# Blue Ant Media Corporation

## Management's Discussion & Analysis

## For the three and nine months ended May 31, 2026 and 2025

**BLUE ANT MEDIA CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2026 AND 2025**

## Introduction

The following management's discussion and analysis (this "**MD&A**") of the financial condition, results of operations and cash flows for Blue Ant Media Corporation (the "**Company**" or "**Blue Ant**") is effective as of July 15, 2026. It is supplemental to, and should be read in conjunction with, the Company's unaudited interim condensed consolidated financial statements, and notes thereto (the "**interim financial statements**") as at and for the three and nine months ended May 31, 2026 and 2025, along with the Company's annual audited consolidated financial statements (the **"annual financial statements"**) and MD&A (the "**annual MD&A**") for the years ended August 31, 2025 and 2024, and its Annual Information Form for the year ended August 31, 2025 (the "**AIF**"). Additional information about the Company can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

This MD&A provides information that the management of the Company believes is helpful to understand the results of operations and the financial condition of the Company at the dates indicated. The objective is to present readers with a view of the Company from management's perspective by interpreting the material trends and activities that have affected the operating results, liquidity and financial position of the Company.

Certain information in this MD&A constitutes forward-looking information, that is based on assumptions and involves various risks and uncertainties. See the *"Forward-Looking Statements"* and *"Risks and Uncertainties"* sections of this MD&A for a discussion of the uncertainties, risks and assumptions associated with those statements. Actual results may differ materially from those discussed in the Forward-Looking Statements section as a result of various factors, including those described in the *"Risks and Uncertainties"* section and elsewhere in this MD&A and the AIF.

## Basis of Presentation

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"), applicable to the preparation of condensed interim financial statements, including International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*. However, certain financial measures contained in this MD&A are non-IFRS measures and are discussed further in the *"Non-IFRS Measures"* section of this MD&A. All dollar amounts referenced in this MD&A are in Canadian dollars, being the functional currency of the Company, unless otherwise indicated. Certain totals, subtotals and percentages in this MD&A may not reconcile due to rounding from thousands to millions of dollars. The impact of these rounding adjustments does not have a material effect on this MD&A.

On August 1, 2025, Blue Ant Media Inc. ("**BAMI**") completed a reverse takeover transaction of Blue Ant Media Corporation (formerly Boat Rocker Media Inc., or "**BRMI**") which was implemented by way of a statutory plan of arrangement under the Canada Business Corporations Act (the "**RTO**" or the "**Transaction**"). Former shareholders of BAMI exchanged their shares for shares of Blue Ant Media Corporation, which resulted in the reverse takeover of Blue Ant Media Corporation (herein, the "**Company**") by BAMI. On closing of the RTO (the "**Closing**"), the Company's fiscal year end, previously December 31, was changed to August 31.

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

In addition to the Transaction resulting in BAMI becoming the subsidiary of a public company, three Canadian production businesses were acquired: Insight Productions, Jam Filled Entertainment and Proper Television (the "**Retained Business**"). The Retained Business is included in the Company's Production and Distribution reporting segment. The consolidated results presented herein include the operations of the Retained Business for the three and nine months ended May 31, 2026 but not for the comparative period. For additional information with respect to the Transaction, see Note 4 of the annual financial statements.

**Thunderbird Acquisition**

On January 28, 2026, the Company announced the closing of the acquisition of Thunderbird Entertainment Group Inc. (**"Thunderbird"**) by way of plan of arrangement in exchange for an aggregate 5,857,979 subordinate voting shares of Blue Ant and $40.0 million in cash (the **"Thunderbird acquisition"**).

The acquisition is both strategic and accretive, broadening the Company's Production and Distribution business. It expands Blue Ant's financial and operational scale and adds complementary capabilities, enhancing the Company's ability to develop, package, and monetize content across multiple platforms. Thunderbird adds a library of over 1,000 hours of content and is known for titles such as *Mermicorno: Starfall*, *Super Team Canada*, *Molly of Denali*, *Highway Thru Hell*, *Kim's Convenience*, *Boot Camp* and *Sidelined: The QB and Me*, along with established relationships with leading global brands including LEGO, Marvel and Disney.

The Company provided total consideration of $88.1 million for net assets of $55.8 million including content rights, and identified intangible assets of $4.2 million, which resulted in goodwill on acquisition of $32.2 million. Other than the total consideration, these numbers reported are provisional and are subject to change, as management will be in the process of finalizing the allocation of the purchase price, which includes an assessment of all acquired intangible assets, for a period of up to one year from the acquisition date. Management expects there will be identified intangible assets relating to trademarks and customer relationships that would result in a reduction of goodwill, and that such reduction could be material.

