

Interim condensed consolidated financial statements of
Blue Ant Media Corporation
(Unaudited)

For the three and six months ended February 28, 2026 and 2025

Blue Ant Media Corporation

Interim Consolidated Statements of Net (Loss) Income

(Unaudited)

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

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 (Revised - Note 2 (c))	2026	2025 (Revised - Note 2 (c))
	\$	\$	\$	\$
Revenues (Note 12)	69,961	38,377	150,425	87,084
Expenses				
Direct content, production and delivery expenses	47,665	21,422	107,093	51,049
Sales, general and administrative expenses	18,472	12,834	34,514	25,562
Share-based compensation (Note 11)	1,441	466	1,698	1,051
Depreciation and intangible amortization	3,668	1,446	6,379	2,808
Finance expenses, net (Note 14)	1,131	1,972	1,571	3,991
Loss (gain) on contingent consideration	—	152	—	152
(Gain) loss on sale of assets (Notes 4 (a) and 6 (a))	(2,988)	—	66	—
Transaction and other related costs (Note 4)	4,902	2,065	7,442	2,133
Restructuring costs	1,070	(3)	1,858	(3)
	75,361	40,354	160,621	86,743
Income (loss) before income taxes	(5,400)	(1,977)	(10,196)	341
Income tax expense (Note 15)				
Current tax expense	1,170	437	2,706	2,971
Deferred tax expense (recovery)	(389)	2,546	29	1,112
	781	2,983	2,735	4,083
Net (loss) income	(6,181)	(4,960)	(12,931)	(3,742)
Net (loss) income attributable to:				
Shareholders	(6,030)	(4,822)	(12,872)	(3,723)
Non-controlling interest	(151)	(138)	(59)	(19)
	(6,181)	(4,960)	(12,931)	(3,742)
Income (loss) per share attributable to shareholders (Note 20):				
Basic	(0.23)	(0.30)	(0.53)	(0.23)
Diluted	(0.23)	(0.30)	(0.53)	(0.23)

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

Blue Ant Media Corporation

Interim Consolidated Statements of Comprehensive (Loss) Income (Unaudited)

(Expressed in thousands of Canadian dollars)

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 (Revised - Note 2 (c))	2026	2025 (Revised - Note 2 (c))
	\$	\$	\$	\$
Net (loss) income	(6,181)	(4,960)	(12,931)	(3,742)
Item that may be subsequently reclassified to income				
Cumulative translation adjustment	(1,694)	2,389	(275)	4,730
	(1,694)	2,389	(275)	4,730
Comprehensive (loss) income	(7,875)	(2,571)	(13,206)	988
Comprehensive (loss) income attributable to:				
Shareholders	(7,724)	(2,433)	(13,147)	1,007
Non-controlling interest	(151)	(138)	(59)	(19)
	(7,875)	(2,571)	(13,206)	988

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

Blue Ant Media Corporation

Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in thousands of Canadian dollars)

	February 28, 2026	August 31, 2025
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	50,747	54,477
Restricted cash	—	8
Trade and other receivables (Notes 6, 16)	186,092	120,214
Prepays and other assets	18,757	7,520
Income taxes receivable	9,462	237
Total current assets	265,058	182,456
Property and equipment	10,549	5,118
Right-of-use assets	36,616	22,808
Investment in content rights (Note 5)	139,348	119,106
Intangible assets (Note 4)	75,130	61,359
Goodwill (Note 4)	75,236	38,658
Other long-term receivables (Note 6)	11,212	32,691
Deferred tax assets	14,981	9,210
Total non-current assets	363,072	288,950
Total assets	628,130	471,406
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	104,116	64,785
Deferred revenue (Note 9)	68,550	35,709
Current portion of lease liability	8,262	4,343
Current portion of bank indebtedness (Note 8)	8,441	14,587
Interim production financing (Note 8)	55,126	52,144
Current portion of promissory notes	4,660	4,536
Other current liabilities	5,851	2,757
Total current liabilities	255,006	178,861
Non-current liabilities		
Lease liability	32,123	21,066
Bank indebtedness (Note 8)	33,224	4,755
Long-term deferred revenue (Note 9)	3,829	2,251
Other long-term liabilities	3,618	—
Deferred tax liabilities	12,190	12,639
Total non-current liabilities	84,984	40,711
Shareholder's Equity		
Total equity attributable to shareholders	281,284	244,919
Non-controlling interests	6,856	6,915
Total equity	288,140	251,834
Total liabilities and equity	628,130	471,406
Commitments (Note 18)		

On Behalf of the Board of Directors

(signed) "Michael MacMillan"

Director

(signed) "Robb Chase"

Director

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

Blue Ant Media Corporation

Interim Consolidated Statements of Changes in Equity (Unaudited)

(Expressed in thousands of Canadian dollars, except shares)

	Share capital (Note 10)	Share capital	Other capital	Accumulated other comprehensive income / (loss)	Deficit (Revised - Note 2 (c))	Accumulated paid in capital	Total equity attributable to shareholders (Revised - Note 2 (c))	Non- controlling interest	Total equity (Revised - Note 2 (c))
	#	\$	\$	\$	\$	\$	\$	\$	\$
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	22,222	236	—	—	—	—	236	—	236
Share-based compensation expense	—	—	951	—	—	—	951	—	951
Net income (loss) and comprehensive income	—	—	—	4,730	(3,723)	—	1,007	(19)	988
Total as of February 28, 2025	125,871,117	156,386	40,149	6,376	(18,083)	(11,070)	173,758	6,518	180,276
	Share capital (Note 10)	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, 2025	21,892,483	210,787	43,147	2,949	(894)	(11,070)	244,919	6,915	251,834
Share-based compensation expense	—	—	1,698	—	—	—	1,698	—	1,698
Acquisition of Thunderbird (Note 4 (b))	5,857,979	47,743	307	—	—	—	48,050	—	48,050
Issuance of subordinate voting shares	21,768	213	(213)	—	—	—	—	—	—
Repurchase of subordinate voting shares	(31,300)	(236)	—	—	—	—	(236)	—	(236)
Net income (loss) and comprehensive income (loss)	—	—	—	(275)	(12,872)	—	(13,147)	(59)	(13,206)
Total as of February 28, 2026	27,740,930	258,507	44,939	2,674	(13,766)	(11,070)	281,284	6,856	288,140

