Interim condensed consolidated financial statements of

# Blue Ant Media Corporation

(Unaudited)

For the three and nine months ended May 31, 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 May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | | (Revised - Note 2 (c)) | | (Revised - Note 2 (c)) |
| | **$** | **$** | **$** | **$** |
| **Revenues (Note 12)** | 125,629 | 56,034 | 276,054 | 143,118 |
| Expenses | | | | |
| Direct content, production and delivery expenses | 89,700 | 28,539 | 196,793 | 79,588 |
| Sales, general and administrative expenses | 19,131 | 12,853 | 53,645 | 38,415 |
| Share-based compensation (Note 11) | 695 | 8,532 | 2,393 | 9,583 |
| Depreciation and intangible amortization | 4,614 | 1,498 | 10,993 | 4,306 |
| Impairment of assets (Note 14) | 33,137 | 8,317 | 33,137 | 8,317 |
| Finance expenses (income), net (Note 15) | 1,770 | (468) | 3,341 | 3,523 |
| Loss on contingent consideration | — | — | — | 152 |
| Loss on sale of assets | — | — | 66 | — |
| Transaction and other related costs (Note 4) | 314 | 4,254 | 7,756 | 6,387 |
| Restructuring costs | 2,343 | 645 | 4,201 | 642 |
| | **151,704** | **64,170** | **312,325** | **150,913** |
| **Income (loss) before income taxes** | **(26,075)** | **(8,136)** | **(36,271)** | **(7,795)** |
| Income tax (recovery) expense (Note 16) | | | | |
| Current tax expense | 1,003 | 1,988 | 3,709 | 4,959 |
| Deferred tax (recovery) expense | (9,624) | 1,032 | (9,595) | 2,144 |
| | **(8,621)** | **3,020** | **(5,886)** | **7,103** |
| **Net (loss) income** | **(17,454)** | **(11,156)** | **(30,385)** | **(14,898)** |
| **Net (loss) income attributable to:** | | | | |
| Shareholders | (17,904) | (11,790) | (30,776) | (15,513) |
| Non-controlling interest | 450 | 634 | 391 | 615 |
| | **(17,454)** | **(11,156)** | **(30,385)** | **(14,898)** |
| **Income (loss) per share attributable to shareholders (Note 21):** | | | | |
| Basic | (0.64) | (0.73) | (1.21) | (0.97) |
| Diluted | (0.64) | (0.73) | (1.21) | (0.97) |

# Blue Ant Media Corporation

Interim Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)
(Expressed in thousands of Canadian dollars)

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | | (Revised - Note 2 (c)) | | (Revised - Note 2 (c)) |
| | **$** | **$** | **$** | **$** |
| **Net (loss) income** | (17,454) | (11,156) | (30,385) | (14,898) |
| **Item that may be subsequently reclassified to income** | | | | |
| Cumulative translation adjustment | 584 | (3,476) | 309 | 1,254 |
| | **584** | **(3,476)** | **309** | **1,254** |
| **Comprehensive (loss) income** | **(16,870)** | **(14,632)** | **(30,076)** | **(13,644)** |
| **Comprehensive (loss) income attributable to:** | | | | |
| Shareholders | (17,320) | (15,266) | (30,467) | (14,259) |
| Non-controlling interest | 450 | 634 | 391 | 615 |
| | **(16,870)** | **(14,632)** | **(30,076)** | **(13,644)** |

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)

| | May 31, 2026 | August 31, 2025 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 59,943 | 54,477 |
| Restricted cash | — | 8 |
| Trade and other receivables (Notes 6, 17) | 185,594 | 120,214 |
| Prepaids and other assets | 16,008 | 7,520 |
| Income taxes receivable | 9,489 | 237 |
| **Total current assets** | **271,034** | **182,456** |
| Property and equipment | 10,286 | 5,118 |
| Right-of-use assets | 34,679 | 22,808 |
| Investment in content rights (Note 5) | 144,732 | 119,106 |
| Intangible assets (Notes 4, 14) | 42,350 | 61,359 |
| Goodwill (Notes 4, 14) | 75,295 | 38,658 |
| Other long-term receivables (Note 6) | 11,742 | 32,691 |
| Deferred tax assets | 18,925 | 9,210 |
| **Total non-current assets** | **338,009** | **288,950** |
| **Total assets** | **609,043** | **471,406** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities (Note 7) | 88,280 | 64,785 |
| Deferred revenue (Note 9) | 71,156 | 35,709 |
| Current portion of lease liability | 7,985 | 4,343 |
| Current portion of bank indebtedness (Note 8) | 5,932 | 14,587 |
| Interim production financing (Note 8) | 70,481 | 52,144 |
| Current portion of promissory notes | 4,722 | 4,536 |
| Other current liabilities | 5,939 | 2,757 |
| **Total current liabilities** | **254,495** | **178,861** |
| **Non-current liabilities** | | |
| Lease liability | 30,748 | 21,066 |
| Bank indebtedness (Note 8) | 3,470 | 4,755 |
| Long-term deferred revenue (Note 9) | 4,060 | 2,251 |
| Other long-term liabilities | 3,898 | — |
| Deferred tax liabilities | 6,558 | 12,639 |
| **Total non-current liabilities** | **48,734** | **40,711** |
| **Shareholder's Equity** | | |
| Total equity attributable to shareholders | 298,684 | 244,919 |
| Non-controlling interests | 7,130 | 6,915 |
| **Total equity** | **305,814** | **251,834** |
| **Total liabilities and equity** | **609,043** | **471,406** |
| Commitments (Note 19) | | |