Goodwill from the acquisition is included in the Company's Production and Distribution group of cash generating units (**"CGUs"**) for reporting and impairment testing purposes. For further details of the Thunderbird acquisition, refer to Note 4 (b) of the Company's interim financial statements.

**MagellanTV Acquisition**

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

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

The Company provided total consideration of $14.6 million for net liabilities assumed of $1.0 million and identified intangible assets of $11.2 million, which resulted in goodwill on acquisition of $4.4 million.

Other than the total consideration, these numbers reported are provisional and are subject to change, as management will be in the process of finalizing the allocation of the purchase price, which includes an assessment of all acquired intangible assets, for a period of up to one year from the acquisition date.

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

Goodwill acquired reflects the expected growth of the Company's AVOD, SVOD and FAST channels, including MagellanTV, as a result of the acquisition, along with synergies to be realized in its Global Channels and Streaming reporting segment and the value of the assembled workforce acquired. Goodwill from the acquisition is included in the Company's Global Channels and Streaming group of cash generating units (**"CGUs"**) for reporting and impairment testing purposes. For further details of the MagellanTV acquisition, refer to Note 4 (c) of the Company's interim financial statements.

### Normal Course Issuer Bid

On October 16, 2025, the Company announced that the Toronto Stock Exchange ("**TSX**") approved the Company's intention to proceed with a Normal Course Issuer Bid (the "**NCIB**") for its subordinate voting shares as appropriate opportunities arise from time to time. The NCIB commenced on October 20, 2025 and will expire October 19, 2026, allowing the Company to purchase up to 1,094,714 of its subordinate voting shares for cancellation. Under the NCIB, the Company commenced an Automatic Securities Purchase Plan ("**ASPP**") with a third party broker to repurchase an aggregate maximum of $0.5 million in the Company's subordinate voting shares between December 2, 2025 and August 22, 2026, with a daily automatic purchase restriction of 1,000 subordinate voting shares, the maximum permitted by the TSX. This ASPP was renewed for the period of April 22 to August 22, 2026, under the same terms as the previous plan. During the three and nine months ended May 31, 2026, the Company repurchased and cancelled an aggregate 45,900 and 77,200 subordinate voting shares at a cost of $0.3 million and $0.5 million under the NCIB through the ASPP.

As of July 15, 2026, an aggregate 99,700 subordinate voting shares were repurchased and cancelled through this program at a cost of $0.6 million.

## Selected Financial Information

The following tables provide selected financial information from the Company's consolidated statements of income/(loss) for the three and nine months ended May 31, 2026:

| (dollars, in thousands, except per share amounts) | Three months ended May 31, | | Change | | Nine months ended May 31, | | Change | |
|---|---|---|---|---|---|---|---|---|
| | **2026** | **2025** | **$** | **%** | **2026** | **2025** | **$** | **%** |
| Revenues | 125,629 | 56,034 | 69,595 | 124 % | 276,054 | 143,118 | 132,936 | 93 % |
| Impairment of assets | 33,137 | 8,317 | 24,820 | 298 % | 33,137 | 8,317 | 24,820 | 298 % |
| Net income (loss) | (17,454) | (11,156) | (6,298) | 56 % | (30,385) | (14,898) | (15,487) | 104 % |
| Net income attributable to non-controlling interests | 450 | 634 | (184) | (29)% | 391 | 615 | (224) | (36)% |
| Net income (loss) attributable to shareholders | (17,904) | (11,790) | (6,114) | 52 % | (30,776) | (15,513) | (15,263) | 98 % |
| Net income (loss) per share attributable to shareholders - basic and diluted | (0.64) | (0.73) | 0.09 | (12)% | (1.21) | (0.97) | (0.24) | 25 % |
| Adjusted EBITDA* | 16,798 | 14,642 | 2,156 | 15 % | 25,616 | 25,115 | 501 | 2 % |

* This item is a non-IFRS measure. See definition and reconciliation to IFRS in "Non-IFRS Measures" and "Reconciliation table".

