STINGRAY®

Annual Report 2025

Year ended March 31, 2025

Stingray Group Inc.

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Eric Boyko
President, Co-founder
and CEO

Word from the CEO

In so many ways, I'm grateful for our annual report. Rarely do we get the opportunity to reflect on our accomplishments; business demands that we keep moving forward, keep pushing ahead, keep striving for success. But here and now, I have the opportunity to consider and celebrate Stingray's achievements, observing and appreciating this past year's accomplishments from a bird's eye view.

FY2025 was a standout year for Stingray. We are very proud to report that revenues are up by 12.0% compared to the prior year. Revenues stood at $386.9 million, Adjusted EBITDA[1] was $142.2 million, Net income was $36.4 million ($0.53 per share) and Adjusted Net income[1] was $72.7 million. Cash flow from operating activities was $105 million and adjusted free cash flow[1] was $83.6 million.

It was our B2B business that drove our success. Our FAST business experienced tremendous growth, propelled by increased demand and an ever-expanding roster of partnerships. It's a virtuous cycle: as more partners launch our channels, demand grows, and we create even more channels to meet that need.

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1 This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

One notable example from the past year is our collaboration with VIZIO, the American consumer electronics company recently acquired by Walmart, which continues to augment its free ad-supported television offering, featuring a growing suite of Stingray FAST content. As a television designer, VIZIO constantly has their finger on the pulse of what's driving demand in the TV industry. VIZIO's continued interest in Stingray's FAST channel offering is proof positive that we are on the right track.

The retail media, in-car, and commercial units of our business round out our litany of B2B successes for FY2025. Together, they represent our main drivers of organic growth, pointing the way to continued success. I have full confidence that this positive trend will continue into FY2026 and well, well beyond.

Finally, we have bolstered our financial position by securing an additional $80 million in financing from our banking syndicate, increasing our revolving credit facility to $500 million and extending the maturity date to December 2028. This increased and extended facility enhances our liquidity and provides improved flexibility for strategic acquisitions and growth opportunities.

Broadening horizons with Broadcast and Streaming

As previously mentioned, Stingray owes much of its organic growth to B2B innovations such as FAST, SVOD, and connected car technology. This year was marked by significant expansions across the US and internationally, and the integration of AI and asset management has further enabled us to effectively scale our platform.

In the realm of Connected TVs, new global partnerships have fuelled significant growth; the US connected TV advertising market is projected to exceed US$40 billion by 2027[1]. Stingray's FAST/OTT suite of services now reach hundreds of millions of viewers across Canada, the US, Europe, and Latin America, leveraging our audio and video channels. Our FAST business has experienced a remarkable 126% year-over-year increase in streaming hours, indicating strong growth potential.

New partnerships with K2 Studios for the distribution of EarthDay 365, alongside the acquisition of The Coda Collection and Loupe Art, have expanded Stingray's content portfolio. We also launched Cozy Café, Stargaze and Cityscapes with VIZIO, along with additional offerings on LG Channels and Samsung TV+. We are now focusing our efforts on optimizing scheduling and programming to improve channel monetization.

1 Source: insiderintelligence.com

In the SVOD and Apps business segment, we are leveraging global relationships with global platforms, such as Amazon, for continued growth and potential product consolidation. Stingray continues to acquire and license content to increase its reach across multiple platforms and markets.

A multitude of strategic partnerships have allowed Stingray to expand its SVOD and apps' reach in the streaming industry, entering new markets and launching new products. We are concentrating on profitable SVOD products and B2B2C distribution models, and partnership acquisitions over direct paid acquisition methods. Key collaborations include Comcast, Xfinity, Bell, Cox, Rogers, Roku, Amazon Channels, Vodafone, Izzi TV, and Claro Video.

Meanwhile, on the road, Stingray Karaoke is transforming in-car entertainment with its vast library of more than 100,000 songs, making it a leading choice for value-added services in connected vehicles worldwide. Our partnership with Sony Honda Mobility gives AFEELA customers access to in-car karaoke services, and our collaboration with BYD and Singing Machine introduced advanced karaoke microphones to BYD's entire global fleet of vehicles. We have also introduced our karaoke services in Ford vehicles, including the F-150 Lightning and Mustang Mach-E, with further expansions expected across the Ford and Lincoln fleets.

To round out our success in the Broadcast and Streaming divisions, Samsung TV Karaoke— powered by the Stingray Karaoke app—received a prestigious CES Innovation Award for 2025 in the Content & Entertainment category.

Getting down to Business

This year, Stingray Business locked in a major five-year deal with the Bank of Montreal that spans over 1,900 locations. We also played an important role in the launch of BMO's flagship store at Sankofa Square in Toronto, integrating advanced digital signage solutions to enhance BMO's customer experience. This branch, situated in a vibrant technology hub, boasts the world's largest installation of transparent LED technology.

FY2025 saw the launch of our music app on Samsung VXT PIRS, enabling brands to enhance the ambiance of their commercial and public spaces with a catalog of more than 25 million songs licensed for commercial background music. Samsung's VXT also allows for remote management of digital signage content like menus and kiosks for a complete audiovisual solution.

In-store video advertising officially hit METRO banners this year, broadening the Stingray-METRO relationship and further interweaving our Stingray Business solutions into our retail media network. This new feature gives advertisers a more diversified portfolio of impactful retail media opportunities, coupling the power of sound with the brilliance of visual media.

Radio holds strong

Stingray Radio continues to outperform its Canadian radio cohorts thanks to a direct sales force that consistently captures a disproportionate market share. This business unit has seen steady growth in sectors such as government, grocery, lottery, and hardware/hardgoods, as compared to the previous year.

This success provides strong cash flow, which Stingray uses to fuel strategic initiatives, including acquisitions. Additionally, growth in digital revenue highlights the company's expanding influence in the digital ad space.

As we go boldly forth into FY2026, I want to extend my deepest gratitude and appreciation to our employees. I feel incredibly optimistic about our team's proven ability to innovate and deliver superior results. Our people have always been—and continue to be—our greatest strength and the foundation for our continued success.

I also want to highlight our executive team and board of directors for their outstanding leadership and strategic vision. Your guidance has gotten us to where we are today. To our investors and stakeholders, thank you for the continued trust and confidence you've placed in the Stingray team. Thanks to your support, we can continue to pursue a brighter future of sustained growth and positive impact filled with all good vibes.

Sincerely,

E. Boyko

Mark Pathy
Chairman of the Board

Word from the Chairman

As we close out fiscal 2025, I'm incredibly proud of how Stingray has continued to innovate, evolve and lead in a rapidly shifting media landscape. Our Board and executive team have worked side by side, embracing change and taking smart risks to keep us ahead of the curve.

This year, Stingray increased its revolving credit facility to $500 million and extended its term to December 2028. This major financial milestone sends a strong signal that Stingray's banking syndicate believes in our vision and our ability to execute and deliver consistent positive results. With this added flexibility and firepower, Stingray is well-positioned to seize new acquisition opportunities and invest in innovations and cutting-edge technology that will define the next chapter of the Stingray story.

Our FAST channels business continues to thrive, showcasing our ability to anticipate and capitalize on emerging market trends. Strategic partnerships with leading platforms like VIZIO, Samsung, and LG have strengthened our global presence and cemented our reputation as a premier content provider. In parallel, our automotive initiatives with BYD and Ford have established Stingray as a key player in the connected car marketplace. Meanwhile, Stingray Business has secured valuable relationships with major enterprises such as Bank of Montreal. These diverse business relationships not only drive our financial growth but also demonstrate our versatility in creating customized solutions that elevate customer experiences across all industries.

Looking ahead, the Board remains focused on governance practices that promote sustainable growth. We are committed to fostering a culture of innovation and excellence that will continue to differentiate Stingray in the marketplace.

I would like to express my appreciation for Stingray's executive team. I salute their leadership during this transformative period. Their ability to execute on strategic priorities, while maintaining operational excellence, has been instrumental to our continued success.

To our shareholders and stakeholders, thank you for your continued trust. Your unwavering support enables us to pursue opportunities that create long-term value and strengthen our competitive position.

Finally, to our employees worldwide, your passion, creativity, and dedication are the heartbeat of Stingray. The Board sees you, appreciates you, and knows our achievements start with you. Your contributions are what make Stingray the industry leader across all its business units.

As we embark on FY2026, I am confident that Stingray is well-positioned to capitalize on the opportunities that lie ahead. With our strong financial foundation, innovative spirit, and talented team, we'll keep breaking boundaries and delivering standout experiences to audiences everywhere.

Management's discussion and analysis

The following is the annual report and Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Stingray Group Inc. ("Stingray" or "the Corporation") and should be read in conjunction with the Corporation's consolidated audited financial statements and accompanying notes for the years ended March 31, 2025 and 2024. This MD&A reflects information available to the Corporation as of June 10, 2025. Additional information relating to the Corporation is also available on SEDAR at www.sedar.com.

Company profile

Stingray (TSX: RAY.A; RAY.B), a global music, media, and technology company, is an industry leader in TV broadcasting, streaming, radio, business services, and advertising. Stingray provides an array of music, digital, and advertising services to enterprise brands worldwide, including audio and video channels, 97 radio stations, subscription video-on-demand content, FAST channels, karaoke products and music apps, and in-car and on-board infotainment content. Stingray Business, a division of Stingray, provides commercial solutions in music, in-store advertising solutions, digital signage, and AI-driven consumer insights and feedback. Stingray Advertising is North America's largest retail audio advertising network, delivering digital audio messaging to more than 30,000 major retail locations. Stingray has close to 1,000 employees worldwide and reaches 540 million consumers in 160 countries.

Products

Subscription services (APPS & SVOD)

Mobile or OTT Apps

STINGRAY MUSIC

Expertly curated music channels, in all genres, for all of life's moments.

Qello CONCERTS BY STINGRAY

The world's leading streaming service for full-length concert films and music documentaries.

STINGRAY KARAOKE

Over 100,000 karaoke songs in all the most popular genres.

singing machine® POWERED BY STINGRAY

Over 100,000 karaoke songs with optional special effects, mics, and high-quality karaoke videos.

ZenLIFE BY STINGRAY

A new lifestyle product designed to transform any room into a peaceful oasis in 4K.

CALM RADIO

A relaxing music and wellness experience to increase focus, sleep better, and reduce daily stress.

THE CODA COLLECTION

The most influential concerts, music documentaries, and episodic series all in one place.

Yokee

Yokee Karaoke

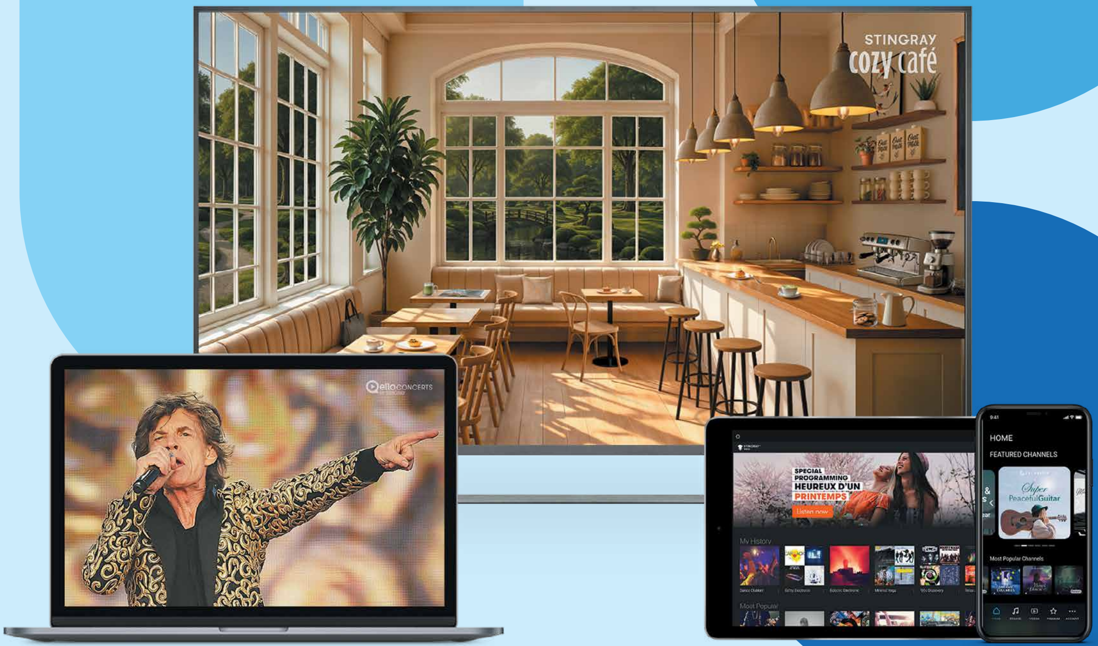
The ultimate karaoke destination to perform and record songs, add voice effects, and share with a network of dedicated singers.

Yokee Piano

A gamefied piano app that offers a diverse song-book and interactive features, making piano playing fun and accessible for all ages and skill levels.

Piano Academy

Learn how to master the piano from scratch, or for those who have prior knowledge and want to continue learning, practice by playing along to favourite songs.



Subscription Video On Demand (SVOD)

Stingray's SVOD offering is available through major entertainment service providers such as Amazon, AT&T, Comcast, and Samsung TV. The offering is growing in reach through new carriers such as Cox, Claro Música, Verizon, and YouTube TV.

The following Stingray services are available as SVOD:

- Qello Concerts by Stingray
- Stingray Classica
- Stingray DJAZZ
- Stingray Karaoke
- Stingray Naturescape
- ZenLIFE by Stingray
- The Coda Collection

Free, Ad-supported TV (FAST)

Stingray's FAST channels allow customers to access a wide variety of expertly curated content without subscription fees. Our partners include Vizio WatchFree+, Samsung TV Plus, LG Channels, The Roku Channels, Amazon Freevee, Xfinity and more.

The following Stingray services are available as FAST channels:

- Stingray Music
- Qello Concerts by Stingray
- Stingray Classica
- Stingray DJAZZ
- Stingray CMusic
- Stingray Karaoke
- Stingray Naturescape
- Stingray Holidayscapes
- ZenLIFE by Stingray
- Ultimate Trivia by Stingray
- Stingray Cozy Café
- Stingray Stargaze
- Stingray Cityscapes
- Movie Music by Stingray
- Loupe Art
- EarthDay 365

Radio’s 2025 reality

Despite the wealth of audio choices available to consumers today, radio continues to reach more people—in and out of the car—than any other audio platform.

Among ad-supported audio, live radio has a 75% share of all listening. And that number jumps to 93% in the car. So, while Spotify and other streaming platforms get endless positive press coverage, radio quietly outperforms them all… by a huge margin.

Radio’s amazing reality, however, is challenged by the myth of decline. And that myth has lured advertising dollars away from traditional radio. Digital is the shiny new object, and advertisers large and small are directing their efforts to digital platforms.

Stingray is perfectly positioned to capitalize on the emergence of digital and the continued strength and longevity of radio.

Our media sales strategists in every market are experienced in offering local advertisers the right media mix to build their businesses, from radio to digital to retail audio. This has allowed Stingray Radio to establish itself as a trusted partner for thousands of large, medium-sized and small businesses across Canada. Not only do we provide the well-known strength of radio, but we integrate the benefits of highly targeted digital options and the point-of-purchase power of retail audio, maximizing every dollar our clients invest in advertising.

Last year, Stingray Radio took the bold step of launching the only country music radio station in Canada’s largest city. New Country 93.5 in Toronto has instantly found a dedicated audience that embraces the rich traditions and values of country music. We launched the station using the combined national resources of our country stations in other markets, which constitute the largest network of country stations in Canada. In early ratings, New Country 93.5 has nearly doubled the share of audience tuned to the 93.5 frequency in Toronto.

In 2025, after Bell Media divested of 45 stations, Stingray Radio became Canada’s largest operator and the industry leader of radio stations. With that scope, we can tap into our vast national resources of creative minds, on-air hosts, producers, and administrative support. Going forward, our large footprint will continue to help us best serve our audiences in every radio market in Canada.

Radio remains magical and vital to our communities. While trust in media erodes, radio stands strong as the immediate go-to respected information source during times of disaster or crisis. When hurricanes strike Canada’s east coast, when wildfires threaten communities in Alberta and BC, and when vicious winter storms shut down our biggest cities, Stingray Radio is always there, providing information, emergency directions and community messaging and companionship. That’s something no streaming service can duplicate.

The algorithms of our modern life are mind-blowing, but they can’t replace real human beings interacting live on the radio. They can’t touch hearts, bring back memories, and share the human experience.

Radio is everywhere, all the time.

No buffering. No subscription. No friction.

Current company goals

1. **Grow B2B digital revenues:** Significantly increase B2B digital revenues by developing and distributing new FAST (free ad-supported TV) channels, SVOD services, and App offerings in new territories, platforms, and verticals such as automotive.

2. **Expand audio advertising network:** Drive growth through new retail accounts, leveraging the latest ad technology with advanced tech measurement. Increase sales by investing in additional sales resources and strategic partnerships, reaching a greater number of clients and agencies.

3

Enhance global content offerings: Expand content offerings and exclusivities with global best-in-class rights management.

4

Execute on strategic capital allocation: Prioritizing debt reduction and disciplined M&A for business growth.

5

Foster an innovative company culture: Integrate AI tools and features into all aspects of the business to encourage a culture of innovation.

Proven acquisition strategy

2007

- Slep-Tone Entertainment Corp/ SoundChoice (Karaoke Channel)

2009

- Canadian Broadcast Corp. (Galaxie)
- MaxTrax Music Ltd.
- Chum Satellites Services (CTV)

2010

- Marketing Senscity Inc.
- Concert TV Inc.

2011

- Music Choice International Ltd.

2012

- Musicoola Ltd.
- Zoe Interactive Ltd.

2013

- Executive Communication
- Emedia Networks Inc.
- Stage One Innovations Ltd.
- Intertain Media Inc.

2014

- DMX LATAM (Mood Media)
- Archibald Media Group
- DMX Canada (Mood Media)
- Telefonica – On the Spot

2015

- Les réseaux Urbains Viva Inc.
- Brava Group (HDTV, NL and Djazz TV)
- Digital Music Distribution
- iConcerts Group

$854 M

spent on acquisitions since inception

Stingray became the undisputed world-leading provider of music programming demonstrating our ability to act as an industry consolidator.

2016

- Nümedia
- Festival 4K B.V.
- Bell Media's specialty music video channels
- EuroArts Classical catalogue

2017

- Classica
- Nature Vision TV
- Yokee Music Ltd.
- C Music Entertainment Ltd.
- SBA Music PTY Ltd.
- Satellite Music Australia PTY Ltd.

2018

- Qello Concerts LLC
- Newfoundland Capital Corporation
- Novramedia
- DJ Matic
- New Glasgow

2019

- Drumheller Radio

2020

- Chatter Research Inc.
- Minority investment in The Podcast Exchange (TPX)

2021

- Marketing Sensorial México

2022

- Calm Radio Corp
- Minority investment in The Singing Machine
- InStore Audio Network

2023

- Ultimate Trivia Network

2024

- The Coda Collection
- Loupe Art

Competitive strengths

We believe that the following competitive strengths will contribute to our ongoing commercial success and future performance:

Unique and diversified world leading music and video service provider

With more than 540 million subscribers in 160 countries, our total reach is one of the largest relative to our peers. Our products and services are distributed through numerous platforms including TVs, mobile and connected devices, game consoles, and connected cars. With 97 radio licenses and more than 160 million App downloads, Stingray reaches millions of radio listeners and App users every month.

Strong and predictable cash flow from long-term contracts and client relationships

Apart from radio, retail media and FAST offerings, our business model is based on subscription revenues and long-term agreements, which gives us significant predictability of future cash flow, reduces cyclicality of earnings, and increases customer retention.

Proprietary innovative technologies

We are a leader and innovator in the digital music and ambiance space, having developed a unique set of proprietary technologies that provide us with a significant competitive advantage. Our extensive experience in creating technologies for distributing digital music across multiple platforms is complemented by our development of intuitive AI tools. These tools are readily accessible to all employees, significantly enhancing their daily productivity and work efficiency.

Business agility

We have nimbly adjusted to (and take advantage of) emerging growth opportunities, including steering our product development strategies by leveraging, and scaling our services through strategic partnerships in various rapidly evolving markets.

Track record of successful acquisitions and integrations

Since Stingray's inception in 2007, we have completed 48 acquisitions representing outlays of approximately $854 million, which brought new clients, new products and new geographical markets to our business. Stingray's proven track record of successfully consummating and integrating these acquisitions is a result of our experienced management team's rigorous and disciplined acquisition strategy. The versatility, portability and flexibility of Stingray's products and technologies permit us to efficiently integrate and support the complementary products and technologies of the businesses we acquire.

Leading content curation expertise

Our business strategy is based on a lean-back, rather than lean-forward, content consumption model. Stingray provides some of the world's most comprehensive music libraries and channels, all programmed by expert curators around the world. Our content products and services are adapted to local tastes and trends to create the ultimate user experience.

Key business risks

The key risks and uncertainties of our business drive our operating strategies. Additional risks and uncertainties not presently known to us, or that we currently consider immaterial, may also affect us. If any of the events identified in these risks and uncertainties were to occur, Stingray's business, financial condition and results of operations could be materially impacted.

For further discussion of the significant risks we face, refer to the Annual Information Form for the year ended March 31, 2025, available on SEDAR at sedar.com.

Our key risks, in terms of severity of consequence and likelihood, are displayed as follows:

Public performance and mechanical rights and royalties

We pay public performance and mechanical royalties to performers, songwriters and publishers through contracts negotiated with labels and music rights collection societies in various parts of the world. If public performance or mechanical royalty rates for digital music are increased, our results of operations and financial performance and condition may be adversely affected. We mitigate this risk by operating, whenever possible, under statutory licensing regimes and structures applicable to non-interactive music services. The royalty rates to be paid pursuant to statutory licenses can be established by either negotiation or through a rate proceeding conducted by the Copyright Board; such royalty rates are generally stable and are not likely to fluctuate from year to year.

Long-term plan to expand into international markets

A key element of our growth strategy is to continue to expand our operations into international markets. For Fiscal 2025, approximately 48.6% of our revenue is derived from customers outside of Canada. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks that are different from those in Canada. To mitigate this risk, the Corporation has committed to develop and improve our operational, financial and management controls, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel, all of which will enable the Corporation to continue to expand into international markets.

Reliance on advertising revenue and economic downturns

A significant portion of Stingray's revenue is derived from advertising, particularly through radio, FAST channels and retail media. Economic downturns, such as recessions, typically lead advertisers to reduce or reallocate their marketing budgets, which can result in decreased demand for advertising inventory and lower revenue for Stingray.

Rapid growth in an evolving market

The audio and video entertainment industry is rapidly evolving. The market for online digital music and videos has seen dramatic shifts in a short period, influenced by economic factors and changing consumer habits. Our reliance on advertising revenue, which fluctuates with the economy, presents both challenges and opportunities. Our skilled sales team and innovative engineers are key to developing new products and proprietary technologies that help us attract and retain customers across diverse digital platforms, including beyond traditional TV. To support our rapid growth, we are continuously refining our operational and financial controls, as well as our reporting systems and procedures.

Competition from other content providers

The market for acquiring exclusive digital rights from content owners is competitive. Many of the more desirable music recordings are already subject to digital distribution agreements or have been directly placed with digital entertainment services. We face increasing competition for listeners and/or viewers from a growing variety of businesses that deliver audio and/or video media content through mobile phones and other wireless devices. The growth of social media could facilitate other forms of new entry that will compete with the Corporation. To mitigate this risk, the Corporation continues to rely upon human programming and content curation by award-winning music experts from around the world, each of whom adapt to the tastes and trends of listeners in order to create the ultimate user experience. In addition, the Corporation remains determined to create and acquire original long-form content in order to grow its proprietary catalogue. Furthermore, the positioning of our channels is crucial; being prominently placed is essential to being seen and distinguishing ourselves in a vast market.

Executive officers

Eric Boyko
President, CEO,
Co-founder and Director

Jean-Pierre Trahan
Chief Financial Officer

David Purdy
Chief Revenue Officer

Mario Dubois
Senior Vice President and
Chief Technology Officer

Mathieu Péloquin
Senior Vice President,
Marketing and
Communications

Lloyd Feldman
Senior Vice President,
General Counsel and
Corporate Secretary

Steve Jones
President, Radio

Valérie Héroux
Vice President,
Content Acquisition
and Programming

Ratha Khuong
General Manager,
Stingray Business

Marie-Hélène Fournier
Vice President, Mergers
& Acquisitions and Human
Resources

Non-executive directors

Mark Pathy
Chairman of the Board of Directors

Gary S. Rich
Director and Chairman of the Human Resources Committee

Claudine Blondin
Director, Chairwoman of the Corporate Governance Committee and Member of the Human Resources Committee

Mélanie Dunn
Director and Member of the Corporate Governance Committee and Member of the Human Resources Committee

Karinne Bouchard
Director and Chairwoman of the Audit Committee

Pascal Tremblay
Director and Member of the Corporate Governance Committee and Chairman of the Audit Committee

Ian Lurie
Director and Executive Chairman Radio

François-Charles Sirois
Director

Robert G. Steele
Director

BASIS OF PREPARATION AND FORWARD-LOOKING STATEMENTS

The following is the annual financial report and Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Stingray Group Inc., ("Stingray" or "the Corporation"), and should be read in conjunction with the Corporation's audited consolidated financial statements and accompanying notes for the years ended March 31, 2025 and 2024. This MD&A reflects information available to the Corporation as at June 10, 2025. Additional information relating to the Corporation is also available on SEDAR at www.sedar.com.