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

Blue Ant Media Corporation

Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in thousands of Canadian dollars)

	Six months ended February 28,	
	2026	2025
		(Revised - Note 2 (c))
	\$	\$
Operating activities		
Net (loss) income	(12,931)	(3,742)
Adjustments to reconcile net (loss) income to cash flow from operations:		
Depreciation of property and equipment	968	522
Depreciation of right-of-use assets	2,834	735
Amortization of content rights (Note 5)	36,718	23,891
Amortization of intangible assets	2,577	1,551
Loss on sale of Vendor take-back note (Note 6)	3,139	—
Finance expenses, net (Note 14)	1,571	3,991
Share-based compensation (Note 11)	1,698	1,051
Deferred tax expense (Note 15)	29	1,112
Income tax expense (Note 15)	2,706	2,971
Cash income taxes paid	(8,401)	(4,165)
Additions to content rights (Note 5)	(29,574)	(27,910)
Cash flows from operations	1,334	7
Net changes in non-cash working capital balances related to operations (Note 19)	(196)	14,881
Net cash (used in) / provided by operating activities	1,138	14,888
Financing activities		
Bank indebtedness, draws (Note 8)	40,838	3,329
Bank indebtedness, repayment (Note 8)	(19,401)	(4,355)
Production financing, draws (Note 8)	26,174	6,150
Production financing, repayment (Note 8)	(40,855)	(8,844)
Repayment of promissory notes	—	115
Cash interest paid	(2,103)	(2,083)
Costs associated with financing transactions	—	(41)
Repayment of lease liability	(2,432)	(1,000)
Cash flows (used in) / provided by financing activities	2,221	(6,729)
Investing activities		
Additions to property and equipment	(3,578)	(1,263)
Additions to intangible assets	(1,160)	(1,479)
Acquisitions of Thunderbird and MagellanTV, net of cash acquired (Note 4)	(16,091)	—
Proceeds from sale of VTB Note (Note 6)	13,562	—
Cash flows used in investing activities	(7,267)	(2,742)
Effect of foreign exchange rate changes on cash	178	194
Net (decrease) increase in cash	(3,730)	5,611
Cash and cash equivalents, beginning of period	54,477	12,020
Cash and cash equivalents, end of period	50,747	17,631

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

Blue Ant Media Corporation

Notes to the Interim Condensed Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

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, Vancouver, Halifax, Ottawa, New York, Washington, Singapore and Sydney.
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 interim condensed 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.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

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

<u>Office location</u>	<u>Functional currency</u>
Canada	Canadian dollar
United Kingdom	US dollar
United States	US dollar

(b) Basis of consolidation

The interim condensed 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) Revision of comparative information

The Company had a production license agreement in the prior fiscal year that had initially been treated as a sale of owned content with revenue to be recorded on acceptance of delivery. In the fourth quarter of fiscal 2025, a review of the license agreement led management to conclude that the production was in fact service in nature. Accordingly, revenue and direct content, production and delivery expenses have been revised in the three and six months ended February 28, 2025 from the amounts previously presented. For the three months ended February 28, 2025, the revision had an impact of increasing revenue by \$692 and increasing direct content, production and delivery expenses by \$661, for a decrease of \$31 to net loss and comprehensive loss attributable to shareholders. For the six months ended February 28, 2025, the revision had an impact of increasing revenue by \$2,543 and increasing direct content, production and delivery expenses by \$2,430, for a decrease of \$113 to net loss attributable to shareholders and an increase of \$113 to comprehensive loss attributable to shareholders.

In addition to the above, the Company made changes in the classification of certain costs and expenses in the comparative periods of these interim condensed consolidated financial statements. These changes include the reclassification of amounts between: i) direct content, production and delivery expenses, ii) sales, general and administrative expenses, iii) finance expenses, iv) transaction and other related costs, and v) current income tax expense.

(d) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of condensed interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and do not include all of the information required for annual financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2025, which have been prepared in accordance with IFRS Accounting Standards (the "annual consolidated financial statements").

These consolidated financial statements were authorized for issuance by the Board of Directors on April 13, 2026.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

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

(a) Material accounting policies

The Company's material accounting policy information was presented in Note 3 of the annual consolidated financial statements, and have been consistently applied in the preparation of these interim financial statements.

(b) Use of estimates and judgments

The preparation of these interim condensed financial statements requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts. 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 significant estimates and judgments made by management in the application of the Company's accounting policies and key sources of estimation uncertainty are consistent with those described in the Company's consolidated financial statements for the year ended August 31, 2025.

(c) 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 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 assessing the impact of this change in the accounting standards, which will be mandatorily effective for the Company's first quarter reporting for its fiscal year ending August 31, 2027.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

4. Business combinations

(a) Reverse Take-over of BRMI

On August 1, 2025, the Company completed the Transaction. In connection with the Transaction, the shares of BAMl 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 BAMl. Furthermore, any equity incentive plan ("EIP") awards and warrants of BAMl 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 BAMl was exchanged for subordinate voting shares ("SVS") of the Company, and each special voting share of BAMl was exchanged for multiple voting shares ("MVS") of the Company, both on a one-for-one basis.