## 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 | 105,209 | 236 | — | — | — | — | 236 | — | 236 |
| Share-based compensation expense | — | — | 9,433 | — | — | — | 9,433 | — | 9,433 |
| Transactions with non-controlling interest | — | — | — | — | — | — | — | (437) | (437) |
| Net income (loss) and comprehensive income | — | — | — | 1,254 | (15,513) | — | (14,259) | 615 | (13,644) |
| **Total as of May 31, 2025** | **125,954,104** | **156,386** | **48,631** | **2,900** | **(29,873)** | **(11,070)** | **166,974** | **6,715** | **173,689** |

| | 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 | — | — | 2,393 | — | — | — | 2,393 | — | 2,393 |
| Acquisition of Thunderbird (Note 4 (b)) | 5,857,979 | 47,743 | 307 | — | — | — | 48,050 | — | 48,050 |
| Issuance of subordinate voting shares | 36,296 | 299 | (299) | — | — | — | — | — | — |
| Repurchase of subordinate voting shares | (77,200) | (521) | — | — | — | — | (521) | — | (521) |
| Capital contribution, net (Note 4 (a)) | — | — | 34,310 | — | — | — | 34,310 | — | 34,310 |
| Transactions with non-controlling interest | — | — | — | — | — | — | — | (176) | (176) |
| Net income (loss) and comprehensive income (loss) | — | — | — | 309 | (30,776) | — | (30,467) | 391 | (30,076) |
| **Total as of May 31, 2026** | **27,709,558** | **258,308** | **79,858** | **3,258** | **(31,670)** | **(11,070)** | **298,684** | **7,130** | **305,814** |

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)

| | Nine months ended May 31, | |
|---|---|---|
| | 2026 | 2025 |
| | | (Revised - Note 2 (c)) |
| | $ | $ |
| **Operating activities** | | |
| Net (loss) income | (30,385) | (14,898) |
| Adjustments to reconcile net (loss) income to cash flow from operations: | | |
| Depreciation of property and equipment | 1,665 | 859 |
| Depreciation of right-of-use assets | 5,188 | 1,117 |
| Amortization of content rights (Note 5) | 57,816 | 32,147 |
| Amortization of intangible assets | 4,140 | 2,331 |
| Impairment of assets (Note 14) | 33,137 | 8,317 |
| Loss on sale of Vendor take-back note (Note 6) | 3,139 | — |
| Finance expenses, net (Note 15) | 3,341 | 3,523 |
| Share-based compensation (Note 11) | 2,393 | 9,583 |
| Deferred tax (recovery) expense (Note 16) | (9,595) | 2,144 |
| Current tax expense (Note 16) | 3,709 | 4,959 |
| Cash income taxes paid | (10,181) | (1,513) |
| Additions to content rights (Note 5) | (57,339) | (46,811) |
| **Cash flows from operations** | **7,028** | **1,758** |
| Net changes in non-cash working capital balances related to operations (Note 20) | (8,514) | 8,881 |
| **Net cash (used in) / provided by operating activities** | **(1,486)** | **10,639** |
| **Financing activities** | | |
| Capital contribution, net (Note 4 (a)) | 34,310 | — |
| Share repurchases | (521) | — |
| Distributions to non-controlling interest | (176) | (437) |
| Bank indebtedness, draws (Note 8) | 43,338 | 3,388 |
| Bank indebtedness, repayment (Note 8) | (54,440) | (6,855) |
| Production financing, draws (Note 8) | 45,087 | 9,353 |
| Production financing, repayment (Note 8) | (44,111) | (8,844) |
| Repayment of promissory notes | — | 225 |
| Cash interest paid | (3,452) | (3,022) |
| Costs associated with financing transactions | — | (60) |
| Repayment of lease liability | (5,979) | (1,529) |
| **Cash flows (used in) / provided by financing activities** | **14,056** | **(7,781)** |
| **Investing activities** | | |
| Additions to property and equipment | (3,279) | (1,019) |
| Additions to intangible assets | (1,266) | (1,340) |
| 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** | **(7,074)** | **(2,359)** |
| **Effect of foreign exchange rate changes on cash** | **(30)** | **(182)** |
| **Net (decrease) increase in cash** | **5,466** | **317** |
| Cash and cash equivalents, beginning of period | 54,477 | 12,020 |
| **Cash and cash equivalents, end of period** | **59,943** | **12,337** |

The accompanying notes are an integral part of these interim condensed 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 72.7% 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.

(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:

| Office location | Functional currency |
|---|---|
| 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 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 nine months ended May 31, 2025 from the amounts previously presented. For the three months ended May 31, 2025, the revision had an impact of increasing revenue by $346 and increasing direct content, production and delivery expenses by $329, for a decrease of $17 to net loss and comprehensive loss attributable to shareholders. For the nine months ended May 31, 2025, the revision had an impact of increasing revenue by $2,889 and increasing direct content, production and delivery expenses by $2,759, for a decrease of $130 to net loss attributable to shareholders and a decrease of $130 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 July 14, 2026.

## 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. For periods beginning 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 for periods beginning 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.

## 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 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.

Further to the above, 75,000,000 restricted voting shares (“RVS”) were issued at Closing to BAMI’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 in April 2026. The capital contribution recorded was reduced by a repayment of $390 made by the Company to the significant shareholder relating to an adjustment to the closing cash and working capital position of BRMI.

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 nine months ended May 31, 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 on settlement of $2,988 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.

(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 $7,756 recorded in the Company's statement of net income (loss) for the nine months ended May 31, 2026, $4,728 relates to professional fees, one-time transition and other advisory costs associated with the Thunderbird acquisition.