The following tables provide selected financial information from the Company's interim consolidated statements of cash flows:

| (dollars, in thousands) | Nine months ended May 31, | | Change | |
|---|---|---|---|---|
| | **2026** | **2025** | **$** | **%** |
| Net cash provided by (used in) operating activities | (1,486) | 10,639 | (12,125) | (114)% |
| Cash flows provided by (used in) financing activities | 14,056 | (7,781) | 21,837 | 281 % |
| Cash flows provided by (used in) investing activities | (7,074) | (2,359) | (4,715) | (200)% |

The following tables provide selected financial information from the Company's interim consolidated statements of financial position:

| (dollars, in thousands) | **May 31, 2026** | **August 31, 2025** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Total current assets | 271,034 | 182,456 | 88,578 | 49 % |
| Total non-current assets | 338,009 | 288,950 | 49,059 | 17 % |
| **Total assets** | **609,043** | **471,406** | **137,637** | **29 %** |
| Total current liabilities | 254,495 | 178,861 | 75,634 | 42 % |
| Total non-current liabilities | 48,734 | 40,711 | 8,023 | 20 % |
| **Total liabilities** | **303,229** | **219,572** | **83,657** | **38 %** |

**Selected Operational Information**

- In June 2026, announced a strategic realignment of Blue Ant's Global Channels & Streaming and Rights businesses, bringing the operations together into a single monetization unit, Blue Ant Rights & Streaming. The move is intended to drive growth and maximize the value of Blue Ant's expanding content portfolio, enabling a more strategic and coordinated approach to content distribution, windowing, partnership development and monetization of its owned and partner IP across global markets. In connection with the strategic realignment, Mark Bishop was appointed Chief Monetization Officer, Blue Ant Rights & Streaming and Matt Hornburg was appointed Chief Content Officer, Blue Ant Studios.
- Expanded the Kids, Family & Young Adult (YA) division, uniting its studios and leadership under a single, integrated model designed to accelerate growth, streamline operations and expand its global content pipeline. The division is led by Jennifer Twiner McCarron, President, Kids, Family & YA, and sits within Blue Ant Studios.
- On track to achieve $7 million of synergies related to the Thunderbird acquisition.
- Secured several new greenlights including *Wild Frontier* (ITV), *Top Chef Canada: The Dessert Table* (Flavour Network), and *Mountain Men: Wild North* (The HISTORY® Channel/A+E Global Media), as well as renewals for *Canada Shore* (S2, Paramount+), *Super Team Canada* (S2, Crave), and *Beer Budget Reno* (S2, Home Network/A+E Global Media).
- Service work continued on major global Kids and Family IP including Marvel's *Iron Man and His Awesome Friends* (Disney+), Marvel's *Spidey and His Amazing Friends* (S5, Disney+), *CocoMelon Lane* (S8, Netflix), *Paw Patrol* spin-off *Rubble and Crew* (S5, Nickelodeon), and *LEGO StarWars: Rebuild the Galaxy* (S2, Disney+).
- Won 14 Canadian Screen Awards for titles including *Canada's Drag Race* (Crave), *Old Enough* (TVO), *The Amazing Race Canada* (CTV), and *Super Team Canada* (Crave). Also received a News & Documentary Emmy nomination for *Murder Has Two Faces* (Disney+).
- Media Pulse was named the exclusive direct sales and programmatic partner for Paramount's ad inventory in Canada. Media Pulse will represent both Paramount's SVOD platform, Paramount+, and its leading free-streaming service, Pluto TV.
- Launched the *Love Nature* Pay TV channel on Canal+ in France, Delta in the Netherlands, and Telia in Finland.
- Launched 13 Free Ad-Supported (FAST) channels across nine platforms including Vizio, LG, Pluto, Paramount Australia, Virgin, and Samsung in the US, UK, France, India, and Australia.

**Business Overview**

Blue Ant Media is an international streamer, production studio, advertising sales, and rights-management business. The company operates a diverse portfolio of free streaming and pay TV channels internationally, including Love Nature, Cottage Life, Smithsonian Channel Canada, BBC Earth Canada, HauntTV, Homeful, and Love Pets, as well as the subscription streaming service MagellanTV. Its studio business produces and distributes a wide range of premium content across key genres for streaming and broadcast platforms worldwide. Blue Ant Media is headquartered in Toronto, with a presence in Los Angeles, New York, Miami, Singapore, London, Washington, Sydney, Ottawa and Vancouver.

As at May 31, 2026, the Company had three reportable segments:

- **Global Channels and Streaming**, which includes various channel brands (excluding the Company's Canadian pay TV channels), delivered on multiple platforms, including FAST, SVOD, AVOD, cable TV, YouTube and social media. It also includes the Company's Smart TV advertising sales business, Media Pulse.

- **Production and Distribution** (operated under the name "Blue Ant Studios" and "Blue Ant Rights"), which includes a production business creating video content in multiple genres, including unscripted, animation, reality competition and scripted, and a distribution business that monetizes Blue Ant's content as well as content of third-party producers through licensing to other broadcasters and streamers around the world.