Further to the above, 75,000,000 restricted voting shares ("RVS") were issued at Closing to BAMl's chief executive officer ("CEO"), Michael MacMillan, for a price of \$0.0001 per share which are redeemable at the option of the Company for \$8 (the sum total amount for all the RVS shares) and which, because of their nominal economic value, are not included in the basic or fully diluted share count. The RVS and MVS (which each hold the equivalent value of a single SVS, save their vote entitlement) were issued in order to comply with Canadian regulatory rules on Canadian control/ownership.

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 capital contribution of up to \$34,700 dependent on 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 VTB Note was sold in November 2025 (refer to Note 6) and the committed capital contribution of \$34,700 was received in full subsequent to the quarter end.

Some IT equipment of BRMI had been damaged as a result of flooding which occurred prior to the Closing. An insurance claim was pursued and settled during the three months ended February 28, 2026. The proceeds received covered the new equipment at replacement cost, which exceeded the carrying value of the damaged equipment, and as a result a gain of \$2,988 on settlement was recorded.

(b) 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 had 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 would receive: (i) 0.2165 subordinate voting shares of the Company, (ii) \$1.77 in cash, or (iii) a combination thereof.

The Company announced the closing of the acquisition of Thunderbird on January 28, 2026 (the "Thunderbird acquisition") in exchange for an aggregate 5,857,979 subordinate voting shares of Blue Ant and \$40,000 in cash. The consideration provided led to goodwill on acquisition.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The acquisition is both strategic and accretive, broadening the Company's Production and Distribution business. It expands Blue Ant's financial and operational scale and adds complementary capabilities, enhancing the Company's ability to develop, package, and monetize content across multiple platforms, as well as adding a library of over 1,000 hours of content, along with established relationships with leading global brands.

The following table summarizes the preliminary allocations of the consideration paid and the amounts of estimated fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration	\$
Cash paid	40,000
Blue Ant subordinate voting shares issued	47,743
Surviving equity instruments	307
Total consideration	88,050
Fair value of net assets acquired, excluding intangibles	51,599
Identified intangible assets acquired:	
Content library	4,218
Total identified intangible assets acquired	4,218
Total identifiable net assets acquired	55,817
Goodwill	32,233

Of total transaction costs and other related costs of \$7,442 recorded in the Company's statement of net income (loss) for the six months ended February 28, 2026, \$5,007 relates to professional fees, severance, one-time transition and other advisory costs associated with the Thunderbird acquisition.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The Company has made a preliminary assessment of the fair value of the assets acquired and liabilities assumed as follows, excluding identified intangible assets acquired other than investment in content rights:

	Net assets acquired
Cash and cash equivalents	31,517
Trade and other receivables	73,476
Prepays and other assets	8,174
Income taxes receivable	4,732
Total current assets	117,899
Property and equipment	2,895
Right-of-use assets	15,364
Investment in content rights	28,013
Other long-term assets	2,080
Deferred tax assets	8,793
Total long-term assets	57,145
Total assets	175,044
Accounts payable and accrued liabilities	47,522
Deferred revenue	38,975
Current portion of lease liability	2,734
Interim production financing	17,795
Income taxes payable	1,208
Total current liabilities	108,234
Lease liability	12,630
Deferred tax liabilities	2,581
Total liabilities	123,445
Net Assets	51,599

The numbers reported above are provisional and are subject to change, as management will be in the process of finalizing the allocation of the purchase price, which includes an assessment of all acquired intangible assets, for a period of up to one year from the acquisition date. Management expects there will be identified intangible assets relating to trademarks and customer relationships that would result in a reduction of goodwill, and that such reduction could be material.

The following table reflects the Company's proforma revenue and net income (loss) as if the acquisition of Thunderbird had occurred on September 1, 2025:

	Combined entity
Revenue	206,335
Net income / (loss)	(22,506)

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The following table shows the financial results of Thunderbird included in the Company's consolidated statement of net (loss) income for the three and six months ended February 28, 2026:

	Jan 28 - Feb 28, 2026
Revenue	10,060
Net loss	(614)

(c) Acquisition of MagellanTV

On October 2, 2025, the Company acquired MagellanTV, LLC and Alliant Content, LLC (together, "MagellanTV"), a digital streaming company that delivers factual content to consumers across the globe. The assets and business of MagellanTV have been included in the Company's Global Channels and Streaming reporting segment as of the acquisition date.

The MagellanTV acquisition expands the Company's Channels and Streaming business, as MagellanTV brings an established Subscription Video on Demand ("SVOD") platform, as well as Advertising-based Video on Demand ("AVOD") and Free Ad-Supported Streaming Television ("FAST") channels, broadening the Company's reach and monetization across multiple distribution windows.

The Company has made a preliminary assessment of the fair value of the assets acquired and liabilities assumed as follows, excluding identified intangible assets acquired:

	Net assets acquired (liabilities assumed)
	\$
Cash	93
Trade and other receivables	1,719
Total current assets	1,812
Right-of-use assets	249
Intangible assets - library	81
Total long-term assets	330
Total assets	2,142
Accounts payable and accrued liabilities	2,169
Current portion of lease liability	104
Deferred revenue	748
Total current liabilities	3,021
Lease liability	143
Total liabilities	3,164
Net liabilities assumed, excluding identified intangibles acquired	(1,022)

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The following table shows the financial results of MagellanTV included in the Company's consolidated statement of net loss for the six months ended February 28, 2026:

	Oct. 2, 2025 - Feb 28, 2026
	\$
Revenue	5,047
Net income	272

The consideration provided led to goodwill on acquisition. Refer to the following table for the breakdown of consideration paid and preliminary calculation of goodwill:

Consideration	\$
Cash paid	7,352
Consideration deficit (receivable)	(237)
Deferred cash consideration	5,001
Financial liability	2,501
Total consideration	14,617
Fair value of net liabilities assumed, excluding identified intangibles acquired	(1,022)
Identified intangible assets acquired:	
Customer lists	6,393
Trademarks	3,900
Software	905
Total identified intangible assets acquired	11,198
Total identifiable net assets acquired	10,176
Goodwill	4,441

Cash paid on closing of \$7,352 to former MagellanTV shareholders was determined as US\$6,000 net of certain of MagellanTV's liabilities assumed by the Company on closing, as well as net of transaction costs paid by the Company on behalf of the former shareholders of MagellanTV. A consideration deficit of \$237 was also recorded, as the initial closing cash paid exceeded the final calculated closing cash to be paid by the Company. After the closing of the transaction, the remaining consideration is a total of US\$6,000, of which US\$2,000 million is to be paid in cash on each of the first two anniversary dates of the transaction's closing, and US\$1,000 is to be paid in either cash or its equivalent value in the Company's subordinate voting shares on each of the first two anniversary dates of the transaction's closing. These amounts have been respectively recorded as deferred cash consideration and a financial liability, and discounted to net present value using a US borrowing rate of 7.25%.

Of the identified intangible assets acquired, customer lists relate to MagellanTV's FAST and SVOD revenue streams, and have an expected life of 10 years. Trademarks are considered an indefinite-life intangible asset and software has an expected life of 3 years.

Goodwill acquired reflects the expected growth of the Company's AVOD, SVOD and FAST channels, including MagellanTV, as a result of the acquisition, along with synergies to be realized in its Global Channels and Streaming reporting segment and the value of the assembled workforce acquired. Goodwill from the acquisition is

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

included in the Company's Global Channels and Streaming group of cash generating units ("CGUs") for reporting and impairment testing purposes.

Of total transaction costs and other related costs of \$7,442 recorded in the Company's statement of net loss for six months ended February 28, 2026, \$501 relates to legal and advisory costs for the MagellanTV acquisition.

5. Investment in content rights

	Acquired program rights	Owned content	Total
	\$	\$	\$
For the six months ended February 28, 2025			
Opening net book value	32,563	64,180	96,743
Additions, net	8,948	18,962	27,910
Amortization	(9,142)	(14,749)	(23,891)
Expense of development costs	—	(53)	(53)
Foreign exchange	1,126	1,011	2,137
Net book value	33,495	69,351	102,846
At February 28 2025			
Cost	96,782	100,263	197,045
Accumulated amortization	(63,287)	(30,912)	(94,199)
Net book value	33,495	69,351	102,846

	Acquired program rights	Owned content	Total
	\$	\$	\$
For the six months ended February 28, 2026			
Opening net book value	35,086	84,020	119,106
Additions, net	10,716	18,858	29,574
Additions - acquisition (Note 4)	672	27,341	28,013
Amortization	(8,732)	(27,986)	(36,718)
Expense of development costs	—	(343)	(343)
Foreign exchange	(205)	(79)	(284)
Net book value	37,537	101,811	139,348
At February 28, 2026			
Cost	116,928	146,595	263,523
Accumulated amortization	(79,410)	(44,765)	(124,175)
Net book value	37,518	101,830	139,348

During the six months ended February 28, 2026, included in additions is \$700 of interest capitalized to investment in content - owned content (six months ended February 28, 2025 - \$772).

Additions to investment in content during the six months ended February 28, 2026, have been reduced by \$5,024 (six months ended February 28, 2025 - \$5,370) in respect of production tax credits.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

6. Other long-term receivables

	February 28, 2026	August 31, 2025
	\$	\$
VTB Note from business combination (a)	—	16,600
Other notes receivable from business combination (b)	8,321	8,321
Total notes receivable	8,321	24,921
Less: Current portion of notes receivable included in Trade and other receivables	(3,646)	(6,646)
Long-term notes receivable	4,675	18,275
Long-term tax credit receivables	4,086	13,971
Lease deposits and other	2,451	445
Total other long-term amounts receivable	11,212	32,691

- (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 an additional \$1,000 in deemed interest payable included with the final payment. The VTB Note was recorded at fair value, which was its calculated net present value using a discount rate of 2.99%, reflecting the guarantee of one of the Company's significant shareholders, with interest income being accreted over the 6-year term. In November 2025, the VTB Note was sold to a third party for net proceeds of \$13,562. The VTB Note was recorded at an amount of \$16,701 at the time of disposal, resulting in a loss of \$3,139 at the time of sale and recorded in the Company's statement of net (loss) income as a loss on sale of assets. A gain on settlement of an insurance claim was also recorded in (gain) loss on sale of assets in the six months ended February 28, 2026 (see Note 4 (a)).
- (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 \$3,646 (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 (a)). The long-term notes receivable are interest-bearing and guaranteed by the former executive's shareholdings in The Initial Group Global, LLC.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

7. Accounts payable and accrued liabilities

	February 28, 2026	August 31, 2025
	\$	\$
Accounts payable	24,936	20,799
Accrued liabilities	69,308	33,518
Royalty accruals	4,078	4,536
Content acquisition accruals	2,948	3,837
Other payables	2,846	2,095
Total accounts payable and accrued liabilities	104,116	64,785

8. Bank indebtedness and interim production financing

Interim production financing	February 28, 2026	August 31, 2025
	\$	\$
Outstanding	54,347	50,889
Accrued interest	779	1,255
Balance	55,126	52,144

Prior period amounts in the table above have been restated to conform to current period presentation.