(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 |
| Prepaids 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** | **331,964** |
| **Net income / (loss)** | **(39,960)** |

(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 nine months ended May 31, 2026:

| | Jan 28 - May 31, 2026 |
|---|---|
| | **$** |
| **Revenue** | **54,099** |
| **Net income / (loss)** | **1,748** |

### *(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)** |

(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 nine months ended May 31, 2026:

| | Oct. 2, 2025 - May 31, 2026 |
|---|---|
| | $ |
| **Revenue** | **8,229** |
| **Net income** | **930** |

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

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

Of total transaction costs and other related costs of $7,756 recorded in the Company's statement of net loss for nine months ended May 31, 2026, $752 relates to professional fees, one-time transition and other advisory costs associated with the MagellanTV acquisition.

## 5. Investment in content rights

| | Acquired program rights | Owned content | Total |
|---|---|---|---|
| | $ | $ | $ |
| **For the nine months ended May 31, 2025** | | | |
| Opening net book value | 32,563 | 64,180 | **96,743** |
| Additions, net | 14,642 | 32,169 | **46,811** |
| Amortization | (13,756) | (18,391) | **(32,147)** |
| Expense of development costs | — | (180) | **(180)** |
| Foreign exchange | 520 | 374 | **894** |
| **Net book value** | **33,969** | **78,152** | **112,121** |
| **At May 31, 2025** | | | |
| Cost | 100,398 | 111,682 | **212,080** |
| Accumulated amortization | (66,429) | (33,530) | **(99,959)** |
| **Net book value** | **33,969** | **78,152** | **112,121** |

| | Acquired program rights | Owned content | Total |
|---|---|---|---|
| | $ | $ | $ |
| **For the nine months ended May 31, 2026** | | | |
| Opening net book value | 35,086 | 84,020 | **119,106** |
| Additions, net | 14,877 | 42,462 | **57,339** |
| Additions - acquisition (Note 4) | 672 | 27,341 | **28,013** |
| Impairment | (1,500) | — | **(1,500)** |
| Amortization | (13,677) | (44,139) | **(57,816)** |
| Expense of development costs | — | (568) | **(568)** |
| Foreign exchange | 82 | 76 | **158** |
| **Net book value** | **35,540** | **109,192** | **144,732** |
| **At May 31, 2026** | | | |
| Cost | 120,226 | 158,217 | **278,443** |
| Accumulated amortization | (84,686) | (49,025) | **(133,711)** |
| **Net book value** | **35,540** | **109,192** | **144,732** |

During the nine months ended May 31, 2026, included in additions is $1,086 of interest capitalized to investment in content - owned content (nine months ended May 31, 2025 - $1,161).

Additions to investment in content during the nine months ended May 31, 2026, have been reduced by $14,056 (nine months ended May 31, 2025 - $8,101) in respect of production tax credits.

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

### 6. Other long-term receivables

| | **May 31, 2026** | **August 31, 2025** |
|---|---|---|
| | **$** | **$** |
| VTB Note from business combination (a) | — | 16,600 |
| Other notes receivable from business combination (b) | 5,254 | 8,321 |
| Total notes receivable | 5,254 | 24,921 |
| Less: Current portion of notes receivable included in Trade and other receivables | (579) | (6,646) |
| Long-term notes receivable | 4,675 | 18,275 |
| Long-term tax credit receivables | 4,686 | 13,971 |
| Lease deposits and other | 2,381 | 445 |
| **Total other long-term amounts receivable** | **11,742** | **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 nine months ended May 31, 2026 (see Note 4 (a)).

(b) Notes receivable of $5,254 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 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)

## 7. Accounts payable and accrued liabilities

| | May 31, 2026 | August 31, 2025 |
|---|---|---|
| | $ | $ |
| Accounts payable | 18,869 | 20,799 |
| Accrued liabilities | 61,676 | 33,518 |
| Royalty accruals | 2,897 | 4,536 |
| Content acquisition accruals | 2,636 | 3,837 |
| Other payables | 2,202 | 2,095 |
| **Total accounts payable and accrued liabilities** | **88,280** | **64,785** |

## 8. Bank indebtedness and interim production financing

| **Interim production financing** | May 31, 2026 | August 31, 2025 |
|---|---|---|
| | $ | $ |
| Outstanding | 69,854 | 50,889 |
| Accrued interest | 627 | 1,255 |
| **Balance** | **70,481** | **52,144** |

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

| **Bank indebtedness** | May 31, 2026 | August 31, 2025 |
|---|---|---|
| | $ | $ |
| Outstanding | 9,921 | 20,573 |
| Accrued interest | 392 | 132 |
| Unamortized financing costs | (911) | (1,363) |
| **Balance** | **9,402** | **19,342** |
| Less: Current portion | (5,932) | (14,587) |
| **Non-current** | **3,470** | **4,755** |

*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 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 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 nine months ended May 31, 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 May 31, 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.

