassification of foreign currency translation reserve	(36)
Gain on sale of subsidiary	**11,140**
Less: Transaction and other related costs	(3,514)
Net gain on sale of subsidiary	**7,626**

The net gain on sale is included in income from discontinued operations in the year ended August 31, 2024.

(Expressed in thousands of Canadian dollars, except shares and per share amounts)

The net loss from operations of Beach House included in discontinued operations for the year ended August 31, 2024 is as follows:

	2024
	$
Revenues	3,507
Expenses	
Direct content, production and delivery expense	1,606
General and administrative expenses	3,027
Depreciation and amortization	261
Impairment of long lived assets	375
Other costs	88
Income tax expense (recovery)	(275)
Net (loss) / income	**(1,575)**
Net loss attributable to non-controlling interest	(31)
Net loss attributable to shareholders	(1,544)

Cash flows generated by Beach House in the year ended August 31, 2024 is as follows:

	2024
	$
Net cash inflow / (outflow) from operating activities	1,161
Net cash outflow from investing activities	(221)
Net cash outflow from financing activities	(102)
Cash flows provided by (used in) discontinued operations, before effects of non-recurring items	**838**
Effect of foreign exchange rate changes on cash	47
Total cash flows provided by (used in) discontinued operations	**885**

33. Comparative information

Certain comparative financial information within these financial statements has been changed to conform to current presentation. Inter-segment revenue was previously separately disclosed in the revenue note, and inter-segment revenue and related operating expenses were previously separately disclosed in segment reporting, with the eliminations broken out. Current presentation eliminates such amounts within the respective disclosures.

34. Subsequent events

MagellanTV acquisition

On October 2, 2025, the Company announced that it had acquired MagellanTV LLC (“MagellanTV”), a digital streaming company that delivers factual content to consumers across the globe, for consideration of US$12,000. Of the consideration, US$6,000 was paid on acquisition with the remaining US$6,000 payable over a two-year period. A portion of the remaining US$6,000 will be paid in cash, with the balance payable, at the discretion of the Company’s management, in either cash or subordinate voting shares of the Company. The assets and business of MagellanTV will be included with the Company’s Global Channels and Streaming reporting segment. The Company is in the process of assessing the fair value of the assets acquired and liabilities assumed and accordingly, has not yet determined an allocation of the consideration paid and payable.

Normal Course Issuer Bid

On October 16, 2025, the Company announced that the Toronto Stock Exchange (“TSX”) approved the Company's intention to proceed with a Normal Course Issuer Bid (the “NCIB”) for its subordinate voting shares as appropriate opportunities arise from time to time. The NCIB commenced on October 20, 2025 and will expire October 19, 2026, allowing the Company to purchase up to 1,094,714 of its subordinate voting shares for cancellation.

Acquisition of Thunderbird Entertainment Group Inc.

On November 25, 2025, the Company entered into a definitive agreement to acquire 100% of the issued and outstanding common shares of Thunderbird Entertainment Group Inc. ("Thunderbird"). Under the terms of the definitive agreement, Thunderbird shareholders have the option to elect to receive either subordinate voting shares of the Company, cash or a combination of both, subject to proration based on a maximum aggregate cash consideration of $40,000.

For each Thunderbird common share, the holder may receive: (i) 0.2165 subordinate voting shares of the Company, (ii) $1.77 in cash, or (iii) a combination thereof.

Assuming Thunderbird shareholders elect to receive the maximum cash amount, the total consideration to be paid by the Company consists of $40,000 in cash and the issuance of subordinate voting shares representing approximately 21% of the pro forma subordinate voting shares of the Company following the closing, based on the treasury stock method. If no cash elections are made, existing Thunderbird shareholders would own approximately 33% of the pro forma subordinate voting shares of the Company.

The transaction is subject to customary closing conditions, including the receipt of all necessary shareholder and regulatory approvals.

The Company is in the process of assessing the financial impact of the acquisition, and as such, it is not practicable to provide a quantitative estimate of its financial effect at this time.