Bank indebtedness	February 28, 2026	August 31, 2025
	\$	\$
Outstanding	42,311	20,573
Accrued interest	416	132
Unamortized financing costs	(1,062)	(1,363)
Balance	41,665	19,342
Less: Current portion	(8,441)	(14,587)
Non-current	33,224	4,755

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

Bank indebtedness

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 is \$30,000, where advances under this facility are for working capital and general corporate purposes.

- Acquisition credit facility ("Facility C")

The Company's acquisition revolving credit facility is \$55,000.

Advances under Facilities A and C may be drawn in Canadian dollars as either a 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 is 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 2025 Credit Facility's maturity date of December 6, 2027. 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 following 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 at each date presented above and in both the six months ended February 28, 2026 and the year ended August 31, 2025.

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

Interim production financing

As at February 28, 2026, interim production financing includes the following facilities:

- Production revolving loan under 2025 Credit Agreement

This is a revolving credit facility with a total limit of \$70,000 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, as well as being secured by specific production financing, licensing contracts and film tax credits receivables.

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

As part of the 2025 Credit Agreement, the Company entered into a revolving credit agreement specifically for interim financing on future service productions with a limit of up to \$20,000. No amounts were drawn from this facility as of November 30, 2025.

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

- Former BRMI revolving credit facility

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

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 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.

9. Deferred revenue

	February 28, 2026	August 31, 2025
	\$	\$
Production contract revenue	57,161	29,065
Distribution license revenue	5,736	2,560
Consumer shows revenue	7,094	2,376
Other deferred revenue	2,388	3,959
Total	72,379	37,960
Less: Current portion	(68,550)	(35,709)
Long-term deferred revenue	3,829	2,251

Movements in deferred revenue balances in the six months ended February 28, 2026 and year ended August 31, 2025 were as follows:

	Six months ended February 28, 2026	Year ended August 31, 2025
	\$	\$
Opening balance	37,960	20,685
Additions through business acquisition (Note 4)	39,723	22,284
Cash collections	105,218	128,612
Revenue recognized	(110,528)	(133,747)
Reclassification	25	(12)
Foreign exchange	(19)	138
Closing balance	72,379	37,960

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

10. Equity

	Authorized	Outstanding February 28, 2026	Share capital
			\$
Subordinate voting shares	Unlimited	27,740,930	258,499
Special voting shares	12.5	12.5	—
Restricted voting shares	75,000,000	75,000,000	8
Total		102,740,942.5	258,507
			\$
	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		96,892,496	210,787

In the three months ended February 28, 2026, the Company issued 5,857,979 subordinate voting shares as partial consideration for the acquisition of Thunderbird (refer to Note 4 (b)). Additionally, in the six months ended February 28, 2026, the Company issued 21,768 subordinate voting shares on the exercise of restricted share units (refer to Note 11).

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. Under the NCIB, the Company commenced an Automatic Securities Purchase Plan (“ASPP”) with a third party broker to repurchase an aggregate maximum of \$500 in the Company's subordinate voting shares between December 2, 2025 and April 15, 2026, with a daily automatic purchase restriction of 1,000 subordinate voting shares, the maximum permitted by the TSX. During the three and six months ended February 28, 2026, the Company repurchased and cancelled an aggregate 31,300 subordinate voting shares at a cost of \$236 under the NCIB through the ASPP.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

11. 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 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

The following summarizes the movements in stock options of the Company EIP for the six months ended February 28, 2026:

	Options	Weighted average exercise price
	#	\$
Options outstanding – August 31, 2025	1,489,896	12.68
Granted	260,419	14.16
Expired	(115,961)	14.37
Options outstanding - February 28, 2026	1,634,354	12.79

Stock options granted in the six months ended February 28, 2026 included 212,600 awards, replacing options previously issued by Thunderbird prior to the acquisition by the Company. These number and strike price of the replacement awards were subject to the Closing exchange ratio of 21.65%, with the average strike price of the awards granted being \$15.46.

The other 47,819 stock options granted under the Company EIP in the six months ended February 28, 2026 used the Black-Scholes option pricing model with the assumptions to determine the calculation of share-based compensation expense:

Fair value of options at grant date	\$3.39	to	\$4.47
Share price at grant date	\$8.23	to	\$8.23
Exercise price	\$8.39	to	\$8.39
Risk-free interest rate	2.79%	to	3.14%
Volatility factor of the expected market price of the Company's shares	55.17%	to	59.32%
Expected option life	3 years	to	6 years

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

(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 February 28, 2026:

Exercise price	Number outstanding	Weighted average remaining life	Number exercisable
\$	#	years	#
2.31	2,164	0.03	2,164
8.00	726,875	3.63	779,000
8.39	47,819	9.76	—
8.83	4,330	0.16	4,330
9.20	750	8.08	250
9.24	7,577	0.02	7,577
12.00	251,750	5.53	215,500
13.86	6,495	0.19	6,495
14.19	113,662	1.03	113,662
14.79	6,494	2.04	6,494
15.71	6,495	0.16	6,495
16.17	28,145	0.18	28,145
18.00	373,375	6.61	202,500
19.73	8,660	0.05	8,660
22.64	28,578	2.14	28,578
57.60	2,402	0.84	2,402
68.50	384	5.89	384
74.90	11,206	2.29	11,206
90.00	7,193	4.84	7,193
	1,634,354	4.63	1,431,035

Restricted Share Units

The following summarizes the movements in RSUs of the Company EIP for the six months ended February 28, 2026:

	RSUs	Weighted average grant date fair value
	#	\$
RSUs outstanding - August 31, 2025	377,338	19.65
Granted	203,881	8.15
Exercised	(21,768)	24.23
Forfeited	(10,922)	8.23
RSUs outstanding - February 28, 2026	548,529	16.21

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

Deferred Share Units

The following summarizes the movements in DSUs of the Company EIP for the six months ended February 28, 2026:

	Weighted average grant DSUs date fair value	#	\$
Deferred Share Units			
DSUs outstanding - August 31, 2025		36,443	11.78
Granted		55,509	8.12
DSUs outstanding - February 28, 2026		91,952	9.57

Performance Share Units

There were no Equity Incentive Plan PSU transactions during the six months ended February 28, 2026. As at February 28, 2026 and August 31, 2025, there were 10,110 PSUs outstanding with a weighted average grant date fair value of \$15.60.