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

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

- 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 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**

| | May 31, 2026 | August 31, 2025 |
|---|---|---|
| | $ | $ |
| Production contract revenue | 65,564 | 29,065 |
| Distribution license revenue | 5,864 | 2,560 |
| Consumer shows revenue | 1,015 | 2,376 |
| Other deferred revenue | 2,773 | 3,959 |
| **Total** | **75,216** | **37,960** |
| Less: Current portion | (71,156) | (35,709) |
| **Long-term deferred revenue** | **4,060** | **2,251** |

Movements in deferred revenue balances in the nine months ended May 31, 2026 and year ended August 31, 2025 were as follows:

| | Nine months ended May 31, 2026 | Year ended August 31, 2025 |
|---|---|---|
| | $ | $ |
| Opening balance | 37,960 | 20,685 |
| Additions through business acquisition (Note 4) | 39,723 | 22,284 |
| Cash collections | 189,656 | 128,612 |
| Revenue recognized | (192,453) | (133,747) |
| Reclassification | 25 | (12) |
| Foreign exchange | 305 | 138 |
| **Closing balance** | **75,216** | **37,960** |

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

## 10. Equity

| | Authorized | Outstanding May 31, 2026 | Share capital |
|---|---|---|---|
| | | | $ |
| Subordinate voting shares | Unlimited | 27,709,558 | 258,300 |
| Special voting shares | 12.5 | 12.5 | — |
| Restricted voting shares | 75,000,000 | 75,000,000 | 8 |
| Total | | 102,709,570.5 | 258,308 |

| | 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 nine months ended May 31, 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 nine months ended May 31, 2026, the Company issued 36,296 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. This ASPP was renewed for the period of April 22 to August 22, 2026, under the same terms as the previous plan. During the nine months ended May 31, 2026, the Company repurchased and cancelled an aggregate 77,200 subordinate voting shares at a cost of $521 under the NCIB through the ASPP.

## 11. Share-based payments

On Closing of the RTO (see Note 4 (a)), 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.

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

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 nine months ended May 31, 2026:

| | **Options** | **Weighted average exercise price** |
|---|---|---|
| | **#** | **$** |
| Options outstanding – August 31, 2025 | 1,489,896 | 12.68 |
| Granted | 714,060 | 9.45 |
| Expired | (326,983) | 14.61 |
| **Options outstanding - May 31, 2026** | **1,876,973** | **11.11** |

Stock options granted in the nine months ended May 31, 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 remaining stock options are granted under the Company EIP in the nine months ended May 31, 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 | $4.73 |
| Share price at grant date | $8.23 | to | $8.23 |
| Exercise price | $8.39 | to | $8.39 |
| Risk-free interest rate | 2.79% | to | 3.98% |
| Volatility factor of the expected market price of the Company’s shares | 55.17% | to | 64.00% |
| Expected option life | 3 years | to | 7 years |

(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 May 31, 2026:

| Exercise price | Number outstanding | Weighted average remaining life | Number exercisable |
|---|---|---|---|
| $ | # | years | # |
| 6.75 | 453,641 | 9.90 | — |
| 8.00 | 667,500 | 5.26 | 667,500 |
| 9.20 | 750 | 7.83 | 500 |
| 12.00 | 221,875 | 4.65 | 185,625 |
| 14.19 | 97,425 | 1.61 | 97,425 |
| 14.79 | 6,494 | 1.79 | 6,494 |
| 18.00 | 342,500 | 6.93 | 177,125 |
| 22.64 | 27,279 | 1.99 | 27,279 |
| 68.50 | 384 | 5.64 | 384 |
| 74.90 | 8,564 | 2.04 | 8,564 |
| 83.90 | 47,819 | 9.52 | — |
| 90.00 | 2,742 | 4.59 | 2,742 |
| | **1,876,973** | **6.46** | **1,173,638** |

*Restricted Share Units*

The following summarizes the movements in RSUs of the Company EIP for the nine months ended May 31, 2026:

| | RSUs | Weighted average grant date fair value |
|---|---|---|
| | # | $ |
| RSUs outstanding - August 31, 2025 | 377,338 | 19.65 |
| Granted | 277,956 | 7.88 |
| Exercised | (36,296) | 18.17 |
| Forfeited | (10,922) | 8.23 |
| **RSUs outstanding - May 31, 2026** | **608,076** | **14.56** |

(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 nine months ended May 31, 2026:

| | DSUs | Weighted average grant date fair value |
|---|---|---|
| | # | $ |
| **Deferred Share Units** | | |
| DSUs outstanding - August 31, 2025 | 36,443 | 11.78 |
| Granted | 89,292 | 7.50 |
| **DSUs outstanding - May 31, 2026** | **125,735** | 8.74 |

*Performance Share Units*

| | PSUs | Weighted average grant date fair value |
|---|---|---|
| | # | $ |
| **Performance Share Units** | | |
| PSUs outstanding - August 31, 2025 | 10,110 | 15.60 |
| Granted | 243,814 | 4.54 |
| **PSUs outstanding - May 31, 2026** | **253,924** | **4.98** |

The fair vale of the PSUs is recognized as share-based compensation expenses on a straight-line basis over vesting periods of the PSUs. The fair value of the PSUs granted in the nine months ended May 31, 2026 is determined through a statistical calculation of the probability of achieving specific performance targets. The following assumptions were included in the determination of the share-based compensation expense related to the PSUs:

| | PSU Granted April 2026 |
|---|---|
| Share price at grant date | 4.54 |
| Volatility factor of the expected market price of the Company’s shares | 64 % |
| Expected life | 27 months |

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

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ | $ | $ | $ |
| DSUs and other director's compensation | 219 | 50 | 663 | 150 |
| Options | 319 | 167 | 665 | 607 |
| RSUs and PSUs | 157 | 8,315 | 1,065 | 8,826 |
| | **695** | **8,532** | **2,393** | **9,583** |