This MD&A contains forward-looking information within the meaning of applicable Canadian securities laws. This forward-looking information includes, but is not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Corporation. This forward-looking information relates to, among other things, our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Statements with the words "could", "expect", "may", "will", "anticipate", "assume", "intend", "plan", "believes", "estimates", "guidance", "foresee", "continue" and similar expressions are intended to identify statements containing forward-looking information, although not all forward-looking statements include such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to the following risk factors : increases in royalties and tariffs or restricted access to music rights; our dependence on Pay-Tv providers; the rapidly evolving audio and video entertainment industry; competition from other content providers and other media companies; the expansion of our operations into international markets; our rapid growth and our growth strategy; our acquisitions, business combinations and joint ventures; our reliance on third party hardware, software and related services; our dependence on key personnel; exchange rate fluctuations; economic and political instability in emerging countries; royalty calculation methods; rapid technological and industry changes; development of new or alternative media technologies ; unavailability of additional funding; failure to generate cash revenues; reliance on our credit facilities; costly and protracted litigation in defence of copyrighted content; our inability to protect our proprietary technology; our inability to maintain our corporate culture; unfavourable economic conditions; our exposure to foreign privacy and data security laws; unauthorized and pirated music and video content; natural catastrophic events and interruption by man-made problems; pandemics, epidemics and other health risks; additional income tax liabilities; maintaining our reputation; litigation and other claims; credit risk; liquidity risk; failure to comply with the Canadian Radio-television and Telecommunications Commission ("CRTC") requirements; failure to maintain or renew our CRTC licences; the increase in broadcasting licence fees payable by us; unfavourable changes in government regulation affecting our industry.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such assumptions include, but are not limited to, the following: our ability to generate sufficient revenue while controlling our costs and expenses; our ability to manage our growth effectively; the absence of material adverse changes in our industry or the global economy; trends in our industry and markets; the absence of any changes in law, administrative policy or regulatory requirements applicable to our business, including any change to our licences with the CRTC; minimal changes to the distribution of the pay audio services by Pay-TV providers in light of recent CRTC policy decisions; our ability to manage risks related to international expansion; our ability to maintain good business relationships with our clients, agents and partners; our ability to expand our sales and distribution infrastructure and our marketing; our ability to develop products and technologies that keep pace with the continuing changes in technology, evolving industry standards, new product introductions by competitors and changing client preferences and requirements; our ability to protect our technology and intellectual property rights; our ability to manage and integrate acquisitions; our ability to retain key personnel; and our ability to raise sufficient debt or equity financing to support our business growth. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements. All of the forward-looking information in this MD&A is qualified by these cautionary statements. Statements containing forward-looking information contained herein are made only as of the date of this MD&A. The Corporation expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumption underlying them, whether as a result of new information, future events or otherwise, except as required by law.

OVERVIEW

Stingray (TSX: RAY.A; RAY.B), a global music, media, and technology company, is an industry leader in TV broadcasting, streaming, radio, business services, and advertising. Stingray provides an array of music, digital, and advertising services to enterprise brands worldwide, including audio and video channels, 97 radio stations, subscription video-on-demand content, FAST channels, karaoke products and music apps, and in-car and on-board infotainment content. Stingray Business, a division of Stingray, provides commercial solutions in music, in-store advertising solutions, digital signage, and AI-driven consumer insights and feedback. Stingray Advertising is North America's largest retail audio advertising network, delivering digital audio messaging to more than 30,000 major retail locations. Stingray has close to 1000 employees worldwide and reaches 540 million consumers in 160 countries. For more information, visit www.stingray.com.

KEY PERFORMANCE INDICATORS

For the three-month period ended March 31, 2025 (“Q4 2025”):

$96.0 M ▲ 14.8% from Q4 2024 Revenues	**$7.7 M** ▲ 116.5% from Q4 2024 Net income Or $0.11 per share	**$39.7 M** ▼ 10.3% from Q4 2024 Cash flow from operating activities Or $0.58 per share(2)
$35.0 M ▲ 19.0% from Q4 2024 Adjusted EBITDA(1)	**$18.6 M** ▲ 20.7% from Fiscal 2024 Adjusted Net income(1) Or $0.27 per share	**$18.4 M** ▲ 17.8% from Q4 2024 Adjusted free cash flow(1) Or $0.27 per share

For the year ended March 31, 2025 (“Fiscal 2025”):

$386.9 M ▲ 12.0% from Fiscal 2024 Revenues	**$36.4 M** ▲ 365.2% from Fiscal 2024 Net income Or $0.53 per share	**$105.0 M** ▼ 11.4% from Fiscal 2024 Cash flow from operating activities Or $1.53 per share(2)
$142.2 M ▲ 13.0% from Fiscal 2024 Adjusted EBITDA(1)	**$72.7 M** ▲ 20.5% from Fiscal 2024 Adjusted Net income(1) Or $1.05 per share	**$83.6 M** ▲ 3.5% from Fiscal 2024 Adjusted free cash flow(1) Or $1.21 per share

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to “Supplemental Information on Non-IFRS Measures” on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to “Non-IFRS Measures Reconciliations” on page 35 and “Reconciliation of Quarterly Non-IFRS Measures” on page 45.

(2) This is a non-IFRS measure and is not a standardized financial measure. This non-IFRS measure is calculated by dividing Cash flow from operating activities by the weighted average number of shares (diluted).

FINANCIAL AND BUSINESS HIGHLIGHTS

Highlights of the fourth quarter ended March 31, 2025

Compared to the quarter ended March 31, 2024 ("Q4 2024"):

- Revenues increased 14.8% to $96.0 million from $83.7 million;
- Net income totaled $7.7 million ($0.11 per share) compared to a Net loss of $46.3 million ($0.67 per share);
- Adjusted EBITDA(1) increased 19.0% to $35.0 million from $29.4 million. Adjusted EBITDA by segment(1) was $28.1 million or 43.6% of revenues for Broadcasting and Commercial Music, $8.6 million or 27.3% of revenues for Radio and $(1.7) million for Corporate;
- Adjusted Net income(1) increased to $18.6 million ($0.27 per share) from $15.4 million ($0.22 per share);
- Cash flow from operating activities decreased 10.3% to $39.7 million ($0.58 per share(2)) from $44.3 million ($0.64 per share(2));
- Adjusted free cash flow(1) increased 17.8% to $18.4 million ($0.27 per share) from $15.6 million ($0.23 per share);
- Net debt to Pro Forma Adjusted EBITDA(1) ratio of 2.28x, compared to 2.76x; and
- 275,000 shares were repurchased and cancelled for a total of $2.3 million compared to 57,600 shares for a total of $0.4 million.

Highlights of the year ended March 31, 2025

Compared to the year ended March 31, 2024 ("Fiscal 2024"):

- Revenues increased 12.0% to $386.9 million from $345.4 million;
- Net income totaled $36.4 million ($0.53 per share) compared to a Net loss of $13.7 million ($0.20 per share);
- Adjusted EBITDA(1) increased 13.0% to $142.2 million from $125.9 million. Adjusted EBITDA by segment(1) was $107.6 million or 42.3% of revenues for Broadcasting and Commercial Music, $42.1 million or 31.8% of revenues for Radio and $(7.5) million for Corporate;
- Adjusted Net income(1) increased to $72.7 million ($1.05 per share) compared with $60.3 million ($0.87 per share);
- Cash flow from operating activities decreased 11.4% to $105.0 million ($1.53 per share(2)) from $118.5 million ($1.72 per share(2));
- Adjusted free cash flow(1) increased 3.5% to $83.6 million ($1.21 per share) from $80.8 million ($1.17 per share);
- Net debt to Pro Forma Adjusted EBITDA(1) ratio of 2.28x, compared to 2.76x; and
- 1,186,800 shares repurchased and cancelled for a total of $9.1 million compared to 557,500 shares for a total of $2.9 million.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

(2) This is a non-IFRS measure and is not a standardized financial measure. This non-IFRS measure is calculated by dividing Cash flow from operating activities by the weighted average number of shares (diluted).

Additional business highlights for the fourth quarter and subsequent events:

- On April 15, 2025, the Corporation announce a partnership with Zoox, an autonomous mobility company. This collaboration enhances the rider experience in Zoox robotaxis with a diverse selection of curated music channels.
- On March 25, 2025, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around June 13, 2025, to shareholders on record as of May 30, 2025.
- On March 11, 2025, the Corporation announced the launch of three of its popular FAST channels, Qello Concerts, Stingray Classica, and Movie Music, on waipu.tv, Germany's largest TV platform for HD television.
- On February 5, 2025, the Corporation announced the launch of four new FAST (Free Ad-Supported Streaming TV) video channels. Cozy Café, Stargaze, and Movie Music have been selected by various platforms, including LG Channels, Samsung TV Plus, as part of their new channel offerings.
- On January 20, 2025, the Corporation announced the launch of five video channels on the ScreenHits TV in-car entertainment platform, available in Renault Grand Koleos, Nio and Porsche (Cayenne, Taycan, Panamera and 911) vehicles with upcoming plans for a worldwide release.
- On January 9, 2025, the Corporation announced that Samsung TV Karaoke, powered by the Stingray Karaoke app, has received the CES Innovation Award 2025 in the Content & Entertainment category.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	3 months				12 months					
	March 31, 2025 **Q4 2025**		March 31, 2024 **Q4 2024**		March 31, 2025 **Fiscal 2025**		March 31, 2024 **Fiscal 2024**		March 31, 2023 **Fiscal 2023**	
(in thousands of Canadian dollars, except per share amounts)	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**
Revenues	96,008	100.0 %	83,665	100.0 %	386,891	100.0 %	345,428	100.0 %	323,944	100.0 %
Operating expenses	66,732	69.5 %	59,046	70.6 %	255,282	66.0 %	226,849	65.7 %	212,272	65.4 %
Depreciation, amortization and write-off	8,076	8.4 %	6,499	7.8 %	30,770	8.0 %	30,133	8.7 %	32,980	10.2 %
Net finance expense[1]	9,516	9.9 %	3,736	4.5 %	42,416	10.9 %	28,883	8.4 %	26,835	8.3 %
Change in fair value of investments	2	– %	(106)	(0.1) %	(54)	– %	18	– %	(289)	(0.1) %
Impairment of goodwill	–	– %	56,119	67.1 %	–	– %	56,119	16.2 %	–	– %
Share of results of investments in associates	(210)	(0.2) %	(354)	(0.4) %	3,381	0.9 %	1,166	0.3 %	1,221	0.2 %
Gain on disposal of an investment	(845)	(0.9) %	–	– %	(845)	(0.2) %	–	– %	–	– %
Other income	(24)	– %	–	– %	(24)	– %	–	– %	–	– %
Acquisition, legal, restructuring and other expenses	4,129	4.3 %	1,404	1.7 %	8,543	2.1 %	(29)	– %	11,266	3.7 %
Income (loss) before income taxes	8,632	9.0 %	(42,679)	(51.2) %	47,422	12.3 %	2,289	0.7 %	39,659	12.3 %
Income taxes	977	1.0 %	3,639	4.3 %	10,982	2.9 %	16,030	4.6 %	9,540	2.9 %
Net income (loss)	7,655	8.0 %	(46,318)	(55.5) %	36,440	9.4 %	(13,741)	(3.9) %	30,119	9.4 %
Adjusted EBITDA[2]	35,027	36.5 %	29,423	35.2 %	142,199	36.8 %	125,855	36.4 %	114,140	35.2 %
Adjusted Net income[2]	18,568	19.3 %	15,382	18.4 %	72,654	18.8 %	60,312	17.5 %	55,202	17.0 %
Cash flow from operating activities	39,720	41.4 %	44,263	52.9 %	105,040	27.1 %	118,526	34.3 %	86,949	26.8 %
Adjusted free cash flow[2][4]	18,411	19.2 %	15,624	18.3 %	83,611	21.6 %	80,794	23.7 %	63,662	19.7 %
Net debt[2]	327,381	–	354,685	–	327,381	–	354,685	–	371,080	–
Net debt to Pro Forma Adjusted EBITDA[2]	2.28x	–	2.76x	–	2.28x	–	2.76x	–	3.19x	–
Net income (loss) per share basic and diluted	0.11	–	(0.67)	–	0.53	–	(0.20)	–	0.43	–
Adjusted Net income per share basic[2]	0.27	–	0.22	–	1.06	–	0.87	–	0.79	–
Adjusted Net income per share diluted[2]	0.27	–	0.22	–	1.05	–	0.87	–	0.79	–
Cash flow from operating activities per share basic[3]	0.58	–	0.64	–	1.54	–	1.72	–	1.25	–
Cash flow from operating activities per share diluted[3]	0.58	–	0.64	–	1.53	–	1.72	–	1.25	–
Adjusted free cash flow per share basic[2][4]	0.27	–	0.23	–	1.22	–	1.17	–	0.91	–
Adjusted free cash flow per share diluted[2][4]	0.27	–	0.23	–	1.21	–	1.17	–	0.90	–
Revenues by segment										
Broadcasting and Commercial Music	64,585	67.3 %	53,409	63.8 %	254,543	65.8 %	216,059	62.5 %	195,234	60.3 %
Radio	31,423	32.7 %	30,256	36.2 %	132,348	34.2 %	129,369	37.5 %	128,710	39.7 %
Revenues	96,008	100.0 %	83,665	100.0 %	386,891	100.0 %	345,428	100.0 %	323,944	100.0 %
Revenues by geography										
Canada	46,793	48.7 %	45,581	54.5 %	198,933	51.4 %	192,293	55.7 %	187,032	57.8 %
United States	38,013	39.6 %	26,224	31.3 %	141,170	36.5 %	103,973	30.1 %	85,992	26.5 %
Other Countries	11,202	11.7 %	11,860	14.2 %	46,788	12.1 %	49,162	14.2 %	50,920	15.7 %
Revenues	96,008	100.0 %	83,665	100.0 %	386,891	100.0 %	345,428	100.0 %	323,944	100.0 %

Notes:

(1) Interest paid during Q4 2025 was $5.3 million (Q4 2024; $6.6 million) and $23.8 million during Fiscal 2025 (Fiscal 2024; $25.9 million and Fiscal 2023; $23.9 million).

(2) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

(3) This is a non-IFRS measure and is not a standardized financial measure. This non-IFRS measure is calculated by dividing Cash flow from operating activities by the weighted average number of shares.

(4) A non-material adjustment was made to Q4 2024, Q3 2024 and Q2 2024 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from $15.3 million (0.22 per share) to $15.6 million (0.23 per share), Q3 2024; from $32.7 million (0.47 per share) to $32.1 million (0.47 per share) and Q2 2024; from $15.6 million (0.22 per share) to $14.6 million (0.21 per share).

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES

The Corporation uses non-IFRS measures and ratios to provide investors with supplemental metrics to assess and measure its operating performance and financial position, as applicable, from one period to the next. The Corporation believes that those measures are important supplemental metrics because they eliminate items that have less bearing on its core business performance and could potentially distort the analysis of trends in its performance and financial position. The Corporation also uses non-IFRS measures to facilitate financial performance comparisons from period to period, to prepare annual budgets and forecasts and to determine components of management compensation. The Corporation believes these non-GAAP financial measures, in addition to the financial measures prepared in accordance with IFRS, enable investors to evaluate the Corporation's results, underlying performance and future prospects in a manner similar to management.

Each of the below non-IFRS financial measures is not an earnings or cash flow measure recognized by International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

Adjusted EBITDA

The Corporation believes that Adjusted EBITDA provides investors with useful information because it is a common industry measure and it is also a key metric of the Corporation's financial performance without the variation caused by the impacts of the elements itemized below. Further, it provides an indication of the Corporation's ability to seize growth opportunities in a cost-effective manner as well as finance its ongoing operations and service its long-term debt. Adjusted EBITDA is defined as earnings before Net finance expense (income), income taxes, depreciation, amortization, share-based compensation, performance and deferred share unit expense, change in fair value of investments, impairment of goodwill, share of results of investments in associates, gain on disposal of an investment, other income and acquisition, legal, restructuring and other expenses. The Corporation believes that Adjusted EBITDA is an important measure when analyzing its profitability without being influenced by financing decisions, non-cash items and income tax strategies. The Corporation also presents such non-IFRS measure because it believes such non-IFRS measure is frequently used by securities analysts, investors and other interested parties as measures of financial performance.

Adjusted EBITDA margin

Adjusted EBITDA margin ratio is a non-IFRS ratio used by management to analyze the profitability of the Corporation and facilitate period-to-period comparisons. This ratio is calculated by dividing the amount of Adjusted EBITDA for a given period by the amount of revenue for the same period. The Corporation believes that Adjusted EBITDA margin is an important measure when analyzing its profitability without being influenced by financing decisions, non-cash items and income tax strategies. The Corporation also presents such non-IFRS ratio because it believes such non-IFRS ratio is frequently used by securities analysts, investors and other interested parties as measures of financial performance.

Adjusted free cash flow

Adjusted free cash flow is a non-IFRS measure used by management to assess the amount of cash generated after accounting for capital expenditures and cash outflows that support our operations. It is a useful measure because it demonstrates cash available to make business acquisitions, pay dividends and reduce debt. Furthermore, this non-IFRS measure is a useful indicator of the Corporation's financial strength and liquidity. Adjusted free cash flow is calculated by taking the net cash generated from our operating activities, subtracting capital expenditures, interest paid, repayment of lease liabilities, net change in non-cash operating working capital items and unrealized losses or gains on foreign exchange, and excluding acquisition, legal, restructuring and other expenses. Refer to section "Non-IFRS measures reconciliations" of this MD&A for a reconciliation of this measure to the most directly comparable measure under IFRS.

Adjusted free cash flow per share

Adjusted free cash flow per share is calculated by dividing the amount of Adjusted free cash flow for a given period by the weighted average number of basic shares or diluted shares. This non-IFRS measure is useful because it provides an indication of the Corporation's financial strength and liquidity on a per share basis and facilitates the comparison across reporting periods.

Adjusted Net income

Adjusted Net income is a non-IFRS measure used by management to assess performance of the Corporation as it provides meaningful performance results and facilitates period-to-period comparisons. The Corporation believes Adjusted Net income is useful to investors because it helps identify underlying trends in our business that could otherwise be masked by certain write-offs, charges, income or recoveries that can vary from period to period. The Corporation believes that Adjusted Net income is an important measure as it shows stable results which allows users of the financial statements to better assess the trend in the profitability of the business. It is calculated by excluding from the Net income unrealized gains or losses on derivative financial instruments, amortization from intangible assets, gains or losses from the change in fair value of investments, share-based compensation, performance and deferred share unit expense, impairment of goodwill, share of results of investments in associates, gain on disposal of an investment, other income and acquisition, legal, restructuring and other expenses, as well as the tax impact of these adjustments. Refer to section "Non-IFRS measures reconciliations" of this MD&A for a reconciliation of this measure to the most directly comparable measure under IFRS.

Adjusted Net income per share

Adjusted Net income per share is a non-IFRS ratio used by management to assess financial performance results of the Corporation on a per share basis and because the Corporation believes it facilitates period-to-period comparisons. Adjusted Net income per share is calculated by dividing the amount of Adjusted Net Income for a given period by the weighted average number of basic shares or diluted shares.

LTM Adjusted EBITDA

Last twelve months (LTM) Adjusted EBITDA is a non-IFRS measure representing the Adjusted EBITDA of a given quarterly period, plus the Adjusted EBITDA of the three quarters immediately preceding such referenced period. Management believes that LTM Adjusted EBITDA is a useful measure to evaluate the Corporation's financial performance during the immediately preceding twelve-month time period.

Pro Forma Adjusted EBITDA

Pro Forma Adjusted EBITDA is a non-IFRS measure representing LTM Adjusted EBITDA adjusted to include Adjusted EBITDA from acquisitions for the months prior to such acquisitions, as well as estimated revenue and cost saving synergies from such acquisitions. Furthermore, Pro Forma Adjusted EBITDA includes the impact on a 12-month basis of these significant cost efficiencies, restructuring measures, and new sales hires in the fastest growing divisions. Management believes that Pro Forma Adjusted EBITDA provides investors with useful financial metrics to assess and evaluate the Corporation's financial performance from period-to-period by adjusting for the impact of acquisitions and cost saving initiatives assuming they occurred at the beginning of the fiscal year, as well as certain events that are otherwise non-recurring. The Corporation also presents such non-IFRS measure because it believes such non-IFRS measure is frequently used by securities analysts, investors and other interested parties as a measure of financial performance.

Adjustments to arrive to Pro Forma Adjusted EBITDA are based on estimates and assumptions made by management that are inherently uncertain, although considered reasonable by management, and subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond our control. Adjusted EBITDA from acquisitions for the months prior to such acquisitions are based on the internal books and records available to management and has been determined using the definition used by the Corporation. The amounts exclude certain non-recurring charges that have been or will be incurred in connection with such acquisitions, including professional fees to complete the acquisitions. The cost efficiency and restructuring measures are based on certain estimates and assumptions and should not be regarded as a representation by the Corporation or any other person that the Corporation will achieve such results. Pro Forma Adjusted EBITDA is presented for informational purposes only and does not purport to represent the Corporation's results had the acquisitions been made by the Corporation at the beginning of the period presented nor is such measure meant to project the results for any future date or period. As a result, readers should exercise caution in interpreting this financial measure and should not place undue reliance thereon.

Net debt

Net debt is a non-IFRS measure calculated as the Corporation's credit facilities, including the current portion of credit facilities, and subordinated debt less the Corporation's cash and cash equivalents. It is used by management to monitor the amount of debt at a particular date after taking into account cash and cash equivalents and as an indicator of the Corporation's overall financial position.

Net debt to Pro Forma Adjusted EBITDA ratio

Net debt to Pro Forma Adjusted EBITDA is a non-IFRS ratio calculated as Net debt divided by Pro Forma Adjusted EBITDA. The Corporation believes that Net debt to Pro Forma Adjusted EBITDA is an important measure when analyzing the Corporation's debt repayment capacity on an annualized basis, taking into consideration the annualized Adjusted EBITDA, synergies of acquisitions and permanent cost-saving initiatives made during the last twelve months.

NON-IFRS MEASURES RECONCILIATIONS

Adjusted EBITDA, Pro Forma Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income, Adjusted Net income per share, Adjusted free cash flow, Adjusted free cash flow per share, Net debt and Net debt to Pro Forma Adjusted EBITDA ratio are non-IFRS measures that the Corporation uses to assess its operating performance. Refer to "Supplemental information on Non-IFRS Measures" on page 33.