The following summarizes the share-based compensation expense for the periods presented:

	Three months ended February 28,		Six months ended February 28,	
	2026	2025	2025	2024
	\$	\$	\$	\$
DSUs and other director's compensation	394	50	444	100
Options	177	161	346	440
RSUs	870	255	908	511
	1,441	466	1,698	1,051

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

12. Revenue

The following is disaggregated revenues by segment and type:

Three months ended February 28, 2026	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
	\$	\$	\$	\$
Subscriber	—	6,029	5,790	11,819
Promotion and advertising	—	15,260	3,368	18,628
Production services	23,209	—	—	23,209
Proprietary production and distribution	14,197	781	280	15,258
Consumer shows, publishing and other	—	—	1,047	1,047
	37,406	22,070	10,485	69,961

Three months ended February 28, 2025	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
	\$	\$	\$	\$
Subscriber	—	4,726	6,494	11,220
Promotion and advertising	—	11,968	4,417	16,385
Production services	742	—	—	742
Proprietary production and distribution	8,085	662	161	8,908
Consumer shows, publishing and other	—	11	1,111	1,122
	8,827	17,367	12,183	38,377

Six months ended February 28, 2026	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
	\$	\$	\$	\$
Subscriber	—	11,484	12,005	23,489
Promotion and advertising	—	32,129	7,690	39,819
Production services	45,949	—	—	45,949
Production licensing and distribution	34,835	1,168	974	36,977
Consumer shows, publishing and other	—	—	4,191	4,191
	80,784	44,781	24,860	150,425

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

Six months ended February 28, 2025	Production and Distribution <small>(Revised - Note 2 (c))</small>	Global Channels and Streaming	Canadian Media	Total
	\$	\$	\$	\$
Subscriber	—	9,474	13,259	22,733
Promotion and advertising	—	28,064	10,100	38,164
Production services	2,592	—	—	2,592
Production licensing and distribution	18,334	918	193	19,445
Consumer shows, publishing and other	—	11	4,139	4,150
	20,926	38,467	27,691	87,084

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):

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 <small>(Revised - Note 2 (c))</small>	2026	2025 <small>(Revised - Note 2 (c))</small>
	\$	\$	\$	\$
Canada	50,641	23,339	115,789	56,253
United States	1,298	3,828	11,978	10,992
United Kingdom	18,022	11,210	22,658	19,839
	69,961	38,377	150,425	87,084

In the three and six months ended February 28, 2026, the Company's top five customers accounted for approximately 33% and 32% (2025 - 35% and 30%) of total revenue, respectively.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

13. Expenses by nature

The following sets out the expenses by nature for the three and six months ended February 28, 2026 and 2025:

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 (Revised - Note 2 (c))	2026	2025 (Revised - Note 2 (c))
	\$	\$	\$	\$
Production service and other production costs	21,687	5,024	44,286	7,699
Amortization of content rights	14,285	7,682	36,718	23,891
Salaries and benefits	13,156	10,191	24,852	20,494
Smart TV publishing costs	6,671	5,432	15,543	11,109
Transaction and other related costs	4,902	2,065	7,442	2,133
Producer royalties and versioning	3,291	1,840	6,293	4,168
Depreciation and intangible amortization	3,668	1,446	6,379	2,808
Share-based compensation (Note 11)	1,441	466	1,698	1,051
Events and merchandise costs	537	569	2,056	2,170
Office expenses	2,720	1,566	4,727	2,797
Other finance expenses, net (Note 14)	1,131	1,972	1,571	3,991
Professional fees	1,432	755	2,862	1,498
Marketing expenses	1,053	510	2,005	1,415
Restructuring costs	1,070	(3)	1,858	(3)
Facilities expenses	741	334	1,162	620
Travel expense	310	224	621	492
Insurance expense	254	129	482	258
Loss on warrants	—	152	—	152
(Gain)/loss on sale of other assets (Notes 4 (a) and 6 (a))	(2,988)	—	66	—
	75,361	40,354	160,621	86,743

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

14. Finance expenses, net

The following finance income and expenses were incurred:

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 (Revised - Note 2 (c))	2026	2025 (Revised - Note 2 (c))
	\$	\$	\$	\$
Interest expense and standby fees:				
Interest expense, lease liability	739	140	1,074	284
Interest on bank indebtedness (Note 8)	358	571	563	1,218
Interest on promissory note	59	115	124	247
Interest on interim financing (Note 8)	817	401	1,199	842
Interest capitalized (Note 5)	(487)	(348)	(700)	(772)
Standby fee on bank loan	172	57	188	113
	1,658	936	2,448	1,932
Amortization on deferred financing cost related to:				
Bank indebtedness (Note 8)	151	151	301	299
Other				
Other charges	280	165	460	270
	431	316	761	569
Total finance expense	2,089	1,252	3,209	2,501
Interest Income				
Bank deposits	(216)	(35)	(982)	(83)
Other interest income	(149)	(37)	(306)	(37)
Total finance income	(365)	(72)	(1,288)	(120)
Currency loss / (gain)				
Unrealized	(341)	479	(6)	1,443
Realized	(252)	313	(344)	167
	(593)	792	(350)	1,610
Finance expense, net	1,131	1,972	1,571	3,991

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

15. Income tax

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 (Revised - Note 2 (c))	2026	2025 (Revised - Note 2 (c))
	\$	\$	\$	\$
Current income tax expense	1,170	437	2,706	2,971
Deferred income tax expense (recovery)	(389)	2,546	29	1,112
Income tax expense	781	2,983	2,735	4,083

The provision for income tax differs from the amount that would have resulted by applying the combined Canadian federal and Ontario statutory income tax rate of 26.5%. The income tax in each period reflects the mix of taxing jurisdictions in which pre-tax income and losses were recognized.