(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 May 31, 2026** | **Production and Distribution** | **Global Channels and Streaming** | **Canadian Media** | **Total** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Subscriber | — | 5,862 | 5,591 | **11,453** |
| Promotion and advertising | — | 17,229 | 4,198 | **21,427** |
| Production services | 55,504 | — | — | **55,504** |
| Production licensing and distribution | 27,159 | 578 | 102 | **27,839** |
| Consumer shows, publishing and other | — | — | 9,406 | **9,406** |
| | **82,663** | **23,669** | **19,297** | **125,629** |

| **Three months ended May 31, 2025** | **Production and Distribution** (Revised - Note 2 (c)) | **Global Channels and Streaming** | **Canadian Media** | **Total** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Subscriber | — | 4,836 | 6,496 | **11,332** |
| Promotion and advertising | — | 15,568 | 5,436 | **21,004** |
| Production services | 347 | — | — | **347** |
| Production licensing and distribution | 12,541 | 753 | 124 | **13,418** |
| Consumer shows, publishing and other | — | 4 | 9,929 | **9,933** |
| | **12,888** | **21,161** | **21,985** | **56,034** |

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

| Nine months ended May 31, 2026 | Production and Distribution | Global Channels and Streaming | Canadian Media | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Subscriber | — | 17,346 | 17,596 | **34,942** |
| Promotion and advertising | — | 49,358 | 11,888 | **61,246** |
| Production services | 101,453 | — | — | **101,453** |
| Production licensing and distribution | 61,994 | 1,746 | 1,076 | **64,816** |
| Consumer shows, publishing and other | — | — | 13,597 | **13,597** |
| | **163,447** | **68,450** | **44,157** | **276,054** |

| Nine months ended May 31, 2025 | Production and Distribution (Revised - Note 2 (c)) | Global Channels and Streaming | Canadian Media | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Subscriber | — | 14,310 | 19,755 | **34,065** |
| Promotion and advertising | — | 43,632 | 15,536 | **59,168** |
| Production services | 2,939 | — | — | **2,939** |
| Production licensing and distribution | 30,875 | 1,671 | 317 | **32,863** |
| Consumer shows, publishing and other | — | 15 | 14,068 | **14,083** |
| | **33,814** | **59,628** | **49,676** | **143,118** |

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 May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | **2026** | **2025** (Revised - Note 2 (c)) | **2026** | **2025** (Revised - Note 2 (c)) |
| | $ | $ | $ | $ |
| Canada | 103,698 | 31,143 | 219,487 | 87,396 |
| United States | 7,208 | 7,345 | 19,186 | 18,337 |
| United Kingdom | 14,723 | 17,546 | 37,381 | 37,385 |
| | **125,629** | **56,034** | **276,054** | **143,118** |

In the three and nine months ended May 31, 2026, the Company's top five customers accounted for approximately 40% and 34% (2025 - 28% and 28%) of total revenue, respectively.

(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 nine months ended May 31, 2026 and 2025:

| | Three months ended May 31, 2026 | Three months ended May 31, 2025 (Revised - Note 2 (c)) | Nine months ended May 31, 2026 | Nine months ended May 31, 2025 (Revised - Note 2 (c)) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Production service and other production costs | 49,496 | 2,751 | 93,782 | 10,450 |
| Amortization of content rights | 21,098 | 8,256 | 57,816 | 32,147 |
| Salaries and benefits | 13,216 | 10,120 | 38,068 | 30,614 |
| Impairment of assets (Note 14) | 33,137 | 8,317 | 33,137 | 8,317 |
| Smart TV publishing costs | 8,224 | 5,882 | 23,767 | 16,991 |
| Producer royalties and versioning | 5,285 | 6,488 | 11,578 | 10,656 |
| Depreciation and intangible amortization | 4,614 | 1,498 | 10,993 | 4,306 |
| Transaction and other related costs | 314 | 4,254 | 7,756 | 6,387 |
| Office expenses | 3,063 | 1,483 | 7,790 | 4,280 |
| Events and merchandise costs | 4,311 | 4,412 | 6,367 | 6,582 |
| Professional fees | 1,699 | 746 | 4,561 | 2,244 |
| Other finance expenses, net (Note 15) | 1,770 | (468) | 3,341 | 3,523 |
| Marketing expenses | 1,218 | 472 | 3,223 | 1,887 |
| Share-based compensation (Note 11) | 695 | 8,532 | 2,393 | 9,583 |
| Restructuring costs | 2,343 | 645 | 4,201 | 642 |
| Facilities expenses | 632 | 365 | 1,794 | 985 |
| Travel expense | 352 | 271 | 973 | 763 |
| Insurance expense | 237 | 146 | 719 | 404 |
| (Gain)/loss on sale of other assets (Notes 4 (a) and 6 (a)) | — | — | 66 | — |
| Loss on warrants | — | — | — | 152 |
| | **151,704** | **64,170** | **312,325** | **150,913** |

### 14. Impairment of assets

The following sets out the impairment of assets by nature:

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

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **$** | **$** | **$** | **$** |
| Impairment of broadcast licenses | 28,889 | — | 28,889 | — |
| Impairment of trademarks | 2,748 | — | 2,748 | — |
| Impairment of acquired program rights and owned content | 1,500 | — | 1,500 | — |
| Impairment of goodwill | — | 8,317 | — | 8,317 |
| | **33,137** | **8,317** | **33,137** | **8,317** |

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.

**May 31, 2025 impairment testing**

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. 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. Resulting from the testing performed, goodwill of $8,317 associated with the Canadian Media group of CGUs was fully impaired. There were no indicators that suggested a potential impairment of goodwill for the other groups of CGUs at that date.