The following tables show the reconciliation of Net income to Adjusted EBITDA, to Adjusted Net income, LTM Adjusted EBITDA and to Pro Forma Adjusted EBITDA:

	3 months		12 months	
(in thousands of Canadian dollars)	March 31, 2025 **Q4 2025**	March 31, 2024 **Q4 2024**	March 31, 2025 **Fiscal 2025**	March 31, 2024 **Fiscal 2024**
Net income (loss)	**7,655**	**(46,318)**	**36,440**	**(13,741)**
Impairment on goodwill	–	56,119	–	56,119
Net finance expense	9,516	3,736	42,416	28,883
Change in fair value of investments	2	(106)	(54)	18
Income taxes	977	3,639	10,982	16,030
Depreciation and write-off of property and equipment	1,941	1,183	8,090	8,342
Depreciation of right-of-use assets	1,020	1,192	4,097	4,420
Amortization of intangible assets	5,115	4,124	18,583	17,371
Share-based compensation	111	93	409	435
Performance and deferred share unit expense	5,640	4,711	10,181	6,841
Share of results of investments in associates	(210)	(354)	3,381	1,166
Gain on disposal of an investment	(845)	–	(845)	–
Other income	(24)	–	(24)	–
Acquisition, legal, restructuring and other expenses	4,129	1,404	8,543	(29)
Adjusted EBITDA	**35,027**	**29,423**	**142,199**	**125,855**
Adjusted EBITDA margin	**36.5%**	**35.2%**	**36.8%**	**36.4%**
Net income (loss)	**7,655**	**(46,318)**	**36,440**	**(13,741)**
Adjusted for:				
Impairment on goodwill	–	56,119	–	56,119
Unrealized loss (gain) on derivative instruments	1,010	(2,252)	9,267	(1,431)
Amortization of intangible assets	5,115	4,124	18,583	17,371
Change in fair value of investments	2	(106)	(54)	18
Share-based compensation	111	93	409	435
Performance and deferred share unit expense	5,640	4,711	10,181	6,841
Share of results of investments in associates	(210)	(354)	3,381	1,166
Gain on disposal of an investment	(845)	–	(845)	–
Other income	(24)	–	(24)	–
Acquisition, legal, restructuring and other expenses	4,129	1,404	8,543	(29)
Income taxes related to above noted adjustments	(4,015)	(2,039)	(13,227)	(6,437)
Adjusted Net income	**18,568**	**15,382**	**72,654**	**60,312**
Average number of shares outstanding (diluted)	68,807	68,811	68,871	69,104
Adjusted Net income per share (diluted)	**0.27**	**0.22**	**1.05**	**0.87**

(in thousands of Canadian dollars)	March 31, 2025 **Fiscal 2025**	March 31, 2024 **Fiscal 2024**
LTM Adjusted EBITDA	**142,199**	**125,855**
Permanent cost-saving initiatives	1,046	2,758
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	150	-
Pro Forma Adjusted EBITDA	**143,395**	**128,613**

The following table shows the reconciliation of Cash flow from operating activities to Adjusted free cash flow:

	3 months		12 months	
(in thousands of Canadian dollars)	March 31, 2025 **Q4 2025**	March 31, 2024 **Q4 2024**	March 31, 2025 **Fiscal 2025**	March 31, 2024 **Fiscal 2024**
Cash flow from operating activities	**39,720**	**44,263**	**105,040**	**118,526**
Add / Less :				
Acquisition of property and equipment	(2,057)	(2,351)	(7,194)	(7,812)
Acquisition of intangible assets other than internally developed intangible assets	(1,183)	(355)	(2,680)	(1,231)
Addition to internally developed intangible assets	(1,371)	(1,148)	(5,184)	(5,001)
Interest paid	(5,287)	(6,641)	(23,781)	(25,927)
Repayment of lease liabilities	(954)	(929)	(4,295)	(4,351)
Net change in non-cash operating working capital items	(17,094)	(17,661)	6,663	5,983
Unrealized loss (gain) on foreign exchange	2,508	(958)	6,499	636
Acquisition, legal, restructuring and other expenses	4,129	1,404	8,543	(29)
Adjusted free cash flow(1)	**18,411**	**15,624**	**83,611**	**80,794**

The following table shows the calculation of Net debt and Net debt to Pro Forma Adjusted EBITDA ratio:

(in thousands of Canadian dollars)	**March 31, 2025**	**March 31, 2024**
Credit facilities	341,365	338,712
Subordinated debt	–	25,579
Cash and cash equivalents	(13,984)	(9,606)
Net debt	**327,381**	**354,685**
Net debt to Pro Forma Adjusted EBITDA	**2.28**	**2.76**

Note:

(1) A non-material adjustment was made to Q4 2024, Q3 2024 and Q2 2024 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from $15.3 million (0.22 per share) to $15.6 million (0.23 per share), Q3 2024; from $32.7 million (0.47 per share) to $32.1 million (0.47 per share) and Q2 2024; from $15.6 million (0.22 per share) to $14.6 million (0.21 per share).

FINANCIAL RESULTS FOR THE QUARTERS AND YEARS ENDED MARCH 31, 2025 AND 2024

CONSOLIDATED PERFORMANCE

Revenues

Revenues are detailed as follows:

	3 months			12 months		
(in thousands of Canadian dollars)	2025	2024	% Change	2025	2024	% Change
Revenues by geography						
Canada	46,793	45,581	2.7	198,933	192,293	3.5
United States	38,013	26,224	45.0	141,170	103,973	35.8
Other Countries	11,202	11,860	(5.5)	46,788	49,162	(4.8)
Revenues	96,008	83,665	14.8	386,891	345,428	12.0

Global

Revenues in Q4 2025 increased $12.3 million or 14.8% to $96.0 million, from $83.7 million for Q4 2024. The increase was mainly due to an increase in FAST channels revenues and to a positive foreign exchange impact.

Revenues for Fiscal 2025 increased $41.5 million or 12.0% to $386.9 million, from $345.4 million for Fiscal 2024. The increase was largely due to an increase in FAST channels revenues, to an increase in equipment and installation sales related to digital signage and to a positive foreign exchange impact.

Canada

Revenues in Canada in Q4 2025 increased $1.2 million or 2.7% to $46.8 million, from $45.6 million for Q4 2024. The increase was primarily due to an increase in Radio revenues driven by growth in local sales.

Revenues in Canada for Fiscal 2025 increased $6.6 million or 3.5% to $198.9 million, from $192.3 million for Fiscal 2024. The increase was mainly due to an increase in equipment and installation sales related to digital signage and to an increase in Radio revenues driven by growth in digital sales.

United States

Revenues in the United States in Q4 2025 increased $11.8 million or 45.0% to $38.0 million, from $26.2 million for Q4 2024. Cumulative revenues in the United States for Fiscal 2025 increased $37.2 million or 35.8% to $141.2 million, from $104.0 million for Fiscal 2024. Both increases were largely due to an increase in FAST channels revenues and to a positive foreign exchange impact.

Other Countries

Revenues in Other countries in Q4 2025 decreased $0.7 million or 5.5% to $11.2 million, from $11.9 million for Q4 2024. The decrease was mainly due to a decrease in in-store commercial revenues.

Revenues in Other countries for Fiscal 2025 decreased $2.4 million or 4.8% to $46.8 million, from $49.2 million for Fiscal 2024. The decrease was mainly due to a decrease in subscription revenues and to a decrease in audio channels revenues.

Operating expenses

Operating expenses in Q4 2025 increased $7.7 million or 13.0% to $66.7 million, from $59.0 million for Q4 2024. The increase was largely due to higher cost of sales related to higher revenues.

Cumulative operating expenses for Fiscal 2025 increased $28.4 million or 12.5% to $255.2 million, from $226.8 million for Fiscal 2024. The increase was mainly due to higher cost of sales related to higher revenues, to higher operating expenses, mostly due to higher salaries, and to higher performance and deferred share units expense related to an increase in the share price.

Adjusted EBITDA[1]

Adjusted EBITDA in Q4 2025 increased $5.6 million or 19.0% to $35.0 million from $29.4 million for Q4 2024. Adjusted EBITDA margin increased to 36.5% compared to 35.2% for Q4 2024. Cumulative Adjusted EBITDA for Fiscal 2025 increased $16.3 million or 13.0% to $142.2 million from $125.9 million for cumulative Fiscal 2024. Adjusted EBITDA margin increased to 36.8% compared to 36.4% for cumulative Fiscal 2024. Both increases of Adjusted EBITDA and EBITDA margin were mainly due to higher revenues, partially offset by higher operating expenses mostly due to higher salaries.

Depreciation, amortization and write off

Broadcast and Commercial Music

Depreciation, amortization and write off increased $1.1 million or 18.6% to $6.5 million from $5.4 million for Q4 2024. Depreciation, amortization and write off for Fiscal 2025 increased $0.2 million or 1.1% to $23.9 million, from $23.7 million for Fiscal 2024. Both increases were primarily due to an increase in amortization of intangible assets resulting from higher additions to intangible assets.

Radio

Depreciation, amortization and write off increased $0.5 million or 53.4% to $1.6 million from $1.1 million for Q4 2024. Depreciation, amortization and write off for Fiscal 2025 increased $0.5 million or 5.9% to $6.9 million, from $6.4 million for Fiscal 2024. Both increases were mostly due to higher disposition of property, plant & equipment.

Net finance expense (income)

Net finance expense increased $5.8 million or 154.7% to $9.5 million from $3.7 million for Q4 2024. The increase was mainly due to a foreign exchange loss and to an unrealized loss on derivative financial instruments, partially offset by lower interest expense.

Net finance expense for Fiscal 2025 increased $13.5 million or 46.9% to $42.4 million from $28.9 million for Fiscal 2024. The increase was mainly due to an unrealized loss on derivative financial instruments and to a higher foreign exchange loss, partially offset by lower interest expense.

Change in fair value of investments

In Q4 2025 and Fiscal 2025, there was no gain or loss on change in fair value of investments. In Q4 2024 there was a gain of $0.1 million on change in the fair value of investments, while in cumulative Fiscal 2024 there was no gain or loss. The variation on the change in fair value of investments was due to the translation of an investment denominated in U.S. dollars to Canadian dollars.

Impairment on goodwill

In Q4 2025 and Fiscal 2025, there was no impairment of Goodwill. In Fiscal 2024 the Corporation's Radio segment recognized a non-cash pre-tax impairment charge on goodwill of $56.1 million due to adjustments in the expected earnings and cash flow growth allocated to Radio segment's group of Cash-Generating Units (CGUs).

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

Acquisition, legal, restructuring and other expenses

(in thousands of Canadian dollars)	3 months 2025	3 months 2024	3 months Change $	12 months 2025	12 months 2024	12 months Change $
Broadcast and Commercial Music						
Acquisition	1,943	(11)	1,954	3,170	(7)	3,177
Legal	2,023	347	1,676	4,082	(3,226)	7,308
Restructuring and other	(40)	726	(766)	311	2,625	(2,314)
Radio						
Restructuring and other	203	342	(139)	980	579	401
Acquisition, legal, restructuring and other expenses	4,129	1,404	2,725	8,543	(29)	8,572

The increase in cumulative acquisition, legal, restructuring and other expenses in Fiscal 2025 compared to Fiscal 2024 was mainly due to a one-time settlement gain related to a trademark dispute in the comparative period.

Income taxes

The income tax expense recognized in comprehensive income was $1.0 million for Q4 2025 compared to 3.6 million for Q4 2024. The effective tax rate for Q4 2025 was 11.3% compared to 27.1% for Q4 2024 (excluding the impact of the impairment recorded on goodwill in the Radio segment recorded in the fourth quarter of Fiscal 2024). The decrease in effective tax rate resulted primarily due to the variance in permanent differences.

The income taxes expense recognized in comprehensive income was $11.0 million for Fiscal 2025 compared to $16.0 million for Fiscal 2024. The effective tax rate for Fiscal 2025 was 23.2% compared to 27.4% for Fiscal 2024 (excluding the impact of the impairment on goodwill in the Radio segment recorded in the fourth quarter of Fiscal 2024). The decrease in effective tax rate resulted primarily due to a prior period adjustment and the variance in permanent differences.

Net income (loss) and Net income (loss) per share

Net income in Q4 2025 was $7.7 million ($0.11 per share) compared to a Net loss of $46.3 million ($0.67 per share) for Q4 2024. The variance was primarily due to a one-time impairment of $56.1 million of the goodwill related to the Radio segment in the comparative period and to higher operating results, partially offset by a foreign exchange loss and by an unrealized loss on derivative financial instruments.

Net income for Fiscal 2025 was $36.4 million ($0.53 per share) compared to a Net loss of $13.7 million ($0.20 per share) for Fiscal 2024. The variance was primarily due to a one-time impairment of $56.1 million of the goodwill related to the Radio segment in the comparative period and to higher operating results, partially offset by an unrealized loss on derivative financial instruments, by a one-time settlement gain related to a trademark dispute in the comparative period and by a higher foreign exchange loss.

Adjusted Net income(1) and Adjusted Net income per share(1)

Adjusted Net income in Q4 2025 was $18.6 million ($0.27 per share), compared to $15.4 million ($0.22 per share) for Q4 2024. The increase was mainly due to higher operating results, partially offset by a foreign exchange loss.

Cumulative Adjusted Net income for Fiscal 2025 was $72.7 million ($1.05 per share), compared to $60.3 million ($0.87 per share) for Fiscal 2024. The increase was mainly due to higher operating results and to lower interest expense, partially offset by a higher foreign exchange loss.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to “Supplemental Information on Non-IFRS Measures” on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to “Non-IFRS Measures Reconciliations” on page 35 and “Reconciliation of Quarterly Non-IFRS Measures” on page 45.

BUSINESS SEGMENT PERFORMANCE

BROADCASTING AND COMMERCIAL MUSIC

	3 months			12 months		
(in thousands of Canadian dollars)	Q4 2025	Q4 2024	% Change	2025	2024	% Change
Revenues	64,585	53,409	20.9	254,543	216,059	17.8
Operating expenses	36,457	30,724	18.7	146,902	125,567	17.0
Adjusted EBITDA(1)	**28,128**	**22,685**	**24.0**	**107,641**	**90,492**	**19.0**
Adjusted EBITDA margin(1)	**43.6%**	**42.5%**	**2.5**	**42.3%**	**41.9%**	**1.0**

Revenues

In Q4 2025, Broadcasting and Commercial Music revenues increased $11.2 million or 20.9% to $64.6 million, from $53.4 million for Q4 2024. The increase was primarily due to an increase in FAST channels revenues and to a positive foreign exchange impact.

Broadcasting and Commercial Music revenues for Fiscal 2025 increased $38.4 million or 17.8% to $254.5 million from $216.1 million for Fiscal 2024. The increase was primarily due to an increase in FAST channels revenues, to an increase in equipment and installation sales related to digital signage and to a positive foreign exchange impact.

Adjusted EBITDA(1)

In Q4 2025, Broadcasting and Commercial Music Adjusted EBITDA increased $5.4 million or 24.0% to $28.1 million from $22.7 million for Q4 2024. The increase was mainly due to an increase in gross margin due to higher revenues.

Broadcasting and Commercial Music Adjusted EBITDA for Fiscal 2025 increased $17.1 million or 19.0% to $107.6 million from $90.5 million for Fiscal 2024. The increase was mainly due to an increase in gross margin due to higher revenues, partially offset by higher operating expenses mostly due to higher salaries.

Note:

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RADIO

(in thousands of Canadian dollars)	3 months			12 months		
	Q4 2025	Q4 2024	% Change	2025	2024	% Change
Revenues	31,423	30,256	3.9	132,348	129,369	2.3
Operating expenses	22,833	22,042	3.6	90,264	87,916	2.7
Adjusted EBITDA[(1)]	**8,590**	**8,214**	**4.6**	**42,084**	**41,453**	**1.5**
Adjusted EBITDA margin[(1)]	**27.3%**	**27.1%**	**0.7**	**31.8%**	**32.0%**	**(0.8)**

Revenues

Radio revenues are derived from the sale of advertising airtime, which is subject to the seasonal fluctuations of the Canadian radio industry. Accordingly, the first and third quarter results tend to be the strongest and the second and fourth quarter results tend to be the weakest in a fiscal year.

In Q4 2025, Radio revenues increased $1.1 million or 3.9% to $31.4 million from $30.3 million for Q4 2024. The increase was driven mostly by higher local sales.

Radio revenues for Fiscal 2025 increased $2.9 million or 2.3% to $132.3 million from $129.4 million for Fiscal 2024. The increase was driven mostly by higher digital revenues.

Adjusted EBITDA[(1)]

In Q4 2025, Radio Adjusted EBITDA increased $0.4 million or 4.6% to $8.6 million from $8.2 million for Q4 2024. Cumulative Radio Adjusted EBITDA for Fiscal 2025 increased $0.6 million or 1.5% to $42.1 million from $41.5 million for Fiscal 2024. Both increases were mainly due to an increase in gross margin due to higher revenues.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to “Supplemental Information on Non-IFRS Measures” on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to “Non-IFRS Measures Reconciliations” on page 35 and “Reconciliation of Quarterly Non-IFRS Measures” on page 45.

CORPORATE

(in thousands of Canadian dollars)	3 months Q4 2025	Q4 2024	% Change	12 months 2025	2024	% Change
Operating expenses	7,442	6,280	18.5	18,116	13,366	35.5
Adjust:						
Share-based compensation	(111)	(93)	19.4	(409)	(435)	(6.0)
Performance and deferred share unit expense	(5,640)	(4,711)	19.7	(10,181)	(6,841)	48.8
Adjusted EBITDA(1)	**(1,691)**	**(1,476)**	**14.6**	**(7,526)**	**(6,090)**	**23.6**

Adjusted EBITDA(1)

Corporate Adjusted EBITDA represents the head office operating expenses less the share-based compensation and performance and deferred share unit expense. Both increases in negative Adjusted EBITDA were mainly related to higher compensation compared to corresponding periods.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

Quarterly results

Revenues fluctuated over the last eight quarters from $79.0 million in the first quarter of Fiscal 2024 to $96.0 million in the fourth quarter of Fiscal 2025. These fluctuations, largely driven by the cyclical nature of the Corporation's business, were also influenced by several other factors. The increase in Q2 2024 was largely due to an increase in retail media advertising revenues. The increase in Q3 2024 and decrease in Q4 2024 were mostly due to normal business seasonality. The increase in Q1 2025 was mostly due to higher Radio revenues, and to an increase in equipment and installation sales related to digital signage. The increase in Q2 2025 was mainly due to higher FAST channel revenues and to an increase in equipment and installation sales related to digital signage. The increase in Q3 2025 was primarily due to normal business seasonality and to higher FAST channel revenues. The decrease in Q4 2025 was mainly due to normal business seasonality.

Adjusted EBITDA(1) fluctuated over the last eight quarters from $28.3 million in the first quarter of Fiscal 2024 to $35.0 million in the fourth quarter of Fiscal 2025. The increase in Q2 2024 was due to higher gross margin from higher revenues. The increase in Q3 2024 and the decrease in Q4 2024 were mainly due to normal business seasonality. The increase in Q1 2025 was due to higher gross margin from higher revenues. The increase in Q2 2025 was largely due to higher revenues. The increase in Q3 2025 and the decrease in Q4 2025 were mainly due to normal business seasonality.

Net income (loss) fluctuated over the last eight quarters from a Net income of $14.1 million in the first quarter of Fiscal 2024 to a Net income of $7.7 million in the fourth quarter of Fiscal 2025. In Q2 2024, the decrease was mainly due to a one-time settlement gain on a trademark dispute in comparative periods, partially offset by an unrealized gain on derivative financial instruments and by lower income tax expense. In Q3 2024, the decrease was mainly due to an unrealized loss on derivative financial instruments and to a foreign exchange loss, partially offset by higher operating results. In Q4 2024, the decrease was largely due to the impairment of goodwill in the Radio segment. In Q1 2025, the increase was largely due to the impairment of goodwill in the Radio segment in the previous quarter. In Q2 2025, the decrease was mainly due to a higher loss on the fair value of derivative financial instruments and to higher restructuring and other expenses, partially offset by higher operating results. In Q3 2025, the increase was mostly due to higher operating results. In Q4 2025, the decrease was mostly due to lower revenues related to normal business seasonality and to higher performance and deferred share units expense due to an increase in the share price, partially offset by a lower loss on the fair value of derivative financial instruments and by lower income tax expense.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

Summary of Consolidated Quarterly Results

(in thousands of Canadian dollars, except per share amounts)	3 months March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	FY2025	**FY2025**	**FY2025**	**FY2025**	**FY2024**	**FY2024**	**FY2024**	**FY2024**
Revenues by segment								
Broadcasting and Commercial Music	64,585	72,218	60,895	56,845	53,409	65,647	49,815	47,188
Radio	31,423	36,010	32,690	32,225	30,256	34,631	32,678	31,804
Total revenues	**96,008**	**108,228**	**93,585**	**89,070**	**83,665**	**100,278**	**82,493**	**78,992**
Revenues by geography								
Canada	46,793	54,184	48,942	49,014	45,581	51,002	48,429	47,281
United States	38,013	42,316	32,889	27,952	26,224	37,099	21,571	19,079
Other countries	11,202	11,728	11,754	12,104	11,860	12,177	12,493	12,632
Total revenues	**96,008**	**108,228**	**93,585**	**89,070**	**83,665**	**100,278**	**82,493**	**78,992**
Adjusted EBITDA(1)	**35,027**	**42,108**	**33,994**	**31,070**	**29,423**	**38,648**	**29,518**	**28,266**
LTM Adjusted EBITDA(1)	**142,199**	**136,595**	**133,135**	**128,659**	**125,855**	**123,005**	**118,807**	**116,320**
Net income (loss)	**7,655**	**15,677**	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**
Net income (loss) per share basic and diluted	0.11	0.23	0.08	0.11	(0.67)	0.13	0.14	0.20
Adjusted Net income(1)	**18,568**	**23,424**	**16,729**	**13,933**	**15,382**	**18,483**	**14,554**	**11,893**
Adjusted Net income per share basic and diluted(1)	0.27	0.34	0.24	0.20	0.22	0.27	0.21	0.17
Cash flow from operations	**39,720**	**35,387**	**19,183**	**10,750**	**44,263**	**30,902**	**19,101**	**24,260**
Adjusted free Cash Flow(1)(2)	**18,411**	**28,636**	**21,103**	**15,462**	**15,624**	**32,146**	**14,567**	**18,457**
Quarterly dividend	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

(2) A non-material adjustment was made to Q4 2024, Q3 2024, Q2 2024 and Q4 2023 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from \$15.3 million (0.22 per share) to \$15.6 million (0.23 per share), Q3 2024; from \$32.7 million (0.47 per share) to \$32.1 million (0.47 per share), Q2 2024; from \$15.6 million (0.22 per share) to \$14.6 million (0.21 per share) and Q4 2023; from \$14.9 million (0.21 per share) to \$14.6 million (0.21 per share).

Reconciliation of Quarterly Non-IFRS Measures

Adjusted EBITDA, Pro Forma Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income, Adjusted Net income per share, Adjusted free cash flow, Adjusted free cash flow per share, Net debt and Net debt to Pro Forma Adjusted EBITDA ratio are non-IFRS measures that the Corporation uses to assess its operating performance. Refer to "Supplemental information on Non-IFRS Measures" on page 33.

The following tables show the reconciliation of Net income (loss) to Adjusted EBITDA, to Adjusted Net income, to LTM Adjusted EBITDA and to Pro Forma Adjusted EBITDA:

	3 months							
(in thousands of Canadian dollars)	**March. 31, 2025**	**Dec. 31, 2024**	**Sept. 30, 2024**	**June 30, 2024**	**March 31, 2024**	**Dec. 31, 2023**	**Sept. 30, 2023**	**June 30, 2023**
	FY 2025	**FY 2025**	**FY 2025**	**FY2025**	**FY2024**	**FY2024**	**FY2024**	**FY2024**
Net income (loss)	**7,655**	**15,677**	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**
Impairment on Goodwill	–	–	–	–	56,119	–	–	–
Net finance expense (income)	9,516	11,639	12,162	9,099	3,736	15,159	5,582	4,406
Change in fair value of investments	2	(43)	29	(42)	(106)	103	(86)	107
Income taxes	977	4,025	2,457	3,523	3,639	3,186	3,467	5,738
Depreciation and write-off of property and equipment	1,941	2,104	1,970	2,075	1,183	2,401	2,373	2,385
Depreciation of right-of-use assets	1,020	850	1,137	1,090	1,192	1,074	1,069	1,085
Amortization of intangible assets	5,115	5,098	4,199	4,171	4,124	4,003	4,811	4,433
Share-based compensation	111	62	106	130	93	121	120	101
Performance and deferred share unit expense (income)	5,640	1,942	1,763	836	4,711	2,747	590	(1,207)
Share of results of investments in associates	(210)	(288)	1,827	2,052	(354)	509	1,011	–
Acquisition, legal, restructuring and other expenses	4,129	1,042	2,531	841	1,404	275	1,191	(2,900)
Gain on disposal of an investment	(845)	–	–	–	–	–	–	–
Other income	(24)	–	–	–	–	–	–	–
Adjusted EBITDA	**35,027**	**42,108**	**33,994**	**31,070**	**29,423**	**38,648**	**29,518**	**28,266**
Adjusted EBITDA margin	**36.5%**	**38.9%**	**36.3%**	**34.9%**	**35.2%**	**38.5%**	**35.8%**	**35.8%**
Net income	**7,655**	**15,677**	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**
Adjusted for:								
Impairment on Goodwill	–	–	–	–	56,119	–	–	–
Unrealized loss (gain) on derivative financial instruments	1,010	2,770	4,434	1,053	(2,252)	5,056	(600)	(3,635)
Amortization of intangible assets	5,115	5,098	4,199	4,171	4,124	4,003	4,811	4,433
Change in fair value of investments	2	(43)	29	(42)	(106)	103	(86)	107
Share-based compensation	111	62	106	130	93	121	120	101
Performance and deferred share unit expense	5,640	1,942	1,763	836	4,711	2,747	590	(1,207)
Acquisition, legal, restructuring and other expenses	4,129	1,042	2,531	841	1,404	275	1,191	(2,900)
Share of results of investments in associates	(210)	(288)	1,827	2,052	(354)	509	1,011	–
Gain on disposal of an investment	(845)	–	–	–	–	–	–	–
Other income	(24)	–	–	–	–	–	–	–
Income taxes related to above noted adjustments	(4,015)	(2,836)	(3,973)	(2,403)	(2,039)	(3,401)	(1,873)	876
Adjusted Net income	**18,568**	**23,424**	**16,729**	**13,933**	**15,382**	**18,483**	**14,554**	**11,893**
Average number of shares outstanding (diluted)	68,807	68,742	69,022	69,209	68,811	69,068	69,349	69,433
Adjusted Net income per share diluted	**0.27**	**0.34**	**0.24**	**0.20**	**0.22**	**0.27**	**0.21**	**0.17**

(in thousands of Canadian dollars)	3 months March. 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	FY2025	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024	FY2023
LTM Adjusted EBITDA	142,199	136,595	133,135	128,659	125,855	123,005	118,807	116,320
Permanent cost-saving initiatives	1,046	1,332	1,476	2,309	2,758	4,459	3,438	1,880
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	150	299	449	–	–	–	–	–
Pro Forma Adjusted EBITDA	**143,395**	**138,226**	**135,060**	**130,968**	**128,613**	**127,464**	**122,245**	**118,200**

The following table shows the reconciliation of Cash flow from operating activities to Adjusted free cash flow:

(in thousands of Canadian dollars)	3 months March. 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	FY2025	FY2025	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024
Cash flow from operating activities	**39,720**	**35,387**	**19,183**	**10,750**	**44,263**	**30,902**	**19,101**	**24,260**
Acquisition of property and equipment	(2,057)	(1,765)	(1,886)	(1,486)	(2,351)	(1,742)	(2,350)	(1,369)
Acquisition of intangible assets other than internally developed intangible assets	(1,183)	(848)	(205)	(444)	(355)	(256)	(318)	(302)
Addition to internally developed intangible assets	(1,371)	(1,263)	(1,268)	(1,282)	(1,148)	(1,279)	(1,274)	(1,300)
Interest paid	(5,287)	(6,159)	(6,356)	(5,979)	(6,641)	(6,620)	(7,093)	(5,573)
Repayment of lease liabilities	(954)	(1,025)	(1,324)	(992)	(929)	(997)	(1,368)	(1,057)
Net change in non-cash operating working capital items	(17,094)	1,076	9,848	12,833	(17,661)	9,500	8,054	6,090
Unrealized loss (gain) on foreign exchange	2,508	2,191	580	1,221	(958)	2,363	(1,377)	608
Acquisition, legal, restructuring and other expenses	4,129	1,042	2,531	841	1,404	275	1,192	(2,900)
Adjusted free cash flow(1)	**18,411**	**28,636**	**21,103**	**15,462**	**15,624**	**32,146**	**14,567**	**18,457**
Average number of shares outstanding (diluted)	68,807	68,742	69,022	69,209	68,811	69,068	69,349	69,433
Adjusted free cash flow per share (diluted)(1)	**0.27**	**0.42**	**0.31**	**0.22**	**0.23**	**0.47**	**0.21**	**0.27**

The following table shows the calculation of Net debt and of Net debt to Pro Forma Adjusted EBITDA ratio:

(in thousands of Canadian dollars)	3 months March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	FY2025	FY2025	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024
Credit facilities	341,365	370,826	350,500	345,854	338,712	362,902	374,573	374,114
Subordinated debt	–	–	25,583	25,581	25,579	25,577	25,593	25,568
Cash and cash equivalents	(13,984)	(19,253)	(8,593)	(9,184)	(9,606)	(6,991)	(9,704)	(11,682)
Net debt	**327,381**	**351,573**	**367,490**	**362,251**	**354,685**	**381,488**	**390,462**	**388,000**
Net debt to Pro Forma Adjusted EBITDA	**2.28**	**2.54**	**2.72**	**2.77**	**2.76**	**2.99**	**3.19**	**3.28**

(1) A non-material adjustment was made to Q4 2024, Q3 2024, Q2 2024 and Q4 2023 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from $15.3 million (0.22 per share) to $15.6 million (0.23 per share), Q3 2024; from $32.7 million (0.47 per share) to $32.1 million (0.47 per share), Q2 2024; from $15.6 million (0.22 per share) to $14.6 million (0.21 per share) and Q4 2023; from $14.9 million (0.21 per share) to $14.6 million (0.21 per share).