For the three and six months ended February 28, 2026, the effective tax rate was (14)% and (27)% (2025 - (151)% and 1197%), respectively.

Items impacting the effective rate include non-deductible items such as share-based compensation expense, the different statutory rates in the taxing jurisdictions, and the continued derecognition of certain deferred tax assets as discussed below.

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 and projected future operating results which take into account changing business and market circumstances.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

16. 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 February 28, 2026 and August 31, 2025, 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.

	Fair value hierarchy	February 28, 2026		August 31, 2025	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets not measured at fair value					
VTB Note receivable (Note 6)	Level 3	—	—	16,600	16,600
Other notes receivable (Note 6)	Level 3	8,321	8,321	8,321	8,321
Financial liabilities measured at fair value					
Contingent consideration	Level 3	220	220	276	276
2022 Put Option	Level 3	1,300	1,300	1,300	1,300
Financial liabilities not measured at fair value					
Promissory note	Level 2	4,660	4,660	4,536	4,536
Insight note payable	Level 2	404	404	1,181	1,181
MagellanTV deferred cash consideration and financial liability (Note 4)	Level 2	7,587	7,587	—	—

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 20% (as at August 31, 2025 - 32%) of the Company's trade receivables as at February 28, 2026. The amounts disclosed in the consolidated statement of financial position are net of an allowance for doubtful accounts of \$125 (as at August 31, 2025 - \$87), estimated by management of the Company based on previous experience and the current economic environment using the expected credit loss model.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

As at February 28, 2026 and August 31, 2025, the aging of trade receivables was:

	February 28, 2026	August 31, 2025
	\$	\$
Trade receivables		
Current	10,163	26,146
Aged 31-60 days	12,614	2,390
Aged 61-90 days	1,883	3,177
Aged greater than 90 days	8,717	5,884
Total trade receivables	33,377	37,597
Note receivables	4,246	7,246
Unbilled receivables	6,947	6,658
Accrued receivables	17,642	9,779
Tax credits and funding receivable	124,005	58,971
Other receivables	—	50
	186,217	120,301
Allowance for doubtful accounts	(125)	(87)
Trade and other receivables, end of the period	186,092	120,214

Federal and provincial film and television tax credits receivable (“tax credits”) from government agencies are subject to audit by the applicable government agency. Management believes that the net amounts recorded are fully collectible. The Company adjusts amounts receivable from government agencies quarterly for any known differences arising from internal or external audits of these balances.

As at February 28, 2026, a portion of tax credits and funding receivable balance, amounting to \$37,598 (August 31, 2025 - \$4,984) is repayable to customers and corresponds with an equivalent balance within accounts payable and accrued liabilities.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

17. Related party transactions

During the three and six months ended February 28, 2026 and 2025, the Company entered into transactions with related parties.

Transactions entered into during the three and six months ended February 28, 2026, and trading balances outstanding at February 28, 2026 are as follows:

	Three months ended February 28, 2026		Six months ended February 28, 2026		As at February 28, 2026
	Sales	Purchase	Sales	Purchase	Due from
			\$	\$	\$
Advertising services provided to entities of which a director is a member of key management	739	—	1,799	—	613
Rent paid to a company owned by the controlling shareholder	—	27	—	55	—
Note receivable from a director	—	—	—	—	600
	739	27	1,799	55	1,213

Transactions entered into during the three and six months ended February 28, 2025, and trading balances outstanding at February 28, 2025 are as follows:

	Three months ended February 28, 2025		Six months ended February 28, 2025		As at February 28, 2025
	Sales	Purchase	Sales	Purchase	Due from
			\$	\$	\$
Advertising services provided to entities of which a director is a member of key management	927	—	2,283	—	743
Rent paid to a company owned by the controlling shareholder	—	27	—	55	—
Note receivable from a director	—	—	—	—	600
	927	27	2,283	55	1,343

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements
Three and six months ended February 28, 2026 and 2025
(Expressed in thousands of Canadian dollars, except shares and per share amounts)

18. 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 \$19,044 (August 31, 2025 - \$18,908). 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
	\$
Remainder of fiscal 2026	14,379
2027	4,665
2028 and thereafter	—
	19,044

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

19. Supplemental cash flow information

Operating activities

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

	Six months ended February 28,	
	2025	2024
	\$	\$
Decrease in trade and other receivables	1,743	19,910
Increase in prepaid and other assets	(2,942)	(1,986)
Decrease in income taxes receivable	9,951	—
Decrease in accounts payable and accrued liabilities	(10,567)	(6,730)
(Decrease) increase in deferred revenue	(5,117)	7,439
Increase (decrease) in other liabilities	6,736	(3,752)
	(196)	14,881

Supplemental cash flow information

Interest received	1,205	335
Interest paid	2,103	2,071
Income taxes paid, net of refunds	8,794	4,164

Financing activities

The net change in cash and non-cash liabilities arising from financing activities consists of the following, for the six months ended February 28, 2026:

	Bank indebtedness	Interim production financing	Promissory note	Total
	\$	\$	\$	\$
Balance, August 31, 2025	19,342	52,144	4,536	76,022
Net cash (payments) / draws	21,437	(14,681)	—	6,756
Total financing cash flow / (outflow)	21,437	(14,681)	—	6,756
Amortization of deferred financing costs	301	—	—	301
Net change in accrued interest	585	(132)	124	577
Total financing non-cash inflow / (outflow)	886	(132)	124	878
Non-cash additions through acquisition (Note 4)	—	17,795	—	17,795
Balance, February 28, 2026	41,665	55,126	4,660	101,451

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

20. Earnings (loss) per share

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

	Three months ended February 28,		Six months ended February 28,	
	2026	2025 (Revised - Note 2 (c))	2025	2024 (Revised - Note 2 (c))
	\$	\$	\$	\$
Net (loss) income attributable to shareholders	(6,030)	(4,822)	(12,872)	(3,723)
Weighted average number of shares - Basic	26,175	16,069	24,228	16,064
Effect of dilutive securities	—	—	—	—
Weighted average number of common shares - Diluted	26,175	16,069	24,228	16,064
Net income per share - Basic	(0.23)	(0.30)	(0.53)	(0.23)
Net income per share - Diluted	(0.23)	(0.30)	(0.53)	(0.23)

Shares in the table above include subordinate voting shares in the current year period and non-common voting shares in the comparative period. The comparative period share numbers including the effect of dilutive securities have been adjusted to reflect the share exchange ratio and Share Capital Reorganization described in Note 4 (a).

For the three and six months ended February 28, 2026 and 2025, the diluted loss per share equals the basic loss per share, as the effect would be anti-dilutive.

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

21. 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. In the third quarter of the year ended August 31, 2025, 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.

The following summarizes segment performance for the three months ended February 28, 2026:

	Production and Distribution	Global Channels and Streaming	Canadian Media	Total of Segments
	\$	\$	\$	\$
Revenues	37,406	22,070	10,485	69,961
Direct content, production and delivery expenses	30,029	13,215	4,240	47,484
Sales, general and administrative expenses	7,507	3,964	4,029	15,500
Segment profit (loss)	(130)	4,891	2,216	6,977
Corporate general and administrative costs				3,153
Share-based compensation				1,441
Depreciation and amortization				3,668
Finance expenses, net				1,131
Gain on sale of assets				(2,988)
Acquisition related expenses				4,902
Restructuring costs				1,070
Loss before income taxes				(5,400)
Current income tax expense				1,170
Deferred income tax expense				(389)
Net loss for the period				(6,181)

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The following summarizes segment performance for the three months ended February 28, 2025:

	Production and Distribution (Revised - Note 2 (c))	Global Channels and Streaming	Canadian Media	Total of Segments (Revised - Note 2 (c))
	\$	\$	\$	\$
Revenues	8,827	17,367	12,183	38,377
Direct content, production and delivery expenses	5,562	10,523	5,288	21,373
Sales, general and administrative expenses	3,786	3,598	4,524	11,908
Segment profit (loss)	(521)	3,246	2,371	5,096
Corporate general and administrative costs				975
Share-based compensation				466
Depreciation and amortization				1,446
Finance expenses, net				1,972
Loss on contingent considerations				152
Acquisition related expenses				2,065
Restructuring costs				(3)
Loss before income taxes				(1,977)
Current income tax expense				437
Deferred income tax expense				2,546
Net loss for the period				(4,960)

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The following summarizes segment performance for the six months ended February 28, 2026:

	Production and Distribution	Global Channels and Streaming	Canadian Media	Total of Segments
	\$	\$	\$	\$
Revenues	80,784	44,781	24,860	150,425
Direct content, production and delivery expenses	68,442	28,504	9,664	106,610
Sales, general and administrative expenses	12,655	8,069	8,196	28,920
Segment profit (loss)	(313)	8,208	7,000	14,895
Corporate general and administrative costs				6,077
Share-based compensation				1,698
Depreciation and amortization				6,379
Finance expenses, net				1,571
Loss on sale of assets				66
Acquisition related expenses				7,442
Restructuring costs				1,858
Loss before income taxes				(10,196)
Current income tax expense				2,706
Deferred income tax recovery				29
Net loss for the period				(12,931)

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

The following summarizes segment performance for the six months ended February 28, 2025:

	Production and Distribution (Revised - Note 2 (c))	Global Channels and Streaming	Canadian Media	Total of Segments (Revised - Note 2 (c))
	\$	\$	\$	\$
Revenues	20,926	38,467	27,691	87,084
Direct content, production and delivery expenses	17,679	21,863	11,203	50,745
Sales, general and administrative expenses	7,318	7,045	9,284	23,647
Segment profit (loss)	(4,071)	9,559	7,204	12,692
Corporate general and administrative costs				2,219
Share based compensation				1,051
Depreciation and amortization				2,808
Finance expenses, net				3,991
Loss on warrants				152
Acquisition related expenses				2,133
Restructuring costs				(3)
Income before taxes				341
Current income tax expense				2,971
Deferred income tax expense				1,112
Net loss for the period				(3,742)

The following summarizes segment non-current assets as at February 28, 2026 and August 31, 2025:

As at February 28, 2026	Production and Distribution	Global Channels and Streaming	Canadian Media	Total
Investment in content rights	69,938	36,754	32,656	139,348
Intangible assets	9,991	13,234	51,905	75,130
Goodwill	64,842	10,394	—	75,236
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

Non-current assets by geographic region are as follows:

	As at February 28, 2026	As at August 31, 2025
	\$	\$
<u>Non-current assets by geographic region:</u>		
Canada	351,310	288,577
United States	11,126	263
Untied Kingdom	636	110
	<u>363,072</u>	<u>288,950</u>

Blue Ant Media Corporation

Notes to the Consolidated Financial Statements

Three and six months ended February 28, 2026 and 2025

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

22. Comparative information

In addition to those amounts noted in Note 2 (c), 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.