**May 31, 2026 impairment testing**

During the three months ended May 31, 2026, the Company noted indicators of impairment for its Canadian Media group of CGUs. Subscriber and advertising revenue projections were falling short of those assumed in performing the previous annual impairment test as at August 31, 2025 as a result of a more challenging market conditions and a continuing decline in experienced subscriber rates. Accordingly, the Company performed an impairment test on the Canadian Media group of CGUs as at May 31, 2026, where although there is no remaining goodwill there are indefinite-life intangible assets relating to broadcast licenses and trademarks.

In assessing the goodwill and indefinite life intangible assets 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.

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 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.

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:

- Broadcast revenue is estimated to decline by 12% to 17% 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 2027 to 2031. Earning before interest and taxes (“EBIT”) margin percentage estimates for broadcast revenue included in the Canadian media group of CGUs ranged from 13% to 27% for 2027 to 2031. EBIT margin percentage estimates for the consumer shows business included in the Canadian media group of CGUs is 24% to 28% for 2027 to 2031. The Company applied an after-tax discount rate of 11.3% and a terminal growth rate of -2% to 2% in its analysis.

Based on the analysis performed of the Canadian Media group of CGUs as at May 31, 2026, it was determined that the carrying value exceeded the recoverable amount and therefore an impairment of $33,137 was recorded. As part of the impairment assessment and included in this amount, the Company wrote down $1,500 in acquired program rights and owned content. The remaining impairment was recorded against the indefinite-lived intangibles of the Canadian Media group of CGUs, with broadcast licenses written down by $28,889 and trademarks written down by $2,748 at this date. The recoverable amount of the Canadian Media group of CGUs is $39,512 as at May 31, 2026, which includes $19,125 of remaining indefinite-lived intangible assets.

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 of 1% to the determined rate. The sensitivity of the revenue and terminal growth rate was also evaluated by applying a hypothetical decrease of 1% to the established rates. These sensitivity analyses are conducted to assess the potential impact of reasonably possible changes in significant assumptions on the calculated fair value of the group of CGUs.

As of May 31, 2026, for the Canadian Media group of CGUs, holding all other assumptions constant:

- a 1% increase in the discount rate would result in further impairment of $3,109.
- a 1% decrease in the terminal growth rate would result in further impairment of $3,313.
- a 1% decrease in the revenue growth rate would result in further impairment of $1,903.
- a 1% decrease in the earnings before interest and taxes (“EBIT”) margin would result in further impairment of $1,230.

As at May 31, 2026, there were no indicators of impairment for the Company’s Global Channels & Streaming, Program Production and Program Distribution CGUs.

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

### 15. Finance expenses (income), net

The following finance income and expenses were incurred:

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | | (Revised - Note 2 (c)) | | (Revised - Note 2 (c)) |
| | $ | $ | $ | $ |
| Interest expense and standby fees: | | | | |
| Interest expense, lease liability | 884 | 148 | 1,958 | 432 |
| Interest on bank indebtedness (Note 8) | 368 | 526 | 931 | 1,744 |
| Interest on promissory note | 62 | 110 | 186 | 357 |
| Interest on interim financing (Note 8) | 619 | 351 | 1,818 | 1,193 |
| Interest capitalized (Note 5) | (386) | (389) | (1,086) | (1,161) |
| Standby fee on bank loan | 167 | 54 | 355 | 167 |
| | 1,714 | 800 | 4,162 | 2,732 |
| Amortization on deferred financing cost related to: | | | | |
| Bank indebtedness (Note 8) | 150 | 152 | 451 | 451 |
| Other | | | | |
| Other charges | (131) | 68 | 329 | 338 |
| | 19 | 220 | 780 | 789 |
| **Total finance expense** | **1,733** | **1,020** | **4,942** | **3,521** |
| Interest Income | | | | |
| Bank deposits | (241) | (27) | (1,223) | (110) |
| Other interest income | (95) | (87) | (401) | (124) |
| **Total finance income** | **(336)** | **(114)** | **(1,624)** | **(234)** |
| Currency loss / (gain) | | | | |
| Unrealized | 298 | (1,211) | 292 | 232 |
| Realized | 75 | (163) | (269) | 4 |
| | **373** | **(1,374)** | **23** | **236** |
| **Finance expense (income), net** | **1,770** | **(468)** | **3,341** | **3,523** |

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

## 16. Income tax

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | | (Revised - Note 2 (c)) | | (Revised - Note 2 (c)) |
| | $ | $ | $ | $ |
| Current income tax expense | 1,003 | 1,988 | 3,709 | 4,959 |
| Deferred income tax (recovery) expense | (9,624) | 1,032 | (9,595) | 2,144 |
| **Income tax expense** | **(8,621)** | **3,020** | **(5,886)** | **7,103** |

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 nine months ended May 31, 2026, the effective tax rate was 33% and 16% (2025 - (37)% and (91)%), 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.

The Company is subject to ongoing tax exposures, examinations, and assessments in various jurisdictions. Tax benefits are recognized only when it is more likely than not, based on the technical merits, that the benefits will be sustained on examination. Tax benefits that meet the more likely than not recognition threshold are measured using a probability weighting of the largest amount of tax benefit that has greater than 50% likelihood of being realized upon settlement. Whether the more likely than not recognition threshold is met for a particular tax benefit is a matter of judgment based on the individual facts and circumstances evaluated in light of all available evidence as of the balance sheet date. Although management believes that the Company has adequately accounted for its uncertain tax positions, tax audits can result in subsequent assessments where the ultimate resolution may result in the Company owing additional taxes above what was originally recognized in its financial statements.