LIQUIDITY AND CAPITAL RESOURCES FOR THE QUARTERS AND YEARS ENDED MARCH 31, 2025 and 2024

	3 months		12 months	
(in thousands of Canadian dollars)	2025	2024	2025	2024
Operating activities	39,720	44,263	105,040	118,526
Financing activities	(41,595)	(37,797)	(83,358)	(107,725)
Investing activities	(3,227)	(3,856)	(17,396)	(16,638)
Effect of foreign exchange difference on cash and cash equivalents	(167)	5	92	(10)
Net change in cash	(5,269)	2,615	4,378	(5,847)
Cash – beginning of period	19,253	6,991	9,606	15,453
Cash – end of period	13,984	9,606	13,984	9,606
Adjusted free cash flow(1)	**18,411**	**15,624**	**83,611**	**80,794**

Operating Activities

Cash flow generated from operating activities amounted to $39.7 million for Q4 2025 compared to $44.3 million for Q4 2024. The decrease was mainly due a loss on foreign exchange, to higher income taxes paid and to higher acquisition, legal and restructuring and other costs, partially offset by higher operating results.

Cumulative cash flow generated from operating activities amounted to $105.0 million for Fiscal 2025 compared to $118.5 million for Fiscal 2024. The decrease was mainly due to higher income taxes paid, to a one-time settlement gain on a trademark dispute in the comparative period and to a higher loss on foreign exchange, partially offset by higher operating results.

Financing Activities

Net cash flow used in financing activities amounted to $41.6 million for Q4 2025 compared to $37.8 million for Q4 2024. The increase was mostly due to higher repayment of credit facilities, partially offset by proceeds from the exercise of stock options.

Cumulative net cash flow used in financing activities amounted to $83.4 million for Fiscal 2025 compared to $107.7 million for Fiscal 2024. The decrease was mostly due to repayment of contingent consideration for the acquisition of InStore Audio Network in Q1 2024 and to lower repayment of credit facilities, partially offset by the reimbursement of the subordinated debt.

Investing Activities

Net cash flow used in investing activities amounted to $3.2 million for Q4 2025 compared to $3.9 million for Q4 2024. The decrease was largely due to the disposal of investment in joint ventures.

Net cash flow used in investing activities amounted to $17.4 million for Fiscal 2025 compared to $16.6 million for Fiscal 2024. The increase was mainly due to the acquisition of The Coda Collection and Loupe Art and to an increase in acquisition of intangible assets, partially offset by the disposal of investment in joint ventures and an additional investment in The Singing Machine in the comparative period.

Adjusted free cash flow(1)

Adjusted free cash flow generated in Q4 2025 amounted to $18.4 million compared to $15.6 million for Q4 2024. Cumulative adjusted free cash flow generated in Fiscal 2025 amounted to $83.6 million compared to $80.8 million for Fiscal 2024. Both increases were mainly due to higher operating results, partially offset by higher income taxes paid.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

Contractual Obligations

The Corporation is committed under the terms of contractual obligations with various expiration dates, primarily the rental of properties and equipment, broadcast licences commitments and financial obligations under our credit agreement and subordinated debt. The following table summarizes the Corporation's undiscounted significant contractual obligations as at March 31, 2025, including its estimated payments and commitments related to leasing contracts:

(in thousands of Canadian dollars)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease liabilities	1,198	14,692	7,375	**23,265**
Operating obligations	953	2,518	1,481	**4,952**
Broadcast licences commitments	4,023	29	–	**4,052**
Credit facilities	–	342,507	–	**342,507**
Accounts payables and accrued liabilities	84,532	–	–	**84,532**
Other liabilities	4,757	19,906	1,614	**26,277**
Total obligations	**95,463**	**379,652**	**10,470**	**485,585**

Broadcast licences and royalties

A condition of the broadcast licences owned by the Corporation is to commit to fund Canadian Content Development ("CCD") over the initial term of the licences, which is usually seven years. The Corporation must also pay royalties for the use of music for the majority of its music services. Through copyright collective societies, the Corporation pays royalties to two sets of rights holders: rights holders in music works, which are the music and the lyrics; and, rights holders in artists' performances and sounds recordings, which are the actual performances and recordings of the musical works.

CONSOLIDATED FINANCIAL POSITION

The following table shows the main variances that have occurred in the consolidated financial position of the Corporation for the year ended March 31, 2025:

(in thousands of Canadian dollars)	March 31, 2025	March 31, 2024	Variance		Significant contributions
Trade and other receivables	82,754	72,002	10,572	▲	Timing of payments by clients and increase in revenues in broadcasting and commercial segment
Intangible assets	53,827	58,052	(4,225)	▼	Amortization of intangible assets, partially offset by additions through the acquisition of The Coda Collection and Loupe Art
Goodwill	309,690	304,604	5,086	▲	Foreign exchange differences
Accounts payables and accrued liabilities	84,532	75,177	9,355	▲	Timing of payments to suppliers
Other liabilities	27,243	17,810	9,433	▲	Higher derivative financial instruments liability, partially offset by payments of CRTC tangible benefits
Credit facilities	341,365	338,712	2,653	▲	Refer to the graph on next page
Subordinated debt	-	25,579	(25,579)	▼	Reimbursement of the subordinated debt

SOCAN and Re:Sound legal proceedings

In May 2017, the Corporation, together with its Canadian Broadcast Distribution Undertaking customers (together, the "Objectors"), presented an affirmative case before the Copyright Board of Canada to seek a reduction in the prescribed rates and terms for the Pay Audio Services Tariff for the 2007-2016 period. SOCAN and Re:Sound (together, the "Collectives") opposed that case. On May 28, 2021, the Copyright Board of Canada released a final decision relating to the Pay Audio Services Tariff. The decision and certified tariff were in line with the Objectors' expectations. By way of settlement, the Corporation has recovered the entirety of the anticipated refund from SOCAN. The Corporation continues to work with the other Objectors to collect from Re:Sound pursuant to the decision of the Copyright Board.

Transactions Between Related Parties

The key management personnel of the Corporation are the Chief Executive Officer, Chief Financial Officer and certain other key employees of the Corporation.

Key management personnel compensation and director's fees include the following:

	12 months	
(in thousands of Canadian dollars)	2025	2024
Short-term employee benefits	5,417	5,658
Share-based compensation	162	254
Performance share units	2,866	2,038
Deferred share units	4,230	4,887
	12,675	**12,837**

Off-Balance Sheet Arrangements

The Corporation therefore has no off-balance sheet arrangements, except for the operating leases with terms of twelve months or less, leases of low-value assets or leases that are not in scope of IFRS 16, that have, or are reasonably likely to have, a current or future material effect on its consolidated financial position, financial performance, liquidity, capital expenditures or capital resources.

Capital resources

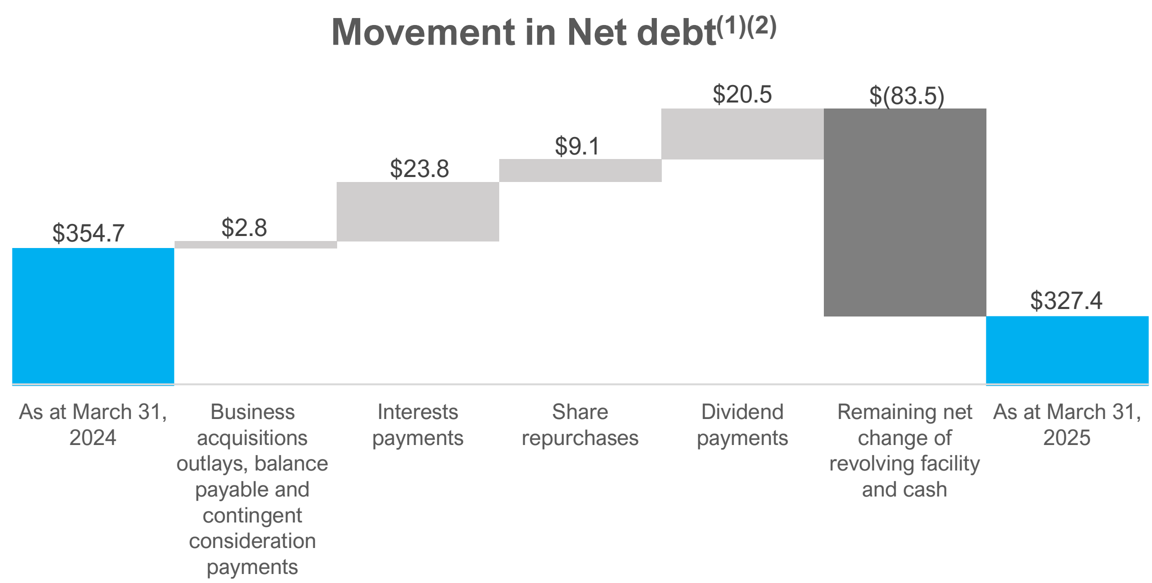
Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our revolving facility. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, pay dividends, repurchase shares and provide for working capital. We expect that cash generated from operations and borrowings available under our current credit facilities will be sufficient to meet our liquidity needs in the foreseeable future.

The credit facilities consist of a $500.0 million revolving credit facility maturing in December 2028.

The credit facilities bear interest at (a) the bank's prime rate (4.95% and 7.20% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (8.00% and 9.00% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (2.77% and 5.01% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (4.32% and 5.33% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (2.55% and 3.85% as at March 31, 2025 and March 31, 2024, respectively) at the Corporation's option. In addition, the Corporation incurs standby fees based on a financial covenant, on the unused portion of the credit facilities (0.37% and 0.40% respectively for the years ended March 31, 2025 and 2024).

As of March 31, 2025, the Corporation had cash and cash equivalents of $14.0 million and credit facilities of $341.4 million. The credit facility consists of a $500 million revolving credit facility, of which $156.3 million was available.

The following table summarizes the impact on the Net debt(2) that occurred in the fiscal year ended March 31, 2025:



Notes:

(1) In millions of Canadian dollars.

(2) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 33 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 35 and "Reconciliation of Quarterly Non-IFRS Measures" on page 45.

Disclosure of Outstanding Share Data

Issued and outstanding shares and outstanding stock options consisted of:

	June 4, 2025	March 31, 2025
Issued and outstanding shares:		
Subordinate voting shares	52,693,982	52,874,740
Subordinate voting shares held in trust through employee share purchase plan	(24,412)	(15,382)
Variable subordinate voting shares	2,283,437	2,291,867
Multiple voting shares	12,941,498	12,941,498
	67,894,505	**68,092,723**
Outstanding stock options:		
Stock options	3,124,895	3,124,895

The Corporation has a stock option plan to attract and retain employees, directors, officers and consultants. The plan provides for the granting of options to purchase subordinate voting shares. Under this plan,10% of all multiple voting shares, subordinate voting shares and variable subordinate voting shares issued and outstanding on a non-diluted basis is reserved for issuance. In Fiscal 2025, 538,354 options were exercised, and no options were cancelled nor granted to eligible employees.

Financial Risk Factors

Credit risk:

Credit risk is the risk of an unexpected financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet contractual obligations, and it arises primarily from the Corporation's trade and other receivables.

The Corporation’s credit risk is principally attributable to its trade receivables. The amounts presented in the consolidated statements of financial position are net of an allowance for expected credit risk, estimated by the Corporation’s management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. The Corporation's exposure to credit risk is mainly influenced by the characteristics of each customer. Generally, the Corporation does not require collateral or other security from customers for trade receivables; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of its customers.

An allowance for expected credit losses is maintained to reflect an impairment risk for trade accounts receivable based on an expected credit loss model. Bad debts are also provided for based on collection history and specific risks identified on a customer-by-customer basis.

Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk by continuously monitoring actual and budgeted cash flows under both normal and stressed conditions. The Board of Directors also reviews and approves the Corporation’s operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.

Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Corporation's earnings or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on risk.

Currency risk:

The Corporation is exposed to currency risk on sales and expenses that are denominated in currencies other than the functional currency of the Corporation’s subsidiaries, primarily the US dollar (“USD”) and the euro (“EURO”). Also, additional earnings variability arises from the translation of monetary assets and liabilities denominated in currencies other than the functional currency of the Corporation’s subsidiaries at the rate of exchange at each balance sheet date, the impact of which is reported as a foreign exchange gain or loss in the consolidated statements of comprehensive income.

The Corporation's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows, by transacting with third parties in the above currencies to the maximum extent possible and practical, given that this will act as natural economic hedges for each of these currencies.

The tables below summarize the FX forward contracts and options effective as at March 31, 2025

Maturity	Type	Contract exchange rate		Contractual amount		Mark-to-market assets (liabilities) as at March 31, 2025	Mark-to-market assets (liabilities) as at March 31, 2024
0 to 12 months	USD Sale	1.3182 – 1.3721	$	24,000	$	(1,821)	(11)
13 to 24 months	USD Sale	1.3457 – 1.3836		24,000		(848)	(8)
			$	48,000	$	(2,669)	(19)

Maturity	Type	Contract exchange rate		Contractual amount		Mark-to-market assets (liabilities) as at March 31, 2025	Mark-to-market assets (liabilities) as at March 31, 2024
Options							
0 to 12 months							
Ratio forward	USD Sale	1.4100	$	3,750 to 4,500	$	(74)	—
Target forward	USD Sale	1.4800		500 to 12,000		(25)	—
Participation memory forward	USD Sale	1.4610		500 to 12,000		(48)	—
			$	500 to 12,000	$	(147)	—

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation holds the majority of its cash and cash equivalents balance in accounts bearing interest at rates less than 3%. The Corporation is, therefore, not materially exposed to future cash flow fluctuations coming from changes in market interest rates for its cash and cash equivalents. Cash equivalents consist of term deposits with original maturities of less than three months and are, therefore, also exposed to interest rate risk on fair value. However, fair value risk is not significant, considering the relatively short term to maturity of these instruments.

The credit facility is a variable interest rate instrument that is due in more than one year. This instrument is exposed to changes in future interest rates that could result in future cash flow fluctuations. To manage its interest rate risk, the Corporation entered into the following interest rate swap agreements:

(in thousands of Canadian dollars)

Maturity	Currency	Fixed interest rate (when applicable)	Initial nominal value	Mark-to-market liabilities (assets) as at March 31, 2025	Mark-to-market liabilities (assets) as at March 31, 2024
Swaptions					
October 25, 2024	CAD	—	100,000	—	(44)
October 25, 2024	CAD	—	100,000	—	(24)
			200,000	—	(68)
Swap					
October 31, 2028	CAD	3.66%	140,000	(5,966)	(471)
September 29, 2026	CAD	3.93%	25,000	(1,257)	(214)
			$ 365,000	$ (7,223)	$ (753)

Critical Accounting Estimates

The preparation of the Corporation’s consolidated financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Below is an overview of the areas that involved more judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Estimates are based on management’s best knowledge of current events and actions that the Corporation may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected by these revisions.

The areas involving significant estimates or judgments are:

- Estimated value in use and/or fair value less costs to sell of CGUs used in goodwill and broadcasting licences impairment testing — Refer to Note 16 of the Consolidated financial statements

The other areas involving estimates are:

- Estimation of fair value of identified assets, liabilities and contingent consideration recorded in business acquisitions — Refer to Notes 3 and 22 of the Consolidated financial statements
- Estimation of current income tax payable, tax credits and current income tax expense — Refer to Note 10 of the Consolidated financial statements
- Recognition of deferred tax assets for tax losses available for carry forward — Refer to Note 10 of the Consolidated financial statements

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- Impairment of non-current assets

For the purpose of impairment testing of property and equipment, intangible assets, broadcast licences and goodwill, management must use its judgment to identify the smallest group of assets that generates cash inflows that are largely independent of those from other assets (“cash generating unit” or ”CGU”).

- Useful lives of broadcast licences

The Corporation has concluded that broadcast licences are indefinite life intangible assets because they are renewed every seven years without significant cost and there is a low likelihood of the renewal being denied.

- Lease term of contracts with renewal options

The Corporation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Corporation reassesses the lease term for whether significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy) has occurred.

New standard adopted by the Corporation

There are no new standards adopted by the Corporation as of March 31, 2025.

Future Accounting Changes

- IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements*. It will replace IAS 1 – *Presentation of Financial Statements*. These amendments will not require any significant change to current practice but should facilitate and improve financial statement disclosures. The adoption of IFRS 18 is expected to primarily impact the presentation of Stingray's statement of comprehensive income (loss), notably through the introduction of new required subtotals such as 'operating profit or loss'. Furthermore, the standard will bring more prescriptive guidance on the aggregation and disaggregation of information and will require enhanced disclosures in a single note for any management-defined performance measures (MPMs) utilized. The Corporation is currently assessing the detailed impacts of these changes, which are aimed at enhancing the transparency and comparability of financial information. The Corporation intends to adopt these amendments in its consolidated financial statements for the annual period ending on March 31, 2028.

Evaluation of Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with IFRS. The President and Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), together with Management, are responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and ICFR, as defined in National Instrument 52-109. The Corporation’s internal control framework is based on the criteria published in the updated version released in May 2013 of the report Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 COSO Framework").

The DC&P have been designed to provide reasonable assurance that material information relating to the Corporation is made known to the CEO and CFO by others, and that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by the Corporation under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

As at March 31, 2025, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Corporation's DC&P. Based on this evaluation, the CEO and the CFO concluded that the Corporation's DC&P were appropriately designed and were operating effectively as at March 31, 2025.

As at March 31, 2025, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of the ICFR based on the 2013 COSO Framework. Based on this evaluation, they have concluded that the Corporation's ICFR were effective as at March 31, 2025.
There have been no changes in the Corporation's internal control over financial reporting that occurred during the period that have materially affected, or are likely to materially affect, the Corporation's ICFR.

Subsequent Events

There are no subsequent events.

Additional Information

Additional information about the Corporation is available on our website at www.stingray.com and on the SEDAR website at www.sedar.com

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stingray Group Inc.

Opinion

We have audited the consolidated financial statements of Stingray Group Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at March 31, 2025 and March 31, 2024
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2025 and March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's report.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Goodwill and broadcast licenses impairment assessment for the Radio cash generating units

Description of the matter

We draw attention to note 16 of the consolidated financial statements. The Entity's goodwill amounts to $309,690, of which $162,285 relates to the Radio reportable segment. The broadcast licenses amount to $273,017, which all relate to the Radio reportable segment.

Goodwill and broadcast licenses are tested for impairment each year, or more frequently if indications of impairment exist. In estimating the recoverable amount of the Radio cash generating units ("CGUs") or group of CGUs, the Entity's significant assumptions used in determining the risk adjusted forecasted cash flows include the revenues and operating expenses growth rates and discount rates.

Why the matter is a key audit matter

We identified goodwill and broadcast licenses impairment assessment for the Radio CGUs as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the goodwill and broadcast licences and the high degree of estimation uncertainty in determining the recoverable amounts. In addition, significant auditor judgment and specialized skills and knowledge were needed in evaluating the results of our audit procedures due to the sensitivity of the Entity's determination of the recoverable amounts of the Radio CGUs or group of CGUs to minor changes in significant assumptions.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

- We compared the Radio CGUs or group of CGUs' future cash flows to historical actual results.
- We evaluated the Entity's ability to accurately forecast future cash flows by comparing actual results to historical cash flow forecasts.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the Entity's:

- Discount rate assumptions used in the determination of the estimated recoverable amounts of the Radio CGUs or group of CGUs, by comparing them against discount rate ranges that were independently developed using publicly available market data for comparable entities.
- Revenue growth rate assumptions for the Radio CGUs or group of CGUs by comparing them against expected growth rates included in analyst reports of the Entity and comparable entities.

Other Information

Management is responsible for the other information. Other information comprises the information:

- Included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- Other than the financial statements and the auditor's report thereon, included in a document entitled "Annual Report".

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

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

We obtained the information included in Management's Discussion and Analysis, and the Annual Report filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Marie David.

KPMG LLP*

Montréal, Canada

June 10, 2025

*CPA auditor, public accountancy permit No. A131681

Consolidated Statements of Comprehensive Income (Loss)

Years ended March 31, 2025 and 2024

(In thousands of Canadian dollars, except per share amounts)	Note	2025	2024
Revenues	5	$ 386,891	$ 345,428
Operating expenses	6	255,282	226,849
Depreciation, amortization and write-off		30,770	30,133
Net finance expense (income)	8	42,416	28,883
Change in fair value of investments	17, 29	(54)	18
Impairment of goodwill	16	—	56,119
Acquisition, legal, restructuring and other expenses	9	8,543	(29)
Share of results of investments in associates	17	3,381	1,166
Gain on disposal of an investment		(845)	—
Other income		(24)	—
Income before income taxes		47,422	2,289
Income taxes	10	10,982	16,030
Net income (loss)		$ 36,440	$ (13,741)
Net income (loss) per share — Basic	11	$ 0.53	$ (0.20)
Net income (loss) per share — Diluted	11	$ 0.53	$ (0.20)
Weighted average number of shares — Basic	11	68,304,109	69,103,690
Weighted average number of shares — Diluted	11	68,871,495	69,103,690

Comprehensive income (loss)		
Net income (loss)	$ 36,440	$ (13,741)
Other comprehensive income (loss), net of tax		
Items that will be reclassified to profit and loss		
Exchange differences on translation of foreign operations	7,707	(836)
Items that will not be reclassified to profit and loss		
Remeasurement gain (loss) on pension benefit obligations, net of income tax expense (recovery) of $166 (2024 — $81)	604	226
Total other comprehensive income (loss)	8,311	(610)
Total comprehensive income (loss)	$ 44,751	$ (14,351)

Net income (loss) is entirely attributable to Shareholders.

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

Consolidated Statements of Financial Position

March 31, 2025 and 2024

(In thousands of Canadian dollars)	Note	March 31, 2025	March 31, 2024
Assets			
Current assets			
Cash and cash equivalents		$ 13,984	$ 9,606
Trade and other receivables	12	82,574	72,002
Income taxes receivable		773	785
Inventories		2,496	4,324
Prepaid expenses and deposits		13,597	17,374
		113,424	104,091
Non-current assets			
Property and equipment	13	35,389	37,408
Right-of-use assets on leases	14	16,561	19,934
Intangible assets, excluding broadcast licences	15	53,827	58,052
Broadcast licences	16	273,017	272,996
Goodwill	16	309,690	304,604
Investments	17	5,807	9,658
Other non-current assets		3,599	3,170
Deferred tax assets	10	5,344	1,653
Total assets		$ 816,658	$ 811,566
Liabilities and Equity			
Current liabilities			
Credit facilities	19	$ —	$ 7,500
Accounts payable and accrued liabilities	18	84,532	75,177
Dividend payable	24	5,108	5,157
Deferred revenues		6,846	9,693
Current portion of lease liabilities	21	3,918	4,200
Current portion of other liabilities	22	8,238	5,250
Income taxes payable		4,545	8,040
		113,187	115,017
Non-current liabilities			
Credit facilities	19	341,365	331,212
Subordinated debt	20	—	25,579
Deferred revenues		184	184
Lease liabilities	21	14,879	18,206
Other liabilities	22	19,005	12,560
Deferred tax liabilities	10	61,204	60,225
Total liabilities		549,824	562,983
Shareholders' equity			
Share capital	24	292,273	294,782
Contributed surplus		5,672	6,393
Deficit		(42,754)	(55,924)
Accumulated other comprehensive income		11,643	3,332
Total equity		266,834	248,583
Commitments (note 27)			
Total liabilities and equity		$ 816,658	$ 811,566

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

Approved by the Board of Directors,

(Signed) Eric Boyko, Director

(Signed) Karinne Bouchard, Director

Consolidated Statements of Changes in Equity

Years ended March 31, 2025 and 2024

(In thousands of Canadian dollars, except number of share capital)	Share Capital				Accumulated other comprehensive income (loss)		
	Number	Amount	Contributed surplus	Deficit	Cumulative translation account	Defined benefit pension plans	Total shareholders' equity
Balance at March 31, 2023	69,319,798	$ 297,903	$ 6,158	$ (21,734)	$ 1,706	$ 2,236	$ 286,269
Dividends	—	—	—	(20,679)	—	—	(20,679)
Repurchase and cancellation of shares (note 24)	(557,500)	(3,167)	—	230	—	—	(2,937)
Share-based compensation	—	—	281	—	—	—	281
Employee share purchase plan (notes 24 and 26)	(4,734)	46	(46)	—	—	—	—
Net loss	—	—	—	(13,741)	—	—	(13,741)
Other comprehensive income (loss)	—	—	—	—	(836)	226	(610)
Balance at March 31, 2024	68,757,564	294,782	6,393	(55,924)	870	2,462	248,583
Issuance of shares upon exercise of stock options	538,354	3,875	(940)	—	—	—	2,935
Dividends	—	—	—	(20,439)	—	—	(20,439)
Repurchase and cancellation of shares (note 24)	(1,194,349)	(6,315)	—	(2,831)	—	—	(9,146)
Share-based compensation	—	—	150	—	—	—	150
Employee share purchase plan (notes 24 and 26)	(8,846)	(69)	69	—	—	—	—
Net income	—	—	—	36,440	—	—	36,440
Other comprehensive income	—	—	—	—	7,707	604	8,311
Balance at March 31, 2025	68,092,723	292,273	5,672	(42,754)	8,577	3,066	266,834

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

Consolidated Statements of Cash Flows

Years ended March 31, 2025 and 2024

(In thousands of Canadian dollars)	Note		2025		2024
Operating activities:					
Net income (loss)		$	36,440	$	(13,741)
Adjustments for:					
Impairment of goodwill	16		—		56,119
Depreciation, amortization, and write-off			30,750		30,133
Loss on disposal of property and equipment			233		16
Gain on disposal of leases			(213)		—
Gain on disposal of an investment			(845)		—
Share-based compensation, PSU and DSU expenses			10,590		7,276
Interest expense and standby fees	8		22,645		26,406
Change in fair value of derivative financial instruments	8		9,415		(1,136)
Change in fair value of investments	17		(54)		18
Share of results of joint ventures	17		(22)		14
Share of results of investments in associates	17		3,381		1,166
Change in fair value of contingent consideration	8		1,201		597
Accretion of other liabilities	8		832		1,157
Interest expense on lease liabilities	8, 21		1,247		1,453
Income tax expense			10,982		16,030
Income taxes paid			(14,879)		(999)
			111,703		124,509
Net change in non-cash operating items	25		(6,663)		(5,983)
			105,040		118,526
Financing activities:					
Increase (decrease) of credit facilities			2,870		(22,287)
Repayment of subordinated debt			(25,600)		—
Payment of dividends	24		(20,488)		(20,721)
Shares repurchased and cancelled	24		(9,146)		(2,937)
Shares purchased under the employee share purchase plan			(326)		(295)
Interest paid			(23,781)		(25,927)
Deferred financing fees			(593)		(350)
Proceeds from the exercise of stock options	24		2,935		—
Repayment of lease liabilities	21		(4,295)		(4,351)
Repayment of other liabilities			(4,786)		(30,562)
Unwind of interest rate swaps	29		(148)		(295)
			(83,358)		(107,725)
Investing activities:					
Business acquisitions, net of cash acquired	3		(2,489)		—
Acquisition of investments	17		(21)		(169)
Addition to investments in joint ventures	17		(1,914)		(1,874)
Disposal of investments in joint ventures	17		1,888		—
Acquisition of investments in associates	17		—		(1,370)
Acquisition of property and equipment			(7,194)		(7,812)
Acquisition of intangible assets other than internally developed intangible assets			(2,680)		(1,231)
Addition to internally developed intangible assets			(5,184)		(5,001)
Proceeds from disposal of property and equipment			198		819
			(17,396)		(16,638)
Effect of foreign exchange on cash and cash equivalents			92		(10)
Net increase (decrease) in cash and cash equivalents			4,378		(5,847)
Cash and cash equivalents, beginning of year			9,606		15,453
Cash and cash equivalents, end of year		$	13,984	$	9,606

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

(In thousands of Canadian dollars, unless otherwise stated)

1. BUSINESS DESCRIPTION

Stingray Group Inc. (the "Corporation") is incorporated under the *Canada Business* Corporations Act. The Corporation is domiciled in Canada and its registered office is located at 730 Wellington, Montréal, Québec, H3C 1T4. The Corporation is a provider of multi-platform music services. It broadcasts high quality music and video content on several platforms including radio stations, premium television channels, digital TV, satellite TV, IPTV, the Internet, mobile devices and game consoles. A portion of the Corporation's revenues is derived from the sale of advertising airtime, which is subject to the seasonal fluctuations of the Canadian radio industry. Accordingly, the first and third quarter results tend to be the strongest and the second and fourth quarter results tend to be the weakest in a fiscal year.

2. SIGNIFICANT CHANGES AND HIGHLIGHTS

The consolidated financial position and performance of the Corporation was particularly affected by the following events and transactions during the year ended March 31, 2025:

- On January 1st 2025, the Corporation sold 130,028 units of its limited partnership interest in Business Avionic Limited Partnership ("BALP") to Mavrik, which represents 33% of its total interest, for a consideration of $1,888.
- On December 23, 2024, the Corporation acquired Loupe, Inc., a company operating a visual art streaming service on smart TVs and digital signage, for total consideration of US$1,558 ($2,240). It resulted in the recognition of intangible assets (note 15), goodwill (note 16), a contingent consideration (note 22) and a balance payable on acquisition (note 22).
- On December 5, 2024, the Corporation completed the increase and extension of its credit facility consisting of a 500,000 revolving credit facility, providing an additional $80,000 in liquidity. The maturity date was extended by one year to December 5th, 2028. Additionally, the term loan and subordinated debt were repaid for a total amount of $70,600.
- On September 25, 2024, the Corporation announced that the Toronto Stock Exchange had approved its normal course issuer bid, authorizing the Corporation to repurchase up to an aggregate 3,542,716 subordinate voting shares and variable subordinate voting shares (collectively, "Subordinate Shares"), representing approximately 10% of the public float of Subordinate Shares as at September 13, 2024. Refer to note 24 for more information.
- On July 1st, 2024, the Corporation purchased all the assets necessary to operate The Coda Collection, a music-focused streaming platform that offers concert films, documentaries, and episodic series for total consideration of US$2,106 ($2,847). It resulted in the recognition of intangible assets (note 15), goodwill (note 16), and contingent consideration (note 22).

(In thousands of Canadian dollars, unless otherwise stated)

3. BUSINESS ACQUISITIONS

FISCAL 2025

Loupe Art

On December 23, 2024, the Corporation acquired Loupe, Inc., a company operating a visual art streaming service on smart TVs and digital signage, for total consideration of US$1,558 ($2,240). As a result of the acquisition, goodwill of $95 was recognized related to the operating synergies expected to be achieved from integrating the acquired business into the Corporation's existing business. The goodwill will not be deductible for tax purposes.

The fair value of acquired trade receivables was US$47 ($68), which represented the gross contractual amount. The contingent consideration arrangement requires the Corporation to pay, in cash, to the former owners, an amount not exceeding US$1,637 ($2,353) over the next three years ending in December 2027, based on recurring monthly revenues targets. The fair value of the contingent consideration was determined using an income approach based on the estimated amount and timing of projected cash flows.

Had the acquisition occurred at the beginning of the fiscal year, revenues and net income related to this acquired business would not have been material.

		Preliminary
Assets acquired:		
Cash and cash equivalents		303
Trade and other receivables		68
Other current assets		335
Intangible assets		2,526
Goodwill		95
		3,327
Liabilities assumed:		
Accounts payable and accrued liabilities		593
Deferred revenues		349
Deferred tax liabilities		145
		1,087
Net assets acquired at fair value	$	2,240
Consideration given:		
Cash		908
Balance payable on business acquisition		589
Contingent consideration		743
	$	2,240

As of the reporting date, the Corporation has not completed the purchase price allocation over the identifiable net assets and goodwill as information to confirm the fair value of certain assets and liabilities remains to be obtained.

(In thousands of Canadian dollars, unless otherwise stated)

The Coda Collection

On July 1st, 2024, the Corporation purchased all the assets necessary to operate The Coda Collection, a music-focused streaming platform that offers concert films, documentaries, and episodic series for total consideration of US$2,106 ($2,847). As a result of the acquisition, goodwill of $510 was recognized related to the operating synergies expected to be achieved from integrating the acquired business into the Corporation's existing business. The goodwill will be deductible for tax purposes.

The asset purchase arrangement requires the Corporation to pay, in cash, to the former owners, an amount not exceeding US$7,500 ($10,141) over the next four years ending in September 2028, based on a revenue target. The fair value of the contingent consideration was determined using an income approach based on the estimated amount and timing of projected cash flows.

Had the acquisition occurred at the beginning of the fiscal year, revenues and net income related to this acquired business would not have been material.

		Preliminary
Assets acquired:		
Intangible assets		2,337
Goodwill		510
		2,847
Net assets acquired at fair value	$	2,847
Consideration given:		
Cash		1,885
Contingent consideration		962
	$	2,847

As of the reporting date, the Corporation has not completed the purchase price allocation over the identifiable net assets and goodwill as information to confirm the fair value of certain assets and liabilities remains to be obtained.

(In thousands of Canadian dollars, unless otherwise stated)

4. SEGMENT INFORMATION

OPERATING SEGMENTS

The Corporation's operating segments are aggregated in two segments: *Broadcasting and commercial music* and *Radio*. The operating segments reflect how the Corporation manages its operations, resources, and assets and how it measures its performance. Both operating segments' financial results are reviewed by the Chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and assesses its performance based on adjusted earnings before interest, taxes, depreciation, and amortization (thereafter "Adjusted EBITDA"), and for which distinct financial information is available. Adjusted EBITDA excludes from income before income taxes the following expenses: share-based compensation, performance and deferred share unit expense, depreciation, amortization and write-off, net finance expense (income), change in fair value of investments, impairment of goodwill and acquisition, legal, restructuring, and other expenses. There are no inter-segment revenues for the periods.

The Broadcasting and commercial music segment specializes in the broadcast of music and videos on multiple platforms and digital signage experiences and generates revenues from subscriptions or contracts.

The Radio segment operates several radio stations across Canada and generates revenues from advertising.

Corporate and eliminations is a non-operating segment comprising corporate and administrative functions that provide support and governance to the Corporation's operating business units.

The following tables present financial information by segment for the years ended March 31, 2025 and 2024.

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
Year ended	2025	2024	2025	2024	2025	2024	**2025**	**2024**
Revenues	$ 254,543	$ 216,059	$ 132,348	$ 129,369	$ —	$ —	**$ 386,891**	**$ 345,428**
Operating expenses (excluding share-based compensation and PSU and DSU expenses)	146,902	125,567	90,264	87,916	7,526	6,090	**244,692**	**219,573**
Adjusted EBITDA	$ 107,641	$ 90,492	$ 42,084	$ 41,453	$ (7,526)	$ (6,090)	**142,199**	**125,855**
Share-based compensation	—	—	—	—	409	435	**409**	**435**
PSU and DSU expenses	—	—	—	—	10,181	6,841	**10,181**	**6,841**
Depreciation, amortization, and write-off	23,932	23,673	6,838	6,460	—	—	**30,770**	**30,133**
Net finance expense (income)	—	—	—	—	42,416	28,883	**42,416**	**28,883**
Change in fair value of investments	(54)	18	—	—	—	—	**(54)**	**18**
Impairment of Goodwill	—	—	—	56,119	—	—	**—**	**56,119**
Acquisition, legal, restructuring, and other expenses	7,562	(610)	981	581	—	—	**8,543**	**(29)**
Share of results of investments in associates	3,381	1,166	—	—	—	—	**3,381**	**1,166**
Gain on disposal of an investment	(845)	—	—	—	—	—	**(845)**	**—**
Other income	(24)	—	—	—	—	—	**(24)**	**—**
Income (loss) before income taxes	48,061	55,005	17,477	(39,350)	(18,116)	(13,366)	**47,422**	**2,289**
Income taxes	6,762	12,094	4,220	3,936	—	—	**10,982**	**16,030**
Net income (loss)							**$ 36,440**	**$ (13,741)**

(In thousands of Canadian dollars, unless otherwise stated)

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	**March 31, 2025**	**March 31, 2024**
Total assets	$ 274,941	$ 262,154	$ 541,717	$ 549,412	$ —	$ —	**$ 816,658**	**$ 811,566**
Total liabilities [1]	$ 88,133	$ 82,841	$ 101,104	$ 107,267	$ 360,587	$ 372,875	**$ 549,824**	**$ 562,983**

[1] Total liabilities include operating liabilities, the Credit facilities, and the Subordinated debt

	Broadcasting and commercial music		Radio		**Consolidated**	
Year ended	2025	2024	2025	2024	**2025**	**2024**
Acquisition of property and equipment	$ 3,657	$ 3,575	$ 3,749	$ 3,332	**$ 7,406**	**$ 6,907**
Addition to right-of-use assets on leases	$ 1,823	$ 480	$ 135	$ 710	**$ 1,958**	**$ 1,190**
Acquisition of intangible assets	$ 13,808	$ 6,429	$ —	$ —	**$ 13,808**	**$ 6,429**
Acquisition of broadcast licences	$ —	$ —	$ 21	$ —	**$ 21**	**$ —**
Goodwill recorded on business acquisitions	$ 605	$ —	$ —	$ —	**$ 605**	**$ —**

Acquisition of property and equipment, right-of-use assets on leases, intangible assets, broadcast licences and goodwill, includes those acquired through business acquisitions, whether they were paid or not, and none are related to the Corporate segment.

As at March 31, 2025 and 2024, approximately 74% of the Corporation's non-current assets are located in Canada.

5. REVENUES

DISAGGREGATION OF REVENUES

The following table presents the Corporation's revenues disaggregated by reportable segment, primary geographical market and product.

	Reportable segments [3]					
	Broadcasting and commercial music		Radio		**Total revenues**	
Year ended	2025	2024	2025	2024	**2025**	**2024**
Geography						
Canada	$ 66,585	$ 62,924	$ 132,348	$ 129,369	**$ 198,933**	**$ 192,293**
United States	141,170	103,973	—	—	**141,170**	**103,973**
Other countries	46,788	49,162	—	—	**46,788**	**49,162**
	254,543	216,059	132,348	129,369	**386,891**	**345,428**
Products						
Advertising [1]	86,516	58,784	132,348	129,369	**218,864**	**188,153**
Subscriptions [2]	139,686	137,549	—	—	**139,686**	**137,549**
Equipment and labor [1]	28,341	19,726	—	—	**28,341**	**19,726**
	$ 254,543	$ 216,059	$ 132,348	$ 129,369	**$ 386,891**	**$ 345,428**

[1] Generally recognized at a point in time
[2] Generally recognized over time
[3] No revenues are generated from the Corporate Segment

(In thousands of Canadian dollars, unless otherwise stated)

UNSATISFIED PORTION OF PERFORMANCE OBLIGATIONS

The following table presents the revenues expected to be recognized over the next three years and thereafter related to unsatisfied or partially satisfied performance obligations as at March 31, 2025. The table below excludes i) contracts with a duration of one year or less and ii) variable consideration, such as revenues based on a number of subscribers or locations, but only for those that will likely vary significantly throughout the term of the contracts.

		2026	2027	2028	Thereafter		Total
Equipment and labor	$	5,395	—	—	—	$	5,395
Subscriptions		25,921	17,045	8,054	6,844		57,864
	$	31,316	17,045	8,054	6,844	$	63,259

6. OPERATING EXPENSES

During Fiscal 2025, the Corporation received tax credits related to its research and development and multimedia activities, which amounted $1,634 (2024 – $1,643) and was recorded as a reduction of operating expenses for an amount of $1,012 (2024 - $1,113) and as a reduction of intangible assets for an amount of $622 (2024 - $530).

7. OTHER INFORMATION

Expenses by nature are as follows:

		2025		2024
Salaries and other short-term employee benefits	$	89,260	$	88,694
Equipment costs	$	10,966	$	10,829
Share-based compensation	$	409	$	435
PSU and DSU expenses	$	10,181	$	6,841

8. NET FINANCE EXPENSE (INCOME)

		2025		2024
Interest expense and standby fees	$	22,645	$	26,406
Unrealized losses (gains) on derivative instruments		9,267		(1,431)
Realized losses on derivative instruments		148		295
Change in fair value of contingent consideration		1,201		597
Accretion of other liabilities		832		1,157
Interest expense on lease liabilities (note 21)		1,247		1,453
Foreign exchange loss		7,076		406
	$	42,416	$	28,883

9. ACQUISITION, LEGAL, RESTRUCTURING AND OTHER EXPENSES

		2025		2024
Acquisition	$	3,170	$	(7)
Legal		4,083		(3,227)
Restructuring and other[1]		1,290		3,205
	$	8,543	$	(29)

[1] Beginning with the three-month period ending June 30, 2024, the share of results of investments in associates is presented separately in the consolidated statements of comprehensive income, rather than being included in acquisition, legal, restructuring, and other expenses. The comparative figures have been adjusted to reflect this change in presentation.

(In thousands of Canadian dollars, unless otherwise stated)

In Fiscal 2024, the Corporation resolved a trademark dispute, which resulted in a one-time settlement gain of US$3,125 ($4,156), which was cashed and recorded as a reduction of legal expenses.

10. INCOME TAXES

The income tax expense consists of the following:

	2025	2024
Current income tax:		
Current year	$ 13,346	$ 12,612
Adjustment for prior years	668	(984)
	14,014	11,628
Deferred income tax:		
Origination and reversal of temporary differences	(658)	3,965
Change in substantively enacted tax rate	(6)	94
Adjustment for prior years	(2,368)	343
	(3,032)	4,402
Total income tax expense	$ 10,982	$ 16,030

The following table reconciles income tax computed at the Canadian statutory rate of 26.5% (2024 — 26.5%) and the total income tax expense for the years ended March 31.

	2025	2024
Income before income taxes	$ 47,422	$ 2,289
Income tax at the combined Canadian statutory rate	12,567	607
(Decrease) increase resulting from:		
Impact of foreign tax rate differences	(260)	(367)
Income tax on non-deductible impairment on goodwill	—	14,871
Income taxes on non-deductible expenses and non-taxable revenues	730	999
Change in recognized tax losses and deductible temporary differences	88	683
Change in substantively enacted tax rate	(6)	94
Adjustment for prior years	(1,700)	(641)
Other	(437)	(216)
Total income tax expense	$ 10,982	$ 16,030

ESTIMATE

Recorded income taxes and tax credits are subject to review and approval by tax authorities and therefore, final amounts could be different from the amounts recorded.

As at March 31, 2025 and 2024, the Corporation had research and development tax credits receivable from the provincial and federal governments of $1,812 and $1,663 respectively, related to qualified expenditures under the applicable tax laws, which were booked as a reduction of income tax payable. The amounts are subject to a government tax audit and the final amounts received may differ from those recorded.

(In thousands of Canadian dollars, unless otherwise stated)

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

The tax effects of significant components of temporary differences that give rise to deferred tax assets and liabilities are as follows:

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Property and equipment	$ 1,789	$ 4,402	$ 1,792	$ 4,805
Intangible assets, goodwill and broadcast licences	2,578	67,610	1,209	65,381
Financing fees	—	4	48	—
Tax losses and Scientific Research and Experimental Development Expenditures (“SR&ED”) carried forward	4,079	—	2,416	—
Denied Interest carried forward	1,592	—		
Investments	—	959	—	889
CRTC tangible benefits	1,064	—	2,152	—
PSU and DSU expenses	6,144	—	4,602	—
Balance payable on business acquisition	266	—	—	—
Right-of-use assets on leases	—	4,408	—	5,298
Lease liabilities	5,000	—	5,626	—
Accrued pension benefit liability	306	—	662	—
Other	—	1,295	—	706
Deferred tax assets and liabilities	22,818	78,678	18,507	77,079
Offsetting of assets and liabilities	(17,474)	(17,474)	(16,854)	(16,854)
Net deferred tax assets and liabilities	$ 5,344	$ 61,204	$ 1,653	$ 60,225

Changes in deferred tax assets and liabilities for the year ended March 31, 2025 are as follow:

	Balance as at March 31, 2024	Recognized in net income (loss)	Recognized in other comprehensive income (loss)	Exchange rate change	Business acquisitions	**Balance as at March 31, 2025**
Property and equipment	$ (3,013)	400	—	—	—	(2,613)
Intangible assets, goodwill and broadcast licences	(64,172)	74	—	(11)	(923)	(65,032)
Financing fees	48	(52)	—	—	—	(4)
Tax losses and SR&ED carried forward	2,416	1,151	—	1	511	4,079
Denied Interest carried forward	—	1,592	—	—	—	1,592
Investments	(889)	(70)	—	—	—	(959)
CRTC tangible benefits	2,152	(1,088)	—	—	—	1,064
Balance payable on business acquisition	1,152	—	—	—	266	1,418
PSU and DSU expenses	3,450	1,541	—	1	—	4,992
Right-of-use assets on leases	(5,298)	890	—	—	—	(4,408)
Lease liabilities	5,626	(627)	—	1	—	5,000
Accrued pension benefit liability	662	(190)	(166)	—	—	306
Other	(706)	(589)	—	—	—	(1,295)
	$ (58,572)	3,032	(166)	(8)	(146)	(55,860)

(In thousands of Canadian dollars, unless otherwise stated)

Changes in deferred tax assets and liabilities for the year ended March 31, 2024 are as follow:

		Balance as at March 31, 2023	Recognized in net income	Recognized in other comprehensive income (loss)	Exchange rate change	**Balance as at March 31, 2024**
Property and equipment	$	(2,002)	(993)	—	(18)	(3,013)
Intangible assets, goodwill and broadcast licences		(64,021)	(118)	—	(33)	(64,172)
Financing fees		46	2	—	—	48
Tax losses and SR&ED carried forward		3,431	(1,109)	—	94	2,416
Investments		(444)	(445)	—	—	(889)
CRTC tangible benefits		3,907	(1,755)	—	—	2,152
Balance payable on business acquisition		(25)	1,178	—	(1)	1,152
PSU and DSU expenses		3,425	25	—	—	3,450
Right-of-use assets on leases		(6,217)	920	—	(1)	(5,298)
Lease liabilities		6,837	(1,211)	—	—	5,626
Accrued pension benefit liability		982	(274)	(81)	35	662
Other		(78)	(622)	—	(6)	(706)
	$	(54,159)	(4,402)	(81)	70	(58,572)

UNRECOGNIZED DEFERRED TAX ASSETS

The Corporation has operating tax losses carried forward of $22,876 (2024 – $15,023) that are available to reduce future taxable income. A tax benefit was not recognized for $14,010 (2024 – $7,679) of these tax losses carried forward. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits therefrom.

As at March 31, 2025 and 2024, the amounts and expiry dates of the tax losses carried forward were as follows:

	2025						
	Canada [1]	United States	Netherlands	Belgium	Switzerland	Mexico	United Kingdom
2028	$ —	$ —	$ —	$ —	$ 920	$ —	$ —
2032	—	—	—	—	374	—	—
2033	—	—	—	—	196	—	—
2037	167	—	—	—	—	—	—
2038	2,522	—	—	—	—	—	—
2039	38	—	—	—	—	—	—
2040	856	—	—	—	—	—	—
2041	824	—	—	—	—	—	—
2042	17	—	—	—	—	—	—
2043	732	—	—	—	—	—	—
2044	314	—	—	—	—	—	—
2045	770	—	—	—	—	—	—
Indefinite	—	7,827	882	4,248	—	665	1,524
	$ 6,240	$ 7,827	$ 882	$ 4,248	$ 1,490	$ 665	$ 1,524

[1] Represents tax losses carried forward as per federal jurisdiction and tax losses available as per provincial jurisdictions may differ.