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

### 17. 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 periods ended May 31, 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.

| | | **May 31, 2026** | | **August 31, 2025** | |
|---|---|---|---|---|---|
| | **Fair value hierarchy** | **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 | 5,254 | 5,254 | 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 | 4,722 | 4,722 | 4,536 | 4,536 |
| Insight note payable | Level 2 | 376 | 376 | 1,181 | 1,181 |
| MagellanTV deferred cash consideration and financial liability (Note 4) | Level 2 | 7,809 | 7,809 | — | — |

*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 34% (as at August 31, 2025 - 32%) of the Company's trade receivables as at May 31, 2026. The amounts disclosed in the consolidated statement of financial position are net of an allowance for doubtful accounts of $124 (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.

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

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

| | May 31, 2026 | August 31, 2025 |
|---|---|---|
| | $ | $ |
| Trade receivables | | |
| Current | 18,824 | 26,146 |
| Aged 31-60 days | 4,654 | 2,390 |
| Aged 61-90 days | 4,711 | 3,177 |
| Aged greater than 90 days | 10,730 | 5,884 |
| **Total trade receivables** | **38,919** | **37,597** |
| Note receivables | 1,179 | 7,246 |
| Unbilled receivables | 7,698 | 6,658 |
| Accrued receivables | 21,688 | 9,779 |
| Tax credits and funding receivable | 116,234 | 58,971 |
| Other receivables | — | 50 |
| | **185,718** | **120,301** |
| Allowance for doubtful accounts | (124) | (87) |
| **Trade and other receivables, end of the period** | **185,594** | **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 May 31, 2026, a portion of tax credits and funding receivable balance, amounting to $23,889 (August 31, 2025 - $4,984) is repayable to customers and corresponds with an equivalent balance within accounts payable and accrued liabilities.

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

## 18. Related party transactions

During the three and nine months ended May 31, 2026 and 2025, the Company entered into transactions with related parties.

Transactions entered into during the three and nine months ended May 31, 2026, and trading balances outstanding at May 31, 2026 are as follows:

| | Three months ended May 31, 2026 | | Nine months ended May 31, 2026 | | As at May 31, 2026 |
|---|---|---|---|---|---|
| | Sales | Purchase | Sales | Purchase | Due from |
| | | | $ | $ | $ |
| Advertising services provided to entities of which a director is a member of key management | 1,516 | — | 3,315 | — | 704 |
| Rent paid to a company owned by the controlling shareholder | — | 28 | — | 83 | — |
| Note receivable from a director | — | — | — | — | 600 |
| | 1,516 | 28 | 3,315 | 83 | 1,304 |

Transactions entered into during the three and nine months ended May 31, 2025, and trading balances outstanding at May 31, 2025 are as follows:

| | Three months ended May 31, 2025 | | Nine months ended May 31, 2025 | | As at May 31, 2025 |
|---|---|---|---|---|---|
| | Sales | Purchase | Sales | Purchase | Due from |
| | | | $ | $ | $ |
| Advertising services provided to entities of which a director is a member of key management | 1,325 | — | 3,608 | — | 2,302 |
| Rent paid to a company owned by the controlling shareholder | — | 28 | — | 83 | — |
| Note receivable from a director | — | — | — | — | 600 |
| | 1,325 | 28 | 3,608 | 83 | 2,902 |

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

**19. 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 $21,435 (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 | 12,121 |
| 2027 | 9,314 |
| 2028 and thereafter | — |
| | **21,435** |

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

## 20. Supplemental cash flow information

*Operating activities*

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

| | Nine months ended May 31, 2026 | Nine months ended May 31, 2025 |
|---|---|---|
| | $ | $ |
| Decrease in trade and other receivables | 3,099 | 11,553 |
| (Increase) decrease in prepaid and other assets | (214) | 790 |
| Decrease in income taxes receivable | 9,429 | 2 |
| Decrease in accounts payable and accrued liabilities | (24,137) | (3,472) |
| (Decrease) increase in deferred revenue | (2,093) | 2,958 |
| Increase (decrease) in other liabilities | 5,402 | (2,950) |
| | **(8,514)** | **8,881** |
| **Supplemental cash flow information** | | |
| Interest received | 1,521 | 110 |
| Interest paid | 3,452 | 3,022 |
| Income taxes paid, net of refunds | 10,181 | 1,513 |

*Financing activities*

The net change in cash and non-cash liabilities arising from financing activities consists of the following, for the nine months ended May 31, 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 | (11,102) | 976 | — | **(10,126)** |
| **Total financing cash flow / (outflow)** | **(11,102)** | **976** | **—** | **(10,126)** |
| Amortization of deferred financing costs | 451 | — | — | **451** |
| Net change in accrued interest | 711 | (434) | 186 | **463** |
| **Total financing non-cash inflow / (outflow)** | **1,162** | **(434)** | **186** | **914** |
| Non-cash additions through acquisition (Note 4) | — | 17,795 | — | **17,795** |
| **Balance, May 31, 2026** | **9,402** | **70,481** | **4,722** | **84,605** |

### 21. Earnings (loss) per share

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

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | **2026** | **2025** (Revised - Note 2 (c)) | **2026** | **2025** (Revised - Note 2 (c)) |
| | **$** | **$** | **$** | **$** |
| **Net (loss) income attributable to shareholders** | **(17,904)** | **(11,790)** | **(30,776)** | **(15,513)** |
| Weighted average number of shares - Basic | 28,091 | 16,069 | 25,515 | 16,064 |
| Effect of dilutive securities | — | — | — | — |
| **Weighted average number of common shares - Diluted** | **28,091** | **16,069** | **25,515** | **16,064** |
| **Net income per share - Basic** | (0.64) | (0.73) | (1.21) | (0.97) |
| **Net income per share - Diluted** | (0.64) | (0.73) | (1.21) | (0.97) |

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 nine months ended May 31, 2026 and 2025, the diluted loss per share equals the basic loss per share, as the effect would be anti-dilutive.