(In thousands of Canadian dollars, unless otherwise stated)

UNRECOGNIZED DEFERRED TAX LIABILITIES

The Corporation has not recognized a deferred tax liability for the undistributed earnings of its subsidiaries in the current and prior years for those that the Corporation does not currently expect those undistributed earnings to reverse and become taxable in the foreseeable future. A deferred income tax liability will be recognized when the Corporation expects that it will recover those undistributed earnings in a taxable manner, such as the sale of the investment or through the receipt of dividends.

11. EARNINGS PER SHARE

	2025	2024
Net income (loss)	$ 36,440	$ (13,741)
Basic weighted average number of subordinate voting shares, variable subordinate voting shares and multiple voting shares	68,304,109	69,103,690
Dilutive effect of stock options	567,386	—
Diluted weighted average number of subordinated voting shares, variable subordinated voting shares and multiple voting shares	68,871,495	69,103,690
Net income (loss) per share — Basic	$ 0.53	$ (0.20)
Net income (loss) per share — Diluted	$ 0.53	$ (0.20)

As at March 31, 2024, 211,193 stock options were excluded from the diluted weighted average number of subordinated voting shares, variable subordinated voting shares and multiple voting shares as their effect would have been anti-dilutive.

(In thousands of Canadian dollars, unless otherwise stated)

12. TRADE AND OTHER RECEIVABLES

		2025		2024
Trade	$	73,273	$	63,676
Other receivables		5,123		3,050
Sales taxes receivable		4,178		5,276
	$	82,574	$	72,002

In May 2017, the Corporation, together with its Canadian Broadcast Distribution Undertaking customers (together, the "Objectors"), presented an affirmative case before the Copyright Board of Canada to seek a reduction in the prescribed rates and terms for the Pay Audio Services Tariff for the 2007-2016 period. SOCAN and Re:Sound (together, the "Collectives") opposed that case. On May 28, 2021, the Copyright Board of Canada released a final decision relating to the Pay Audio Services Tariff. The decision and certified tariff were in line with the Objectors' expectations. By way of settlement, the Corporation has recovered the entirety of the anticipated refund from SOCAN. The Corporation continues to work with the other Objectors to collect from Re:Sound pursuant to the decision of the Copyright Board.

13. PROPERTY AND EQUIPMENT

		Land, buildings and leasehold improvements		Broadcasting infrastructure		Furniture, fixtures and equipment		Computer hardware		Other		Total
Cost												
Balance at March 31, 2023	$	16,035	$	23,238	$	30,636	$	21,620	$	3,104	$	94,633
Additions		377		3,031		3,095		1,309		—		7,812
Gain on disposals		(821)		—		—		—		(84)		(905)
Disposals and write-off		(255)		(106)		(2,997)		(9,511)		(99)		(12,968)
Foreign exchange differences		(1)		—		585		171		—		755
Balance at March 31, 2024		15,335		26,163		31,319		13,589		2,921		89,327
Additions		177		1,409		3,104		1,621		1,095		7,406
Gain on disposals		(205)		(7)		(3)		—		—		(215)
Disposals and write-off		(593)		(219)		(1,894)		(255)		(64)		(3,025)
Foreign exchange differences		—		—		(1,040)		(322)		—		(1,362)
Balance at March 31, 2025	$	14,714	$	27,346	$	31,486	$	14,633	$	3,952	$	92,131
Accumulated depreciation												
Balance at March 31, 2023	$	7,074	$	9,625	$	21,002	$	17,026	$	1,114	$	55,841
Depreciation for the year		490		2,228		3,509		2,237		342		8,806
Disposals and write-off		(1,077)		(63)		(2,744)		(9,400)		(99)		(13,383)
Foreign exchange differences		—		—		549		106		—		655
Balance at March 31, 2024		6,487		11,790		22,316		9,969		1,357		51,919
Depreciation for the year		482		2,562		2,881		1,813		149		7,887
Disposals and write-off		(388)		(212)		(1,032)		(194)		(64)		(1,890)
Foreign exchange differences		—		—		(912)		(262)		—		(1,174)
Balance at March 31, 2025	$	6,581	$	14,140	$	23,253	$	11,326	$	1,442	$	56,742
Net carrying amounts												
March 31, 2024	$	8,848	$	14,373	$	9,003	$	3,620	$	1,564	$	37,408
March 31, 2025	$	8,133	$	13,206	$	8,233	$	3,307	$	2,510	$	35,389

(In thousands of Canadian dollars, unless otherwise stated)

14. RIGHT-OF-USE ASSETS ON LEASES

	Land and buildings	Vehicles	Total
Cost			
Balance at March 31, 2023	$ 40,367	$ 1,285	$ 41,652
Additions	1,098	92	1,190
Reassessment of leases' term	(2,268)	(39)	(2,307)
Foreign exchange differences	77	(2)	75
Balance at March 31, 2024	39,274	1,336	40,610
Additions	1,867	91	1,958
Reassessment of leases' term	(3,639)	—	(3,639)
Foreign exchange differences	(45)	16	(29)
Balance at March 31, 2025	$ 37,457	$ 1,443	$ 38,900
Accumulated depreciation			
Balance at March 31, 2023	$ 17,273	$ 1,108	$ 18,381
Depreciation for the year	4,315	138	4,453
Reassessment of leases' term	(2,136)	(34)	(2,170)
Foreign exchange differences	14	(2)	12
Balance at March 31, 2024	19,466	1,210	20,676
Depreciation for the year	4,185	125	4,310
Reassessment of leases' term	(2,661)	—	(2,661)
Foreign exchange differences	(2)	16	14
Balance at March 31, 2025	$ 20,988	$ 1,351	$ 22,339
Net carrying amounts			
March 31, 2024	$ 19,808	$ 126	$ 19,934
March 31, 2025	$ 16,469	$ 92	$ 16,561

(In thousands of Canadian dollars, unless otherwise stated)

15. INTANGIBLE ASSETS, EXCLUDING BROADCAST LICENCES

	Internally developed software and apps	Music catalog	Client list and relationships	Trademarks	Licences, website application and computer software	Non-compete agreements	Total
Cost							
Balance at March 31, 2023	$ 34,863	$ 11,336	$ 144,578	$ 14,665	$ 36,240	$ 18,748	$ 260,430
Additions, net of tax credit of $530	5,001	573	—	—	855	—	6,429
Disposals and write-off	—	(3,803)	(6,551)	(2,315)	(19,683)	(6,919)	(39,271)
Foreign exchange differences	(232)	2	5	(46)	(159)	12	(418)
Balance at March 31, 2024	39,632	8,108	138,032	12,304	17,253	11,841	227,170
Additions, net of tax credit of $622	5,183	1,766	—	192	1,514	290	8,945
Additions through business acquisition	—	—	641	122	1,763	—	2,526
Additions through assets acquisition	—	—	1,594	743	—	—	2,337
Disposals and write-off	—	(75)	(25,360)	(37)	(1,211)	(290)	(26,973)
Foreign exchange differences	75	54	5,013	415	363	25	5,945
Balance at March 31, 2025	$ 44,890	$ 9,853	$ 119,920	$ 13,739	$ 19,682	$ 11,866	$ 219,950
Accumulated depreciation							
Balance at March 31, 2023	$ 21,525	$ 8,381	$ 110,442	$ 8,933	$ 25,095	$ 17,240	$ 191,616
Amortization for the year	6,343	377	5,908	1,531	2,854	358	17,371
Disposals and write-off	—	(3,780)	(6,391)	(2,525)	(19,691)	(6,901)	(39,288)
Foreign exchange differences	(207)	1	(164)	(27)	(188)	4	(581)
Balance at March 31, 2024	27,661	4,979	109,795	7,912	8,070	10,701	169,118
Amortization for the year	6,795	905	5,544	2,476	2,509	354	18,583
Disposals and write-off	—	(190)	(25,194)	206	(977)	—	(26,155)
Foreign exchange differences	39	49	3,843	337	302	7	4,577
Balance at March 31, 2025	$ 34,495	$ 5,743	$ 93,988	$ 10,931	$ 9,904	$ 11,062	$ 166,123
Net carrying amounts							
March 31, 2024	$ 11,971	$ 3,129	$ 28,237	$ 4,392	$ 9,183	$ 1,140	$ 58,052
March 31, 2025	$ 10,395	$ 4,110	$ 25,932	$ 2,808	$ 9,778	$ 804	$ 53,827

(In thousands of Canadian dollars, unless otherwise stated)

16. GOODWILL AND BROADCAST LICENCES

		Goodwill		Broadcast licences
Balance at March 31, 2023	$	360,900	$	272,996
Impairment charge		(56,119)		—
Foreign exchange differences		(177)		—
Balance at March 31, 2024		304,604		272,996
Additions through business acquisitions (note 3)		605		21
Foreign exchange differences		4,481		—
Balance at March 31, 2025	$	309,690	$	273,017

ANNUAL IMPAIRMENT ASSESSMENTS

Goodwill and broadcast licences are tested for impairment annually and when circumstances indicate the carrying value may be impaired. The Corporation's impairment test for goodwill and broadcast licences having indefinite useful lives was based on the greater of value-in-use ("VIU") and fair value less cost to sell ("FVLCS") calculations determined by using a discounted cash flow model. VIU and FVLCS of cash generating units ("CGUs") are determined with significant unobservable inputs and are considered level 3 within the fair value hierarchy.

CASH-GENERATING UNITS

For the purposes of assessing impairment, goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Corporation at which management monitors goodwill.

Broadcast licences are grouped at the CGU level, which is the lowest level for which there are largely independent cash inflows. For broadcast licences impairment testing purposes, the Corporation has identified 14 CGUs, based on geographical areas where interdependent cash inflows exist. Impairment charges and reversals, if any, are included as a separate line on the consolidated statements of comprehensive income.

The carrying amounts of goodwill and broadcast licences allocated to each CGU and/or group of CGUs are set out in the following tables.

		2025		2024
Goodwill				
Radio	$	162,285	$	162,285
Broadcast and commercial music		147,405		142,319
	$	309,690	$	304,604
Broadcast licences				
Toronto	$	90,270	$	90,270
Ottawa		48,568		48,568
Other[(1)]		134,179		134,158
	$	273,017	$	272,996

[(1)] The carrying value of broadcast licences in each of the other CGUs is less than 10% of the total carrying value of broadcast licences. Consequently, these other CGUs are grouped together for the purpose of note disclosure.

(In thousands of Canadian dollars, unless otherwise stated)

RADIO LICENCES IMPAIRMENT ASSESSMENTS

The recoverable amounts of the CGUs have been determined based on their VIU. The recoverable values have been determined to be higher than the carrying amounts. As a result, no impairment was recorded.

The VIUs were calculated using unobservable (Level 3) inputs such as cash flow projections from financial budgets approved by the Board of Directors. Growth rates used over the budget period are based on management's estimates of performance, which is established by considering historical growth rates achieved as well as anticipated fluctuations including those resulting from the current economic environment. The growth rates depend also on whether the CGU includes mature market stations versus start-up or evolving stations. Management assesses how the CGU's market position, relative to its competitors, might change over the budget period. The key assumptions used in the estimation of the recoverable amount for the CGUs are the risk adjusted forecasted cash flows. The most significant assumptions that form part of the risk adjusted forecasted cash flows relate to estimated growth in revenues and operating expenses. For valuation purposes, Management considers that there is no significant difference in assumptions between CGUs. Forecasts are based on the Corporation's estimate of future performance for this mature industry. Management expects the Corporation's share of the market to be stable over the long-term budget period, even though changes in rating results could affect local market shares and related growth rates.

	Five-year average growth rate in revenues	Five-year average growth rate in operating expenses	Terminal value growth rate	Pre-tax discount rate
Radio Licences	3.1%	2.4%	1.4%	13.2%

The pre-tax discount rates applied to cash flow projections were derived from the Corporation's weighted average cost of capital ("WACC"). The discount rate calculation is based on the specific circumstances of the Corporation and its CGUs and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Corporation's investors. The cost of debt is based on the interest-bearing borrowings the Corporation is obliged to service. CGU-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

The possibility of new market entrants can have an impact on growth rate assumptions, as can adverse ratings results, which would impact market share. In fact, by their nature, the above significant estimates and assumptions are subject to measurement uncertainty, and consequently, actual results could differ from estimates used.

Management has determined that the calculation of the VIUs is very sensitive to all above assumptions and therefore management's conclusions on impairment could be materially different if these assumptions changed.

The estimated recoverable amount of one of the CGU exceeded its carrying value by approximately $990. The following table shows the amount by which the most significant assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying value for the year ended March 31, 2025, assuming that all other variables remained constant:

	Five-year average growth rate in revenues	Five-year average growth rate in operating expenses	Terminal value growth rate	Pre-tax discount rate
	(0.23)%	0.24%	(0.47)%	0.34%

The same changes in basis points of the significant assumptions would not result in an impairment in the other CGU.

(In thousands of Canadian dollars, unless otherwise stated)

GOODWILL IMPAIRMENT ASSESSMENTS

The VIU was calculated using unobservable (Level 3) inputs such as risk adjusted cash flows from financial budgets approved by the Board of Directors covering a five-year period. The Corporation considered past experience, economic trends as well as industry and market trends in assessing the level of cash flows that can be maintained in the future.

The most significant assumptions that form part of the risk adjusted forecasted cash flows relate to estimated growth in revenues and operating expenses. Forecasts are based on the Corporation's estimate of future performance for this mature industry.

CGU	Five-year average growth rate in revenues	Five-year average growth rate in operating expenses	Terminal value growth rate	Pre-tax discount rate
Broadcast and Commercial Music	7.5%	5.5%	2.5%	13.4%
Radio	3.1%	2.4%	1.4%	13.2%

The pre-tax discount rate represents the Corporation's WACC as at the date of the assessment. Refer to the section above for more information on discount rates calculation.

By their nature, these estimates and assumptions are subject to measurement uncertainty, and consequently, actual results could differ from estimates used. However, for the Broadcast and Commercial Music CGU, it has been determined that there is no reasonable change in assumptions that would cause the carrying amount to exceed the estimated recoverable amount. The estimated recoverable amount of the Radio CGU exceeded its carrying value by approximately $17,293. The following table shows the amount by which the most significant assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying value for the year ended March 31, 2025, assuming that all other variables remained constant:

	Five-year average growth rate in revenues	Five-year average growth rate in operating expenses	Terminal value growth rate	Pre-tax discount rate
Radio	(0.42)%	0.45%	(0.81)%	0.57%

(In thousands of Canadian dollars, unless otherwise stated)

17. INVESTMENTS

The table below provides a continuity of investments, investments in joint ventures and investments in associates:

	Investments	Investments in joint ventures	Investments in associates	Total
Balance at March 31, 2023	$ 1,845	$ 2,043	$ 4,407	$ **8,295**
Additions	169	1,022	1,370	**2,561**
Share of results of joint venture	—	(14)	—	**(14)**
Share of results of investments in associates	—	—	(1,166)	**(1,166)**
Change in fair value, including foreign exchange differences	—	—	(18)	**(18)**
Balance at March 31, 2024	2,014	3,051	4,593	**9,658**
Additions	99	1,993	—	**2,092**
Proceeds from disposal of an investment	(276)	(1,042)	(1,254)	**(2,572)**
Share of results of joint ventures	—	22	—	**22**
Share of results of investments in associates	—	—	(3,381)	**(3,381)**
Dividend	—	(66)	—	**(66)**
Change in fair value, including foreign exchange differences	43	(2)	13	**54**
Balance at March 31, 2025	**$ 1,880**	**$ 3,956**	**$ (29)**	**$ 5,807**

INVESTMENTS

The Corporation has equity instruments in private entities at fair value that are estimated using a market comparison technique. The valuation model is based on market multiples derived from quoted price of companies comparable to the investments and the expected EBITDA on the investments.

All equity instruments in private entities are classified as financial assets at fair value through profit and loss.

The fair value of investments that are not traded in an active market is determined using valuation techniques. The Corporation uses judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting year. For details on the key assumptions used and the impact of changes to these assumptions see Note 29.

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade	$ 16,464	$ 11,657
Accrued liabilities	35,039	36,962
PSU and DSU payable	22,027	15,750
Salaries and other short-term employees benefit payable	4,285	4,082
Sales taxes payable	6,717	6,726
	$ 84,532	$ 75,177

(In thousands of Canadian dollars, unless otherwise stated)

19. CREDIT FACILITIES

The credit facility consists of a $500,000 revolving credit facility ("Revolving facility"). On December 5, 2024, the Corporation completed the increase and extension of its credit facility, providing an additional $80,000 in liquidity. The maturity date was extended by one year to December 5th, 2028. The term loan and subordinated debt were repaid for a total amount of $70,600.

The credit facilities may be drawn in Canadian dollars in the form of prime rate loans or CORRA loans, in US dollars in the form of US base rate loans or SOFR loans, in Euro in the form of EURIBOR loans, in British Pounds in the form of SONIA loans and in Australian dollars in the form of BBSY loans.

The credit facilities bear interest at (a) the bank's prime rate (4.95% and 7.20% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (8.00% and 9.00% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (2.77% and 5.01% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (4.32% and 5.33% as at March 31, 2025 and 2024, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (2.55% and 3.85% as at March 31, 2025 and March 31, 2024, respectively) at the Corporation's option.

In addition, the Corporation incurs standby fees based on a financial covenant, on the unused portion of the credit facilities (0.37% and 0.40% respectively for the years ended March 31, 2025 and 2024). The credit facilities are secured by guarantees from subsidiaries and first ranking lien on universality of all assets, tangible and intangible, present and future.

The tables below are a summary of the credit facilities:

March 31, 2025	Total available	Drawn	Letter of credit	Net available
Committed credit facilities				
Revolving facility	$ 500,000	$ 342,507	$ 1,150	$ 156,343
Less: unamortized deferred financing fees		(1,142)		
Balance, end of year		341,365		
Current portion		$ —		
Non-current portion		$ 341,365		

March 31, 2024	Total available	Drawn	Letter of credit	Net available
Committed credit facilities				
Revolving facility	$ 375,000	$ 290,866	$ 775	$ 83,359
Term facilities	48,750	48,750	—	—
Total committed credit facilities	$ 423,750	$ 339,616	$ 775	$ 83,359
Less: unamortized deferred financing fees		(904)		
Balance, end of year		338,712		
Current portion		$ 7,500		
Non-current portion		$ 331,212		

As at March 31, 2025, a letter of credit amounting to $1,150 (2024 - $775) reduced the availability on the Revolving facility.

As at March 31, 2025 and 2024, the Corporation was compliant with all the requirements of its credit agreement.

(In thousands of Canadian dollars, unless otherwise stated)

20. SUBORDINATED DEBT

The subordinated debt was fully repaid during Fiscal 2025.

Unamortized deferred financing fees amounted to nil as at March 31, 2025 (2024 – $21).

21. LEASE LIABILITIES

The following table presents a summary of the activity related to the lease liabilities of the Corporation.

		2025		2024
Lease liabilities, beginning of year	$	22,406	$	25,710
Additions		1,957		1,232
Payment of lease liabilities, including related interest		(5,542)		(5,804)
Reassessment of leases' term		(2)		134
Disposal		(1,221)		(350)
Interest expense on lease liabilities (note 8)		1,247		1,453
Foreign exchange		(48)		31
Lease liabilities, end of year	$	18,797	$	22,406

Lease liabilities included in the consolidated statements of financial position		**March 31, 2025**		**March 31, 2024**
Current portion	$	3,918	$	4,200
Non-current portion	$	14,879	$	18,206
	$	18,797	$	22,406

The following table presents the maturity analysis of contractual undiscounted cashflows related to the lease liabilities of the Corporation as of March 31, 2025.

Less than one year	$	1,198
One to five years		14,692
More than five years		7,375
Total undiscounted lease liabilities as at March 31, 2025	$	23,265

(In thousands of Canadian dollars, unless otherwise stated)

22. OTHER LIABILITIES

	2025	2024
CRTC tangible benefits	$ 4,052	$ 8,137
Contingent consideration	4,997	1,708
Balance payable on business acquisitions	174	330
Accrued pension benefit liability (note 23)	2,540	2,628
Derivative financial instruments (note 29)	10,039	912
Performance share units payable	4,075	2,515
Other	1,366	1,580
	27,243	17,810
Current portion	(8,238)	(5,250)
	$ 19,005	$ 12,560

ESTIMATE – CONTINGENT CONSIDERATION

If certain predetermined sales volumes, specific contract renewals and other conditions are achieved by the acquired companies, additional consideration may be payable in the future.

The fair value of the contingent consideration of $4,997 was estimated by calculating the present value of the future expected outflows. For details of the key assumptions used and the impact of changes to these assumptions, see Note 29. The estimate is based on a discount rate ranging from 7% to 62%.

23. EMPLOYEE BENEFIT PLANS

The Corporation maintains a defined contribution pension plan and defined benefit pension plans.

DEFINED CONTRIBUTION PENSION PLAN

The defined contribution pension plan covers the majority of the Corporation's employees. The Corporation's contributions to the defined contribution pension plan are based on percentages of gross salaries and totaled $1,608 (2024 – $1,567).

DEFINED BENEFIT PENSION PLANS

The Corporation maintains a defined benefit pension plan (the "Basic Plan") for a small group of the Corporation's former employees, which is not accepting new entrants at this time. The Basic Plan provides pension benefits based on the length of service and the last five years of average earnings of each member.

The Basic Plan meets the definition of a designated plan under the Income Tax Act (Canada). The most recent funding actuarial valuation for the Basic Plan was as of March 31, 2025.

In addition, the Corporation has one individual Supplementary Retirement Pension Arrangements ("SRPA"), which each provides pension benefits to a retired executive. This SRPA provides benefits above the Income Tax Act (Canada) limit. This plan is funded by the Corporation.

The Corporation measures its accrued benefit obligations and fair value of plan assets for accounting purposes as of March 31 of each year. The obligations as at March 31, 2025 and the 2025 current service cost of the Plans are determined based on membership data as at March 31, 2025.

(In thousands of Canadian dollars, unless otherwise stated)

Items related to the Corporation's defined benefit pension plans are presented as follows in the consolidated financial statements:

		2025		2024
Consolidated statements of financial position				
Accrued pension benefit liability, included in other liabilities (note 22)	$	(2,540)	$	(2,628)
Accrued pension benefit asset, included in other non-current assets		2,754		2,008
Net accrued pension liability	$	214	$	(620)
Consolidated statements of comprehensive income (loss)				
Pension benefit expense, included in net finance expense (income)	$	37	$	60
Other comprehensive gains and accumulated other comprehensive losses				
Actuarial (gains) losses recognized in other comprehensive income (loss)	$	(627)	$	(307)
Cumulative actuarial gains recognized in other comprehensive income (loss)	$	(4,082)	$	(3,455)

The following summarizes the movements in the defined benefit pension plan balances:

		2025			2024	
		Basic Plan	SRPA		Basic Plan	SRPA
Accrued benefit obligations						
Balance, beginning of year	$	3,545	2,628	$	3,609	2,707
Interest cost		164	123		167	126
Benefits paid		(253)	(243)		(266)	(241)
Actuarial gains (losses):						
Impact of changes in financial assumptions		—	—		—	—
Impact of changes in experience adjustments		(231)	32		35	36
Balance, end of year	$	3,225	2,540	$	3,545	2,628
Plan assets						
Fair value, beginning of year	$	5,553	—	$	5,208	—
Interest income		260	—		243	—
Actuarial gains:						
Return on plan assets, excluding interest income		429	—		378	—
Administrative expenses		(10)	—		(10)	—
Benefits paid		(253)	—		(266)	—
Fair value, end of year	$	5,979	—	$	5,553	—
Net accrued pension benefit asset (liability)	$	2,754	(2,540)	$	2,008	(2,628)

The Corporation determined that there was no limit on the defined benefit asset (asset ceiling) because the Corporation has unimpaired rights to the surplus in the Basic Plan and it has the right to take contribution holidays when available.

Employer contributions to the SRPA are estimated to be $243 in 2026.

Pension benefit expense recognized in the consolidated statements of comprehensive income (loss) as net finance expenses (income) is as follows:

		2025				2024		
		Basic Plan		SRPA		Basic Plan		SRPA
Interest cost	$	164	$	123	$	167	$	126
Interest income on plan assets		(260)		—		(243)		—
Administrative expenses		10		—		10		—
Defined benefit plan expense	$	(86)	$	123	$	(66)	$	126

(In thousands of Canadian dollars, unless otherwise stated)

Actuarial gains and losses recognized in other comprehensive income (loss) are as follows:

		2025				2024	
		Basic Plan	SRPA	**Total**		Basic Plan	SRPA	**Total**
Cumulative actuarial gains, beginning of year	$	(1,622)	(1,833)	**(3,455)**	$	(1,279)	(1,869)	**(3,148)**
Recognized actuarial losses (gains) during the year		(659)	32	**(627)**		(343)	36	**(307)**
Cumulative actuarial gains, end of year	$	(2,281)	(1,801)	**(4,082)**	$	(1,622)	(1,833)	**(3,455)**

The principal actuarial assumptions were as follows:

	2025		2024	
	Basic Plan	SRPA	Basic Plan	SRPA
Discount rate for the accrued net benefit obligation	4.4%	4.4%	4.8%	4.8%
Future pension increases	1.9%	0.4%	2.3%	0.7%

As at March 31, 2025 and based on an actuarial review, the net remeasurement loss (gain), before income tax expense, recorded in other comprehensive income (loss) of $(627) (2024 – $(307)) was primarily reflective of an actuarial gain on plan assets.

Plan assets for the Basic Plan consist of:

	2025	**2024**
Equity funds	78%	77%
Fixed income funds	22%	23%
	100%	100%

The pension plan has no direct investments in the Corporation nor any of its affiliates. Investments are diversified such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in equities, although there is a good portion also invested in bonds and other highly liquid assets. All assets are invested in funds where the underlying securities have quoted market prices in an active market. The Corporation believes that equities offer the best returns over the long-term with an acceptable level of risk.

Since the benefit payments are adjusted to the Consumer Price Index, the pension plan is exposed to inflation. It is also exposed to interest rate risks and changes in life expectancy of pensioners. A large portion of the plan assets consist of equity securities, which are exposed to equity market risk.

Changes in assumptions of all plans would have resulted in an increase (decrease) in the net defined benefit obligation as presented below:

	Change in assumption	
	Increase	**Decrease**
Discount rate — change of 0.5%	$ (230)	$ 247
Future pension costs — change of 1.0%	$ 317	$ (174)
Life expectancy — change by 1 year	$ 257	$ (272)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the net defined benefit obligation because of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.3 years.

(In thousands of Canadian dollars, unless otherwise stated)

24. SHARE CAPITAL

Authorized:

Unlimited number of subordinate voting shares, participating, without par value

Unlimited number of variable subordinate voting shares, participating, without par value

Unlimited number of multiple voting shares (10 votes per share), participating, without par value

Unlimited number of special shares, participating, without par value

Unlimited number of preferred shares issuable in one or more series, non-participating, without par value

Issued and outstanding:

The movements in share capital were as follows:

	Number of shares		Carrying amount
Year ended March 31, 2024			
Subordinate voting shares and variable subordinate voting shares			
As at March 31, 2023	51,378,300	$	279,677
Repurchased and cancelled	(557,500)		(3,167)
Purchased and held in trust through employee share purchase plan	(4,734)		46
As at March 31, 2024	50,816,066	$	276,556
Multiple voting shares			
As at March 31, 2023 and 2024	17,941,498	$	18,226
	68,757,564	$	294,782
Year ended March 31, 2025			
Subordinate voting shares and variable subordinate voting shares			
As at March 31, 2024	50,816,066	$	276,556
Exercise of stock options	538,354		3,875
Class exchange MVS to SVS	5,000,000		350
NCC plan of arrangement expiry – cancelled shares	(7,549)		(39)
Repurchased and cancelled	(1,186,800)		(6,276)
Purchased and held in trust through employee share purchase plan	(8,846)		(69)
As at March 31, 2025	55,151,225	$	274,397
Multiple voting shares			
As at March 31, 2024	17,941,498	$	18,226
Class exchange MVS to SVS	(5,000,000)		(350)
As at Match 31, 2025	12,941,498		17,876
	68,092,723	$	292,273

To comply with the Broadcasting Act and the regulations and directions promulgated thereunder from time to time, which permit non-Canadians (as defined in the Direction to the CRTC (Ineligibility of Non-Canadians) (SOR/97-192)) to own and control, directly or indirectly, up to 20% of the voting shares and 20% of the votes of an operating licensee that is a corporation, such as the Corporation, the Corporation has imposed restrictions respecting the issuance, transfer and, if applicable, voting of the Corporation's shares. Restrictions include limitations over foreign ownership of the issued and outstanding voting shares.

(In thousands of Canadian dollars, unless otherwise stated)

TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2025

During the year ended March 31, 2025, 538,354 stock options were exercised and consequently, the Corporation issued 538,354 subordinate voting shares. The proceeds amounted to $2,935. An amount of $940 of contributed surplus related to those stock options was transferred to the subordinate voting shares' account balance.

During the year ended March 31, 2025, the Corporation declared dividends of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share totalling $20,439. An amount of $20,488 was paid during the year. A dividend payable of $5,108 is accrued in the consolidated statement of financial position as at March 31, 2025 as it will be payable on or around June 13, 2025.

Share repurchase program

On September 25, 2024, the Toronto Stock Exchange (the "TSX") approved the renewal of its share repurchase program, effective September 27, 2024 and allowed the Corporation to repurchase up to an aggregate 3,542,716 subordinate voting shares and variable subordinate voting shares (collectively, the “Subordinate Shares”), representing approximately 10% of the Subordinate Shares issued and outstanding as at September 13, 2024. In accordance with TSX requirements, the Corporation is entitled to purchase, on any trading day, up to a total of 7,114 Subordinate Shares, representing 25% of the net average daily trading volume of the Subordinate Shares. When making such repurchases, the number of Subordinate Shares in circulation is reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital is increased on a pro rata basis. All shares repurchased under the share repurchase program will be cancelled upon repurchase. The share repurchase period will end no later than September 26, 2025.

The following table summarizes the Corporation's share repurchase activities during the years ended March 31, 2025 and 2024.

		2025		2024
Subordinate voting shares repurchased for cancellation *(unit)*		1,186,800		557,500
Average price per share	$	7.7066	$	5.2696
Total repurchase cost	$	9,146	$	2,937
Repurchase resulting in a reduction of:				
Share capital	$	6,276	$	3,167
Retained earnings (Deficit) [1]	$	2,870	$	(230)

[1] The excess of net repurchase cost over the average book value of the Subordinate voting shares.

TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2024

During the year, the Corporation declared dividends of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share totalling $20,679. An amount of $20,721 was paid during the year. A dividend payable of $5,157 was accrued in the consolidated statement of financial position as at March 31, 2024 as it was paid on June 14, 2024.

(In thousands of Canadian dollars, unless otherwise stated)

25. SUPPLEMENTAL CASH FLOW INFORMATION

NET CHANGE IN NON-CASH OPERATING ITEMS

	2025	2024
Trade and other receivables	$ (9,856)	$ (995)
Inventories	2,718	1,348
Other current assets	4,275	238
Other non-current assets	671	1,765
Accounts payable and accrued liabilities	2,578	(3,916)
Deferred revenues	(3,102)	2,099
Income taxes payable	(2,883)	(1,959)
Other payables	(1,064)	(4,563)
	$ (6,663)	$ (5,983)

NON-CASH ADDITIONS

The following table summarizes the Corporation's additions not affecting cash and cash equivalents activities during the years ended March 31, 2025 and 2024.

	2025	2024
Additions to property and equipment	$ 212	$ (905)
Additions to intangible assets, excluding broadcast licences and intangible assets acquired through business acquisitions	3,418	197
	$ 3,630	$ (708)

(In thousands of Canadian dollars, unless otherwise stated)

26. SHARE-BASED COMPENSATION

STOCK OPTION PLAN

The Corporation has a stock option plan to attract and retain employees, directors, officers and consultants. The plan provides for the granting of options to purchase subordinate voting shares. Under this plan, 10% of all multiple voting shares, subordinate voting shares and variable subordinate voting shares issued and outstanding on a non-diluted basis are reserved for issuance. The terms and conditions for acquiring and exercising options are set by the Board of Directors. Unless otherwise determined by the Board of Directors, each option shall expire at the latest on the seventh anniversary of the grant date. The total number of shares issued to a single person cannot exceed 10% of the Corporation's total issued and outstanding common shares on a fully diluted basis.

Under the stock option plan, 3,124,895 stock options were outstanding as at March 31, 2025 (3,663,249 as at March 31, 2024). Outstanding options are subject to employee service vesting criteria which range from nil to four years of service.

The following summarizes the changes in the plan's position for the years ended March 31, 2025 and 2024:

	2025			2024		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of year	3,663,249	$	6.39	3,489,331	$	6.45
Granted	—		—	173,918		5.18
Exercised (note 24)	(538,354)		5.45	—		—
Forfeited	—		—	—		—
Options outstanding, end of year	3,124,895		6.55	3,663,249		6.39
Exercisable options, end of year	3,124,895	$	6.55	2,972,524	$	6.55

The following is a summary of the information on the outstanding stock options as at March 31, 2025 and 2024:

		Outstanding options	**Exercisable options**
Exercise price	Number of options outstanding	Weighted average outstanding contractual life outstanding (years)	Number
March 31, 2025			
$ 4.63	478,036	2.18	478,036
5.18	173,518	5.36	173,518
5.60	554,326	1.18	554,326
6.12	160,498	4.19	160,498
6.13	21,929	1.85	21,929
6.25	102,780	0.17	102,780
6.92	337,740	3.18	337,740
7.00	2,300	0.36	2,300
7.03	44,248	3.62	44,248
7.27	311,047	1.21	311,047
7.62	458,270	2.22	458,270
7.69	22,124	3.86	22,124
7.92	43,698	3.60	43,698
8.61	414,381	3.19	414,381
$ 6.55	3,124,895	2.42	3,124,895

(In thousands of Canadian dollars, unless otherwise stated)

		Outstanding options	Exercisable options
Exercise price	Number of options outstanding	Weighted average outstanding contractual life outstanding (years)	Number
March 31, 2024			
$ 4.63	717,520	3.18	523,140
5.18	173,918	6.36	—
5.60	644,996	2.18	644,996
6.12	160,496	5.19	40,125
6.13	21,929	2.85	21,929
6.25	287,880	1.15	287,880
6.92	337,740	4.18	168,870
7.00	25,000	1.36	25,000
7.03	44,248	4.62	22,124
7.27	311,047	2.21	311,047
7.62	458,270	3.22	458,270
7.69	22,124	4.86	11,062
7.92	43,698	4.60	43,698
8.61	414,383	4.19	414,383
$ 6.39	3,663,249	3.24	2,972,524

No stock options were granted during Fiscal 2025. The weighted average fair value of the stock options granted during the year ended March 31, 2024 was $1.06 per stock option. This fair value was estimated at the date on which the options were granted by using the Black-Scholes option pricing model with the following assumptions:

	2025	2024
Weighted average volatility	n/a	35%
Weighted average risk-free interest rate	n/a	3.93%
Weighted average expected life of options	n/a	5 years
Weighted average value of the subordinate voting share at grant date	n/a	$5.18
Weighted average expected dividend rate	n/a	5.79%

The weighted average volatility used is calculated based on the Corporation's historical volatility.

Total share-based compensation costs recognized under this stock option plan amount to $150 for the year ended March 31, 2025 (2024 — $281).

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025, was $8.06. No stock options were exercised during Fiscal 2024.

EMPLOYEE SHARE PURCHASE PLAN

The Corporation has an employee share purchase plan ("ESPP") to attract and retain employees. Under this plan, eligible employees, including certain key management personnel, are permitted to contribute up to a maximum of 6% of their eligible earnings to purchase the Corporation's subordinate voting shares and variable subordinate voting shares. Subject to certain conditions, the Corporation will match a percentage of the employee's contributions up to a maximum of 2% of the employee's eligible earnings and the shares purchased with the Corporation's contributions become vested on January 31 of the following year. All contributions are used by the plan's trustee to purchase subordinate voting shares and variable subordinate voting shares in the open market, on behalf of employees.

(In thousands of Canadian dollars, unless otherwise stated)

The following summarizes the changes in the plan's position for the years ended March 31, 2025 and 2024:

	2025			2024		
	Number of units		Amount	Number of units		Amount
Unvested contributions, beginning of year	6,536	$	58	1,802	$	104
Contributions	55,862		436	44,199		235
Disposals	(25,702)		(177)	—		—
Dividends credited	8,446		66	10,193		60
Vested	(29,760)		(256)	(49,658)		(341)
Unvested contributions, end of year	15,382	$	127	6,536	$	58

The weighted average fair value of the shares contributed during the year ended March 31, 2025 was $7.83 (2024 — $5.75).

Total share-based compensation costs recognized under the ESPP amount to $188 for the year ended March 31, 2025 (2024 — $154).

PERFORMANCE SHARE UNIT PLAN

The Corporation has a performance unit plan ("PSU") that can be granted to directors, officers, executives and employees as part of their long-term compensation package, which is expected to be settled in cash after a three-year vesting period. The value of the payout is determined by multiplying the number of PSU vested at the payout date by the volume weighted average price of the Corporation's shares on the last five trading days immediately preceding the vesting date. The fair value of the payout is determined at each reporting date based on the fair value of the Corporation's shares at the reporting date. The fair value is amortized over the vesting period, being three years.

During the year ended March 31, 2025, 538,580 PSU (2024 — 661,566) were granted at a range of $7.33 to $8.44 (2024 — $4.43 to $7.59) per unit to executives and employees and no outstanding PSU were vested. As at March 31, 2025, the fair value per unit was $8.95 (2024 — $7.59) for a total amount of $8,621 (2024 — $4,879) which was reported in the consolidated statements of financial position. This total includes $4,545 classified under accrued liabilities for the short-term portion and $4,075 classified under other liabilities for the long-term portion.

The following summarizes the changes in the plan's position for the years ended March 31, 2025 and 2024:

	2025			2024		
	Number of units		Amount	Number of units		Amount
Balance, beginning of year	1,307,475	$	4,880	1,570,410	$	7,313
Granted	538,580		—	661,566		—
Dividends	60,000		—	—		—
Expense and revision of estimates	—		6,064	—		2,642
Liabilities settled	(300,240)		(2,260)	(896,220)		(5,015)
Forfeited	(21,863)		(63)	(28,281)		(60)
Balance, end of year	1,583,952	$	8,621	1,307,475	$	4,880
Balance, vested	—		—	—		—

Total share-based compensation costs recognized under the PSU plan amount to $5,951 for the year ended March 31, 2025 (2024 — $1,954).

(In thousands of Canadian dollars, unless otherwise stated)

DEFERRED SHARE UNIT PLAN

The Corporation has a deferred share unit plan (“DSU”) that can be granted to directors, officers and employees as part of their compensation package, which is expected to be settled in cash. The value of the payout is determined by multiplying the number of DSU vested at the payout date by the fair value of the Corporation’s shares on the volume weighted average price of the Corporation’s shares on the last three trading days immediately preceding the payout date. The fair value of the payout is determined at each reporting date based on the fair value of the Corporation’s shares at the reporting date. DSU are vested as soon as they are granted.

During the year ended March 31, 2025, 197,210 DSU (2024 — 613,303) were granted at a range of $7.10 to $8.53 per unit to directors (2024 — $5.00 to $7.57) and 1,860,808 DSU were vested (2024 — 1,663,598). The total expense related to DSU plans amounted to $4,230 in 2025 (2024 — $4,887). As at March 31, 2025, the fair value per unit ranged from $8.88 to $8.97 (2024 — $7.58 to $7.67) for a total amount, including fringes, of $17,482 (2024 — $13,386) presented in accrued liabilities on the consolidated statements of financial position.

The following summarizes the changes in the plan’s position for the years ended March 31, 2025 and 2024:

	2025			2024		
	Number of units		Amount	Number of units		Amount
Balance, beginning of year	1,663,598	$	13,386	1,134,322	$	7,129
Granted	197,210		1,713	613,303		3,459
Settlement	—		—	(84,027)		(497)
Revision of estimates	—		2,383	—		3,295
Balance, end of year	1,860,808	$	17,482	1,663,598	$	13,386
Balance, vested	1,860,808	$	17,482	1,663,598	$	13,386

27. COMMITMENTS

The following table is a summary of the Corporation’s operating obligations as at March 31, 2025 that are due in each of the next six years and thereafter.

		Operating obligations
2026	$	953
2027		928
2028		602
2029		494
2030		494
2031 and thereafter		1,481
	$	4,952

OPERATING OBLIGATIONS

The Corporation’s significant operating obligations are for licensing and other long-term contracts that do not meet the definition of a lease under IFRS 16. The Corporation must also pay royalties for the use of music for most of its music services. Through copyright collective societies, the Corporation pays royalties to two sets of rights holders: rights holders in music works, which are the music and the lyrics; and, rights holders in artists’ performances and sounds recordings, which are the actual performances and recordings of the musical works.

(In thousands of Canadian dollars, unless otherwise stated)

BROADCAST LICENCES

A condition of the broadcast licences owned by the Corporation is to commit to fund Canadian Content Development ("CCD") over the initial term of the licences, which is usually seven years.

28. USE OF ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with IFRS Accounting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions differing from actual outcomes. Detailed information about each of these estimates and judgments is included in notes 3 to 27 together with information about the basis of calculation for each affected line item in the consolidated financial statements.

SIGNIFICANT ESTIMATES

The areas involving significant estimates are:

- Estimated value in use and/or fair value less costs to sell of CGUs used in goodwill and broadcasting licences impairment testing — Note 16

The other areas involving estimates are:

- Estimation of fair value of identified assets, liabilities and contingent consideration recorded in business acquisitions — Notes 3 and 22
- Estimation of current income tax payable, tax credits and current income tax expense — Note 10
- Recognition of deferred tax assets for tax losses available for carry forward — Note 10

Estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized in the year in which the estimates are revised and in any future years affected by these revisions.

CRITICAL JUDGMENTS

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- *Impairment of non-current assets*

  For the purpose of impairment testing of property and equipment, intangible assets, broadcast licences and goodwill, management must use its judgment to identify the smallest group of assets that generates cash inflows that are largely independent of those from other assets ("cash generating unit" or "CGU").

- *Useful lives of broadcast licences*

  The Corporation has concluded that broadcast licences are indefinite life intangible assets because they are renewed every seven years without significant cost and there is a low likelihood of the renewal being denied.

- *Lease term of contracts with renewal options*

  The Corporation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Corporation reassesses the lease term for whether significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy) has occurred.

(In thousands of Canadian dollars, unless otherwise stated)

29. FINANCIAL INSTRUMENTS

FAIR VALUES

The Corporation has determined that the carrying amount of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities and current portion of other liabilities excluding the contingent consideration is a reasonable approximation of their fair value due to the short-term maturity of those instruments. As such, information on their fair values is not presented below. The fair value of the credit facilities approximates their carrying value as it bears interest at prime or banker's acceptance rates plus a credit spread, which approximate current rates that could be obtained for debts with similar terms and credit risk. The fair value of derivative financial instruments is determined using an evaluation of the estimated market value, adjusted for the credit quality of the counterparty. The carrying amount of CRTC tangible benefits and balance payable on business acquisitions is a reasonable approximation of their fair value as they are discounted using the effective interest rate, which approximate current rates that could be obtained with similar terms and credit risk. Balance payable on business acquisitions is carried at amortized cost and its fair value is categorized under level 2 and measured based upon discounted future cash flows using a discount rate, adjusted for the Company's own credit risk, that reflects current market conditions for instruments with similar terms and risks.

The tables below summarize the carrying and fair value of financial assets and liabilities, including their level in the fair value hierarchy, as at March 31, 2025 and 2024. The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs that have a significant effect in the recorded value are observable, either directly or indirectly; and
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at March 31, 2025	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 13,984				
Trade and other receivables	78,396				
Financial assets measured at fair value					
Investments	$ 1,880	$ 1,880	$ —	$ —	$ 1,880
Financial liabilities measured at amortized cost					
Credit facilities	$ 341,365				
Subordinated debt	—				
Accounts payable and accrued liabilities	77,815				
CRTC tangible benefits	4,052				
Accrued pension benefit liability	2,540				
Performance share unit payable	4,075				
Balance payable on business acquisitions	174	177	—	$ 177	—
Financial liabilities measured at fair value					
Contingent consideration	$ 4,997	$ 4,997	$ —	$ —	$ 4,997
Derivative financial instruments	10,039	10,039	—	10,039	—

(In thousands of Canadian dollars, unless otherwise stated)

As at March 31, 2024	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 9,606				
Trade and other receivables	66,726				
Financial assets measured at fair value					
Investments	$ 2,014	$ 2,014	$ —	$ —	$ 2,014
Derivative financial instruments	140	140	—	140	—
Financial liabilities measured at amortized cost					
Credit facilities	$ 338,712				
Subordinated debt	25,579				
Accounts payable and accrued liabilities	68,451				
CRTC tangible benefits	8,137				
Accrued pension benefit liability	2,628				
Performance share unit payable	2,515				
Balance payable on business acquisitions	330	326	—	$ 326	—
Financial liabilities measured at fair value					
Contingent consideration	$ 1,708	$ 1,708	$ —	$ —	$ 1,708
Derivative financial instruments	912	912	—	912	—

Fair value measurement (Level 3):

	Investments	Contingent consideration
Balance as at March 31, 2023	$ 1,845	$ 21,117
Additions	169	—
Settlements	—	(20,006)
Change in fair value, including foreign exchange differences	—	597
Balance as at March 31, 2024	$ 2,014	$ 1,708
Additions	21	—
Addition through business acquisition	—	2,121
Disposal	(198)	
Settlements	—	(33)
Change in fair value, including foreign exchange differences	43	1,201
Balance as at March 31, 2025	$ 1,880	$ 4,997

INVESTMENTS

For the years ended March 31, 2025 and 2024, the equity instruments in a private entity were classified as financial assets at fair value through profit and loss. A change of 5% in the liquidity discount would have increased / decreased the fair value of the investments by approximately $94 and $101 during the years ended March 31, 2025 and 2024 respectively.

CONTINGENT CONSIDERATION

The contingent consideration related to business combinations is payable based on the achievement of targets for growth in revenues for a period from the date of the acquisition and upon renewal of client contracts. The fair value measurement of the contingent consideration is determined using unobservable (Level 3) inputs. These inputs include (i) the estimated amount and timing of projected cash flows; and (ii) the risk-adjusted discount rate used to discount the cash flows which is based on the risk associated with the revenue targets being met. If projected cash flows were 10% higher, the fair value would have increased by $107 and if projected cash flows were 10% lower, the fair value would have decreased by $107. Discount rates ranging from 6.5% to 61.5% have been applied to consider the time value of money. A change in the discount rate by 100 basis points would have increased/decreased the fair value by $54.

(In thousands of Canadian dollars, unless otherwise stated)

The contingent consideration is classified as a financial liability and is included in other liabilities (note 22). The change in fair value is recognized in net finance expense (income) (Note 8).

CREDIT RISK

Credit risk is the risk of an unexpected financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet contractual obligations, and it arises primarily from the Corporation's trade and other receivables.

The Corporation's credit risk is principally attributable to its trade receivables. The amounts presented in the consolidated statements of financial position are net of an allowance for expected credit risk, estimated by the Corporation's management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. The Corporation's exposure to credit risk is mainly influenced by the characteristics of each customer. Generally, the Corporation does not require collateral or other security from customers for trade receivables; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of its customers.

An allowance for expected credit losses is maintained to reflect an impairment risk for trade accounts receivable based on an expected credit loss model. Bad debts are also provided for based on collection history and specific risks identified on a customer-by-customer basis.

The aging of trade receivable balances and the allowance for doubtful accounts as at March 31, 2025, and March 31, 2024 were as follows:

		2025		2024
Current	$	42,275	$	30,053
Past due 0-30 days		13,112		18,494
Past due 31-60 days		6,630		8,307
Past due 61-90 days		5,392		6,172
Past due more than 90 days		11,459		9,357
Total Trade receivables		78,868		72,383
Less : allowance for expected credit losses		(5,595)		(8,707)
	$	73,273	$	63,676

The movement in the allowance for expected credit losses in respect of trade receivables was as follows:

		2025		2024
Balance, beginning of year	$	8,707	$	7,833
Bad debt expense		1,524		1,410
Write-off against reserve		(4,636)		(536)
Balance, end of year	$	5,595	$	8,707

The Corporation also has credit risk relating to cash and cash equivalents and other receivables. The Corporation manages its risk by transacting only with sound financial institutions.

The carrying amounts of financial assets in the consolidated statements of financial position represent the Corporation's maximum credit exposure.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk by continuously monitoring actual and budgeted cash flows under both normal and stressed conditions. The Board of Directors also reviews and approves the Corporation's operating and capital budgets,

(In thousands of Canadian dollars, unless otherwise stated)

as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.

The following are the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2025:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Credit facilities	$ 341,365	$ 342,507	$ —	$ 342,507	$ —
Accounts payables and accrued liabilities	84,532	84,532	84,532	—	—
Lease liabilities	18,797	23,265	1,198	14,692	7,375
Other liabilities	27,243	30,329	8,780	19,935	1,614

MARKET RISK

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Corporation's earnings or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on risk.

CURRENCY RISK

The Corporation is exposed to currency risk on sales and expenses that are denominated in currencies other than the functional currency of the Corporation’s subsidiaries, primarily the US dollar (“USD”) and the euro (“EURO”). Also, additional earnings variability arises from the translation of monetary assets and liabilities denominated in currencies other than the functional currency of the Corporation’s subsidiaries at the rate of exchange at each balance sheet date, the impact of which is reported as a foreign exchange gain or loss in the consolidated statements of comprehensive income.

The Corporation's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows, by transacting with third parties in the above currencies to the maximum extent possible and practical, given that this will act as natural economic hedges for each of these currencies.