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

## 22. 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 May 31, 2026:

| | **Production and Distribution** | **Global Channels and Streaming** | **Canadian Media** | **Total of Segments** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Revenues | 82,663 | 23,669 | 19,297 | **125,629** |
| Direct content, production and delivery expenses | 66,332 | 15,099 | 8,124 | **89,555** |
| Sales, general and administrative expenses | 8,984 | 4,161 | 3,967 | **17,112** |
| **Segment profit (loss)** | **7,347** | **4,409** | **7,206** | **18,962** |
| Corporate general and administrative costs | | | | **2,164** |
| Share-based compensation | | | | **695** |
| Depreciation and amortization | | | | **4,614** |
| Impairment of long lived assets | | | | **33,137** |
| Finance expenses, net | | | | **1,770** |
| Acquisition related expenses | | | | **314** |
| Restructuring costs | | | | **2,343** |
| **Loss before income taxes** | | | | **(26,075)** |
| Current income tax expense | | | | **1,003** |
| Deferred income tax expense | | | | **(9,624)** |
| **Net loss for the period** | | | | **(17,454)** |

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

The following summarizes segment performance for the three months ended May 31, 2025:

| | **Production and Distribution** (Revised - Note 2 (c)) | **Global Channels and Streaming** | **Canadian Media** | **Total of Segments** (Revised - Note 2 (c)) |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Revenues | 12,888 | 21,161 | 21,985 | **56,034** |
| Direct content, production and delivery expenses | 8,426 | 11,718 | 8,384 | **28,528** |
| Sales, general and administrative expenses | 2,615 | 3,855 | 4,823 | **11,293** |
| **Segment profit (loss)** | **1,847** | **5,588** | **8,778** | **16,213** |
| Corporate general and administrative costs | | | | **1,571** |
| Share-based compensation | | | | **8,532** |
| Depreciation and amortization | | | | **1,498** |
| Impairment of long lived assets | | | | **8,317** |
| Finance expenses, net | | | | **(468)** |
| Acquisition related expenses | | | | **4,254** |
| Restructuring costs | | | | **645** |
| **Loss before income taxes** | | | | **(8,136)** |
| Current income tax expense | | | | **1,988** |
| Deferred income tax expense | | | | **1,032** |
| **Net loss for the period** | | | | **(11,156)** |

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

The following summarizes segment performance for the nine months ended May 31, 2026:

| | Production and Distribution | Global Channels and Streaming | Canadian Media | Total of Segments |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Revenues | 163,447 | 68,450 | 44,157 | **276,054** |
| Direct content, production and delivery expenses | 134,774 | 43,603 | 17,788 | **196,165** |
| Sales, general and administrative expenses | 21,639 | 12,230 | 12,163 | **46,032** |
| **Segment profit (loss)** | **7,034** | **12,617** | **14,206** | **33,857** |
| Corporate general and administrative costs | | | | **8,241** |
| Share-based compensation | | | | **2,393** |
| Depreciation and amortization | | | | **10,993** |
| Impairment of long lived assets | | | | **33,137** |
| Finance expenses, net | | | | **3,341** |
| Loss on sale of assets | | | | **66** |
| Acquisition related expenses | | | | **7,756** |
| Restructuring costs | | | | **4,201** |
| **Loss before income taxes** | | | | **(36,271)** |
| Current income tax expense | | | | **3,709** |
| Deferred income tax recovery | | | | **(9,595)** |
| **Net loss for the period** | | | | **(30,385)** |

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

The following summarizes segment performance for the nine months ended May 31, 2025:

| | Production and Distribution (Revised - Note 2 (c)) | Global Channels and Streaming | Canadian Media | Total of Segments (Revised - Note 2 (c)) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Revenues | 33,814 | 59,628 | 49,676 | **143,118** |
| Direct content, production and delivery expenses | 26,105 | 33,581 | 19,587 | **79,273** |
| Sales, general and administrative expenses | 9,933 | 10,900 | 14,107 | **34,940** |
| **Segment profit (loss)** | **(2,224)** | **15,147** | **15,982** | **28,905** |
| Corporate general and administrative costs | | | | **3,790** |
| Share based compensation | | | | **9,583** |
| Depreciation and amortization | | | | **4,306** |
| Impairment of long lived assets | | | | **8,317** |
| Finance expenses, net | | | | **3,523** |
| Loss on contingent considerations | | | | **152** |
| Acquisition related expenses | | | | **6,387** |
| Restructuring costs | | | | **642** |
| **Income before taxes** | | | | **(7,795)** |
| Current income tax expense | | | | **4,959** |
| Deferred income tax expense | | | | **2,144** |
| **Net loss for the period** | | | | **(14,898)** |

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

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

| **As at May 31, 2026** | **Production and Distribution** | **Global Channels and Streaming** | **Canadian Media** | **Total** |
|---|---|---|---|---|
| Investment in content rights | 77,814 | 35,283 | 31,635 | **144,732** |
| Intangible assets | 9,202 | 12,891 | 20,257 | **42,350** |
| Goodwill | 64,842 | 10,453 | — | **75,295** |

| **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 May 31, 2026** | **As at August 31, 2025** |
|---|---|---|
| | **$** | **$** |
| Non-current assets by geographic region: | | |
| Canada | 326,480 | 288,577 |
| United States | 10,964 | 263 |
| Untied Kingdom | 565 | 110 |
| | 338,009 | 288,950 |

**23. 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.