The Corporation's exposure to currency risk on its consolidated financial statements was as follows:

	March 31, 2025		March 31, 2024	
	USD	EURO	USD	EURO
Cash and cash equivalents	4,712	145	3,261	297
Trade receivables	1,471	908	3,563	1,760
Investments	546	—	3,273	—
Credit facilities	(50,000)	(10,000)	(50,000)	(10,000)
Accounts payable and accrued liabilities	(1,390)	(135)	(156)	(307)
Contingent consideration and balance payable on business acquisitions	(2,809)	—	(3,083)	—
Net balance exposure	(47,470)	(9,082)	(43,142)	(8,250)
Equivalent in Canadian dollars	(68,132)	(14,098)	(58,457)	(12,071)

The following exchange rates are those applicable to the following periods and dates:

	2025		2024	
	Average	Reporting	Average	Reporting
USD per CAD	1.3919	1.4353	1.3485	1.3550
EURO per CAD	1.4935	1.5523	1.4628	1.4632

(In thousands of Canadian dollars, unless otherwise stated)

Based on the Corporation's foreign currency exposures noted above, varying the above foreign exchange rates to reflect a 5% strengthening of the US dollar and EURO would have the following impacts on net income, assuming that all other variables remained constant:

	March 31, 2025		March 31, 2024	
	USD	EURO	USD	EURO
Increase (decrease) in net income	(3,401)	(705)	(2,923)	(604)

An assumed 5% weakening of the foreign currency would have had an equal but opposite effect on the basis that all other variables remained constant.

To manage its currency risk, the Corporation uses foreign exchange forward contracts and options. The tables below summarize the contracts effective as at March 31, 2025 and 2024:

Maturity	Type	Contract exchange rate	Contractual amount	Mark-to-market assets (liabilities) as at March 31, 2025	Mark-to-market assets (liabilities) as at March 31, 2024
Foreign exchange forward contracts					
0 to 12 months	USD Sale	1.3182 – 1.3721	$ 24,000	$ (1,821)	$ (11)
13 to 24 months	USD Sale	1.3457 – 1.3836	24,000	(848)	(8)
			$ 48,000	$ (2,669)	$ (19)

Maturity	Type	Contract exchange rate	Contractual amount	Mark-to-market assets (liabilities) as at March 31, 2025	Mark-to-market assets (liabilities) as at March 31, 2024
Options					
0 to 12 months					
Ratio forward	USD Sale	1.4100	$ 3,750 to 4,500	$ (74)	$ —
Target forward	USD Sale	1.4800	500 to 12,000	(25)	—
Participation memory forward	USD Sale	1.4610	500 to 12,000	(48)	—
			$ 500 to 12,000	$ (147)	$ —

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation holds most of its cash and cash equivalents balance in accounts bearing interest at rates less than 3%. The Corporation is, therefore, not materially exposed to future cash flow fluctuations coming from changes in market interest rates for its cash and cash equivalents. Cash equivalents consist of term deposits with original maturities of less than three months and are, therefore, also exposed to interest rate risk on fair value. However, fair value risk is not significant, considering the relatively short term to maturity of these instruments.

The credit facilities are variable interest rate instruments that are due in more than one year. This instrument is exposed to changes in future interest rates that could result in future cash flow fluctuations. To manage its interest rate risk, the Corporation entered into interest rate swap agreements.

(In thousands of Canadian dollars, unless otherwise stated)

The table below summarizes the interest rate contracts effective as at March 31, 2025 and 2024:

Maturity	Currency	Fixed interest rate (when applicable)	Initial nominal value	Mark-to-market assets (liabilities) as at March 31, 2025	Mark-to-market assets (liabilities) as at March 31, 2024
Swaptions					
October 25, 2024	CAD	—	$ 100,000	$ —	$ (44)
October 25, 2024	CAD	—	100,000	—	(24)
			200,000	—	(68)
Swaps					
October 31, 2028	CAD	3.66%	140,000	(5,966)	(471)
September 29, 2028	CAD	3.93%	25,000	(1,257)	(214)
			$ 365,000	$ (7,223)	$ (753)

The Corporation uses swaps to manage its interest rate risk on its credit facility. During Fiscal 2025, the Corporation unwind some a swap for a consideration of $148 and entered into new interest rate swap agreements which results in lower fixed interest rates and extended maturities.

Given that the Corporation did not elect to apply hedge accounting during the years ended March 31, 2025 and 2024, mark-to-market gains (losses) of $(9,267) and $1,431 were recorded in net finance expense (income), respectively.

30. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are as follows:

Pursue its growth strategy through acquisitions and organic growth by maintaining financial flexibility; and

Provide the Corporation's shareholders with an appropriate return on their investment.

For capital management, the Corporation has defined its capital as the combination of net debt and total equity.

Total managed capital is as follows:

	2025	2024
Contingent consideration, including current portion	$ 4,997	$ 1,708
Balance payable on business acquisitions, including current portion	174	330
Credit facilities	341,365	338,712
Subordinated debt	—	25,579
Cash and cash equivalents	(13,984)	(9,606)
Net debt, including contingent consideration and balance payable on business acquisition	332,552	356,723
Total equity	266,834	248,583
	$ 599,386	$ 605,306

The Corporation's financing strategy is to maintain a flexible structure, to respond adequately to the changes in economic conditions and to allow growth through business acquisitions. The Corporation monitors its capital structure using the net debt to adjusted EBITDA ratio. Refer to note 4 for more information about EBITDA.

To maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders of the Corporation, issue or repay debt, issue shares or undertake any other activities as deemed appropriate under the specific circumstances, on a quarterly basis.

(In thousands of Canadian dollars, unless otherwise stated)

31. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

KEY MANAGEMENT PERSONNEL

The key management personnel of the Corporation are the Chief Executive Officer, Chief Financial Officer and other key employees of the Corporation.

Key management personnel compensation and director's fees are as follows:

	2025	2024
Short-term employee benefits	$ 5,417	$ 5,658
Share-based compensation	162	254
Performance share units	2,866	2,038
Deferred share units	4,230	4,887
	$ 12,675	$ 12,837

RELATED PARTIES

Related parties of the Corporation include Directors and key management personnel, their family members, and companies over which they have significant influence or control. The Corporation has transacted with related parties during the reporting period. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties having normal trade terms.

During the year ended March 31, 2025, the Corporation recognized revenues with related parties amounting to $7,679 (2024 — $8,262). The Corporation incurred expenses with related parties amounting to $2,939 (2024 — $1,138).

32. BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

The consolidated financial statements of the Corporation have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on June 4, 2025.

B) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Contingent consideration payable which is measured at fair value at each reporting period in accordance with IFRS 3;
- Investments measured at fair value at year-end in accordance with IFRS 9;
- Cost of defined benefit pension plans and present value of the net pension obligation measured at fair value in accordance with IAS 19;
- Liabilities related to deferred share unit plan, performance share unit plan measured at fair value at year-end in accordance with IFRS 2;
- Equity stock options which are measured at fair value at date of grant pursuant to IFRS 2; and
- Assets and liabilities acquired in business combinations are measured at fair value at acquisition date.

(In thousands of Canadian dollars, unless otherwise stated)

- Derivative financial instruments are measured at fair value, determined by using an evaluation of the estimated market value, adjusted for the credit quality of the counterparty in accordance with IFRS 9.

C) FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the 'functional currency'). The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in profit or loss. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are reported on a net basis.

SUBSIDIARIES

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each financial position presented are translated at the closing rate at the date of that financial position;
- income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income (loss).

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

(In thousands of Canadian dollars, unless otherwise stated)

33. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Corporation's subsidiaries.

(A) BASIS OF CONSOLIDATION

BUSINESS COMBINATIONS

The Corporation measures goodwill as the excess of the fair value of the consideration transferred which includes the fair value of contingent consideration, over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Corporation incurs in connection with a business combination are expensed as incurred.

SUBSIDIARIES

Subsidiaries are entities controlled by the Corporation. The Corporation controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, Stingray Music USA Inc. and its subsidiaries Pop Radio LLC, 2144286 Ontario Inc., 4445694 Canada Inc., Pay Audio Services Limited Partnership, Music Choice Europe Limited, Stingray Digital International Ltd., Stingray Europe B.V., Transmedia Communications SA, SBA Music PTY Ltd., Stingray Music, S.A. de C.V., DJ Matic NV, Stingray Radio Inc. and Calm Radio Corp. and all these entities' wholly owned subsidiaries.

INVESTMENT IN ASSOCIATES

An associate is an entity over which the Corporation has significant influence. The Corporation has significant influence when it has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control. The Corporation accounts for its investment in an associate using the equity method. Under the equity method, the investment is initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the Corporation's share of the earnings and losses of the associate until the date significant influence ceases. Distributions received from an associate reduce the carrying amount of the investment. The consolidated statements of comprehensive income include the Corporations' share of any amounts recognized by its associate in other comprehensive income, if any. Intercompany balances between the Corporation and its associate are not eliminated.

INTEREST IN JOINT VENTURE

A joint venture is an arrangement whereby the Corporation and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Corporation accounts for its interest in a joint venture using the equity method. Under the equity method, the joint venture is initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the Corporation's share of the earnings and losses in the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. Additionally, the Corporation makes capital calls, which are treated as additions to the investment in the joint venture.

(In thousands of Canadian dollars, unless otherwise stated)

(B) FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Corporation initially recognizes financial assets on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

On initial recognition, the Corporation classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and is not designated as at fair value through profit and loss:

- The asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Corporation currently classifies its cash and cash equivalents and trade and other receivables as financial assets measured at amortized cost.

Financial assets measured at fair value

All equity investments and other financial assets that do not meet the conditions to be classified as financial assets measured at amortized cost are measured at fair value through profit and loss.

Changes therein, including any interest or dividend income, are recognized in profit or loss.

The Corporation's investments are classified as financial assets measured at fair value through profit and loss.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial liabilities

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially measured at fair value. If the financial liabilities are not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs.

The Corporation classifies all financial liabilities at amortized cost using the effective interest method, except for contingent consideration recorded at fair value through profit and loss and financial liabilities designated at fair value through profit or loss when doing so results in more relevant information. Such liabilities shall be subsequently measured at fair value.

(In thousands of Canadian dollars, unless otherwise stated)

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

The Corporation use derivative financial instruments to manage its interest rate risk on its credit facilities and its currency risk on its trade and does not use these instruments for speculative or trading purposes. The Corporation does not apply hedge accounting and therefore mark-to-market gains or losses are recognized in net finance expense (income).

IMPAIRMENT OF FINANCIAL ASSETS

The Corporation recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Corporation is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Corporation expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs on trade and other receivables is assessed by portfolio based on factors that may include the Corporation's past experience with debt recovery, an increased number of days exceeding payment terms in the portfolio, as well as a change - internationally or nationally - in economic conditions correlating with default payments.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and is recognized in profit or loss.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed. The reversal is recognized to the extent of the improvement without exceeding what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss.

(C) REVENUE RECOGNITION

CONTRACTS WITH CUSTOMERS

The Corporation records revenues from contracts with customers in accordance with the five steps in *IFRS 15 Contracts with customers* as follows:

1) Identify the contract with a customer;
2) Identify the performance obligations in the contract;
3) Determine the transaction price, which is the total consideration provided by the customer;
4) Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
5) Recognize revenues when the relevant criteria are met for each performance obligation.

Revenues are measured based on the value of the expected consideration in a contract with a customer and are recognized when control of a product or service is transferred to a customer.

(In thousands of Canadian dollars, unless otherwise stated)

A contract asset is recognized in the consolidated statement of financial position when revenues are earned without having been invoiced. Contract assets are presented in “Other current assets”. A contract liability is recognized when the Corporation has received consideration in advance of the transfer of products or services to a customer.

Broadcasting and commercial music segment

The Broadcasting and commercial music segment specializes in the broadcast of music and videos on multiple platforms and digital signage experiences and generates revenues from subscriptions or contracts.

Subscriptions

The Corporation recognizes revenues related to continuous music and video distribution over time, as the customer receives and consumes the benefits of the music supply at the same time it is broadcast. On-demand products, primarily music and concerts services, are also recognized over time as the customer receives and consumes the benefits of the on-demand product at the same time it is broadcast. The Corporation records contract liabilities when customers pay their subscription fees in advance.

Equipment and labor

For equipment and labor projects, mainly bundled arrangements, the Corporation accounts for individual products and services when they are separately identifiable, and the customer can benefit from the product or service on its own or with other readily available resources. The total arrangement consideration is allocated to each product or service on its own or with other readily available resources based on its stand-alone selling price.

The Corporation generally determines stand-alone selling prices based on the observable prices for products sold separately without a service contract, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, the Corporation uses the expected cost plus margin approach to determine stand-alone selling prices. The Corporation recognizes revenues for each individual product or service, when the related performance obligations are satisfied, which is usually at a point in time for sale of equipment and over time for music related services.

Advertising

The Corporation recognizes revenues related to advertising generally at a point in time, when the advertising airs in the network. Advertising reaches the customers by Retail media, Streaming media and Broadcast media. Retail media includes in-store licensed music, music video, digital signage and consumer insights, Streaming media includes music and soundscapes across web and mobile and FAST channels and Broadcast media includes concerts, shows, music videos and TV audio channels.

Radio segment

The Radio segment operates radio stations across Canada and generates revenues from advertising. Advertising revenues are recognized at a point in time when the advertising airs on the Corporation’s radio stations. Revenues are recorded net of any agency commissions as these charges are paid directly to the agency by the advertiser.

(D) RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development costs, net of tax credits, are recognized in profit or loss as incurred, unless the costs can be measured reliably, the product or process is technically feasible, future economic benefits are probable and the Corporation

(In thousands of Canadian dollars, unless otherwise stated)

intends to and has sufficient resources to complete the development and to use or sell the asset. In such a case, costs are recognized as internally developed intangible assets (see (m) intangible assets).

(E) LEASES AND PAYMENTS

Operating leases are not recognized in the Corporation's consolidated statements of financial position. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for in the year in which they are incurred.

(F) FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested, change in fair value of contingent consideration. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on credit facilities, unwinding of the discount on provisions, change in fair value of derivatives and contingent consideration, amortization of deferred financing costs, foreign exchange (gain) loss and impairment losses recognized on financial assets.

The Corporation recognizes finance income and finance costs as a component of operating activities in the consolidated statements of cash flows.

(G) INCOME TAXES

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries, associates and joint arrangements to the extent that the Corporation is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets are measured at the end of each reporting year and their carrying amount is reduced to the extent that it is no longer probable that a taxable profit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

(In thousands of Canadian dollars, unless otherwise stated)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(H) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

(I) PROPERTY AND EQUIPMENT

RECOGNITION AND MEASUREMENT

Items of property and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the item and restoring the site on which it is located, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

SUBSEQUENT COSTS

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

DEPRECIATION

Depreciation is calculated over the cost of the asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Corporation will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Property and equipment	Period
Building	20 to 60 years
Broadcasting infrastructure	8 to 25 years
Furniture, fixtures and equipment	3 to 10 years
Computer hardware	4 to 6 years
Leasehold improvements	Lease term

Estimates for depreciation methods, useful lives and residual values are reviewed at each reporting year-end and adjusted if appropriate prospectively.

(In thousands of Canadian dollars, unless otherwise stated)

(J) INTANGIBLE ASSETS, EXCLUDING BROADCAST LICENCES

Intangible assets that are acquired by the Corporation and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

The fair value of non-compete agreements acquired in a business combination are based on the discounted estimated revenues losses that have been avoided as a result of the non-compete being signed. The fair value of clients list and relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of music catalogs acquired in a business combination is determined using the estimated costs for creating such music catalogs. The fair value of trademarks acquired in a business combination is based on the discounted estimated future royalty payments that have been avoided.

Amounts capitalized as internally developed intangible assets include the total cost of any external products or services and labor costs directly attributable to development.

AMORTIZATION

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of the definite life intangible assets.

Internally developed intangible assets, net of related tax credits, are amortized starting from the date the products and services are commercialized.

The estimated useful lives for the current and comparative years are as follows:

Intangible assets	Period
Internally developed software and apps	2 to 5 years
Music catalog	5 to 15 years
Client list and relationships	3 to 15 years
Trademarks	2 to 20 years
Licences, website applications and computer software	2 to 25 years
Non-compete agreements	2 to 11 years

Estimates for amortization methods, useful lives and residual values are reviewed at each reporting year-end and adjusted if appropriate prospectively.

(K) LEASES

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties for which it is a lessee, the Corporation has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component. The right-of-use asset and lease liability are recognized at the lease commencement date.

RIGHT-OF-USE ASSETS ON LEASES

The right-of-use asset is measured at cost. The cost is based on the initial amount of the lease liability plus initial direct costs incurred, less lease incentives received, if any.

The cost of right-of-use assets is periodically reduced by amortization expenses and impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are amortized to reflect the expected pattern of consumption of the future economic benefits which is based on the lesser of the useful life of the asset or the lease term using the straight-line method. The lease term includes the renewal option only if it is reasonably certain to be exercised. The lease terms range from 1 to 50 years for buildings and towers, from 10 to 99 years for land and from 1 to 5 years for vehicles.

The Corporation elected not to recognize a right-of-use asset and liability for leases where the total lease term is less than or equal to twelve months and for leases of low value assets; such as but not limited to, office equipment. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

LEASE LIABILITIES

At the commencement date of the lease, the Corporation recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Corporation and payments of penalties for terminating a lease, if the lease term reflects the Corporation exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggered the payment has occurred.

In calculating the present value of lease payments, the Corporation uses the incremental borrowing rate as at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced to reflect the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there has been a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(L) BUSINESS COMBINATION, GOODWILL AND BROADCAST LICENCES

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value. Acquisition costs incurred are expensed and included in acquisition, legal, restructuring and other expenses. The cost of a business combination is allocated to the fair value of the related net identifiable tangible and intangible assets. The excess of the cost of the acquired businesses over the fair value of the related net identifiable tangible and intangible assets acquired is allocated to goodwill. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized in the consolidated statements of comprehensive income (loss).

To receive approval to launch a new broadcast licence pursuant to applications made by the Corporation to the CRTC, the CRTC may require the Corporation to commit to fund Canadian Content Development (“CCD”) during the initial term of the licence over and above the prescribed annual requirements. These obligations are considered to be part of the costs related to the award of new broadcast licences and are recognized as a liability upon the launch of the new broadcast licence. Any other direct costs related to the award and launch of new broadcast licences are also capitalized as broadcast licences. CCD that arises from a business acquisition is considered a transaction cost and is expensed in the consolidated statements of comprehensive income (loss).

After initial recognition, goodwill and broadcast licences are recorded at cost less any accumulated impairment losses. Both goodwill and broadcast licences have indefinite useful lives and are not amortized, but they are subject to an impairment evaluation. Broadcast licences are deemed indefinite life assets since they are renewed every seven years without significant cost, with the unlikely chance that the renewal will be denied; therefore, there is no foreseeable limit to the period over which broadcast licences are expected to generate net cash flows for the Corporation.

(In thousands of Canadian dollars, unless otherwise stated)

(M) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Corporation reviews the carrying amount of its non-financial assets, which include intangible assets with a finite useful life and property and equipment on each reporting date in order to determine if specific events or changes in circumstances indicate that their carrying amounts may not be recoverable. The recoverable amount of goodwill and broadcast licences are tested for impairment each year at the same date, or more frequently if indications of impairment exist.

For impairment testing purposes, assets that cannot be tested individually are grouped in CGUs. Goodwill is allocated to the CGU or CGU group that is expected to benefit from the synergies resulting from the business combination. Each unit or group of units to which goodwill is allocated shall not be larger than an operating segment and represents the lowest level at which goodwill is monitored for internal management purposes.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Impairment losses are recognized in profit or loss. Impairment losses are first allocated to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

(N) PROVISIONS

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

CONTINGENT LIABILITY

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Corporation; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

(O) EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Stock option plan

The fair value at the grant-date of equity settled share-based payment awards granted to management and key employees of the Corporation is recognized as an employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount expensed is adjusted to reflect the number of awards for which it is expected that the service conditions will be met, so that the amount ultimately expensed will depend on the number of awards that meet the service conditions at the vesting date.

(In thousands of Canadian dollars, unless otherwise stated)

Performance share units and deferred share units plans

Performance unit plan and deferred share units expected to be settled in cash are accounted for as cash settled awards, with the recognized compensation cost included in accounts payable and accrued liabilities. Compensation cost is initially measured at fair value at the grant date and is recognized in net income over the vesting year. The liability is remeasured based on the fair value price of the Corporation's shares, at each reporting date. Remeasurements during the vesting year are recognized immediately to net income to the extent that they relate to past services and amortized over the remaining vesting year to the extent that they relate to future services. The cumulative compensation cost that will ultimately be recognized is the fair value of the Corporation's shares at the settlement date.

Employee share purchase plan

The Corporation's contributions, used to purchase shares on the open market on behalf of employees, are recognized when incurred as an employee benefit expense, with a corresponding increase in contributed surplus. The amount expensed is adjusted to reflect the number of awards for which it is expected that the vesting conditions will be met, so that the amount ultimately expensed will depend on the number of awards that meet the vesting conditions at the vesting date.

Unvested shares held in trust on behalf of employees are treasury shares and therefore deducted from equity until they become vested.

PENSION BENEFITS

The Corporation maintains a defined contribution pension plan and defined benefit pension plans. The Corporation does not provide any non-pension post-retirement benefits to employees.

Defined contribution pension plan

The Corporation matches employee contributions under the defined contribution pension plan. Under this plan, contributions are funded to a separate entity and the Corporation has no legal or constructive obligation to pay further amounts. The Corporation's portion is recorded as compensation expense as contributions are made, which coincides with the periods during which services are rendered by employees.

Defined benefit pension plans

The cost of providing benefits under the defined benefit pension plans is determined on an annual basis by independent actuaries separately for each plan using the projected unit credit costing method. Actuarial gains and losses for both defined benefit plans are recognized immediately in full in the period in which they occur in OCI. Actuarial gains and losses are not reclassified to the consolidated statements of income in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of: (i) the date of the plan amendment or curtailment, and (ii) the date that the Corporation recognizes restructuring-related costs.

The discount rate is applied to the net defined benefit asset or liability to determine net interest expense or income. The Corporation recognizes the following changes in the net defined benefit obligation under operating expenses in the consolidated statements of income: (i) service costs comprising current service costs, past service costs, gains and losses on curtailments and settlements, and (ii) net interest expense or income.

The value of any defined benefit asset recognized is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

(In thousands of Canadian dollars, unless otherwise stated)

34. NEW STANDARDS NOT YET ADOPTED BY THE CORPORATION

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements*. It will replace IAS 1 – *Presentation of Financial Statements*. These amendments will not require any significant change to current practice but should facilitate and improve financial statement disclosures. The adoption of IFRS 18 is expected to primarily impact the presentation of Stingray's statement of comprehensive income (loss), notably through the introduction of new required subtotals such as 'operating profit or loss'. Furthermore, the standard will bring more prescriptive guidance on the aggregation and disaggregation of information and will require enhanced disclosures in a single note for any management-defined performance measures (MPMs) utilized. The Corporation is currently assessing the detailed impacts of these changes, which are aimed at enhancing the transparency and comparability of financial information. The Corporation intends to adopt these amendments in its consolidated financial statements for the annual period ending on March 31, 2028.

Glossary of terms

Artificial Intelligence (AI): Sometimes called machine intelligence, is, generally speaking, algorithms designed to make human-like decisions, often using real-time data.

Audio Out-of-Home (AOOH): Similarly to DOOH, Audio Out-of-Home is a new category of Out-of-Home (OOH) advertising developed by Stingray where custom audio ads are inserted in music channels broadcasting inside commercial establishments.

Connected TV: A device that connects to—or is embedded in—a television to support video content streaming.

Digital Out-of-Home (DOOH): Refers to a media network of digital display advertising in commercial spaces and public places.

Free Ad-Supported Streaming Television (FAST): FAST channels are a new category of IPTV content which consists of subscription-free linear programming supported by advertising (requires an internet subscription).

IPTV: Internet Protocol television (IPTV) is the process of transmitting and broadcasting television programs through the Internet using Internet Protocol (IP).

Over the top (OTT): Refers to film and television content provided via a high-speed Internet connection rather than a cable or satellite provider.

Pay TV: Television broadcasting in which viewers pay by subscription to watch a particular channel.

Satellite TV: Television broadcasting using a satellite to relay signals to appropriately equipped customers in a particular area.

Subscription Video On Demand (SVOD): Refers to a service that gives users unlimited access to a wide range of programs for a monthly flat rate. The users have full control over the subscription and can decide when to start the program.

Video On Demand (VOD): A system in which viewers choose their own filmed entertainment, by means of a PC or interactive TV system, from a wide selection.

4K UHD: Ultra-high-definition (UHD) television, also abbreviated UHDTV, is a digital television display format in which the horizontal screen resolution is on the order of 4,000 pixels (4K UHD).

Annual General Meeting of Shareholders

The Annual General Meeting will be held virtually by videoconference on August 6, 2025.

Provisional calendar of results

First quarter of 2026
August 5, 2025

Second quarter of 2026
November 11, 2025

Third quarter of 2026
February 10, 2026

Fourth quarter of 2026
June 9, 2026

Stock exchange

TSX : RAY.A and RAY.B

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