- **Canadian Media**, which includes the Company's seven Canadian pay TV channels, that deliver both advertising and subscription revenue, as well as its ten live consumer show events in various categories, including home design, renovations, cottage living, and parenting, which are focused on selling exhibit space to businesses and tickets to attendees, and its *Cottage Life* publishing business.

**Reverse Takeover of BRMI**

On August 1, 2025, BAMI completed an RTO of the Company (formerly BRMI).

The shares of BAMI were exchanged for shares of the Company on the basis of an exchange ratio of 1.25 shares (prior to the share consolidation noted below) of the Company for each share of BAMI. Furthermore, any equity incentive plan (“**EIP**”) awards and warrants of BAMI issued and outstanding immediately prior to the Closing were subject to the same exchange ratio.

Immediately prior to the Closing, the Company completed a share capital reorganization (the “**Share Capital Reorganization**“), which included a consolidation of its shares and EIP awards issued and outstanding on the basis of one (1) post-consolidation share for 10 pre-consolidation shares. The Share Capital Reorganization also included the exercise of certain fully vested restricted share units (“**RSUs**”), as well as the assumption of EIP awards issued and outstanding of the Company, which included options, performance-based share units (“**PSUs**”), deferred share units (“**DSUs**”) and RSUs.

As part of the Transaction, one of the Company’s significant shareholders committed to provide the Company with the following: (a) a commitment for a cash contribution of up to $34.7 million dependent on certain performance targets of the Retained Business in the year ending December 31, 2025 and to be paid by March 30, 2026; (b) guarantees for a vendor take-back promissory note receivable of $18.0 million on the sale of certain production assets to a group of shareholders immediately prior to the Closing of the RTO (the **“VTB Note”**), and US$2.7 million of notes receivable from a former BRMI executive in relation to a prior transaction; and (c) commitment for a period of one year from the Closing, to subscribe for up to $20.0 million in any new equity offering of the Company up to a maximum of $60.0 million. The VTB Note was sold in November 2025 (refer to Note 6 of the interim financial statements) and the committed capital contribution of $34.7 million was received in full during the three months ended May 31, 2026.

**Consolidated Results of Operations**

The following tables and proceeding discussion describes the significant changes in the Company's consolidated results of operations for the three and nine months ended May 31, 2026, compared to the three and nine months ended May 31, 2025:

| (dollars, in thousands) | Three months ended May 31, | | Change | | Nine months ended May 31, | | Change | |
|---|---|---|---|---|---|---|---|---|
| | **2026** | **2025** | **$** | **%** | **2026** | **2025** | **$** | **%** |
| **Revenue** | | | | | | | | |
| Subscriber | 11,453 | 11,332 | 121 | 1 % | 34,942 | 34,065 | 877 | 3 % |
| Promotion and advertising | 21,427 | 21,004 | 423 | 2 % | 61,246 | 59,168 | 2,078 | 4 % |
| Production services | 55,504 | 347 | 55,157 | nmf | 101,453 | 2,939 | 98,514 | nmf |
| Proprietary production and distribution | 27,839 | 13,418 | 14,421 | 107 % | 64,816 | 32,863 | 31,953 | 97 % |
| Consumer shows, publishing and other | 9,406 | 9,933 | (527) | (5)% | 13,597 | 14,083 | (486) | (3)% |
| **Total revenue** | **125,629** | **56,034** | **69,595** | 124 % | **276,054** | **143,118** | **132,936** | **93 %** |
| **Expenses** | | | | | | | | |
| Direct content, production and delivery expenses | 89,700 | 28,539 | 61,161 | 214 % | 196,793 | 79,588 | 117,205 | 147 % |
| Sales, general and administrative expenses | 19,131 | 12,853 | 6,278 | 49 % | 53,645 | 38,415 | 15,230 | 40 % |
| Share-based compensation expense | 695 | 8,532 | (7,837) | (92)% | 2,393 | 9,583 | (7,190) | (75)% |
| Depreciation and intangible amortization | 4,614 | 1,498 | 3,116 | 208 % | 10,993 | 4,306 | 6,687 | 155 % |
| Impairment of assets | 33,137 | 8,317 | 24,820 | 298 % | 33,137 | 8,317 | 24,820 | 298 % |
| Finance expenses (income), net | 1,770 | (468) | 2,238 | 478 % | 3,341 | 3,523 | (182) | (5)% |
| Loss on warrants | — | — | — | — % | — | 152 | (152) | (100)% |
| Loss on sale of other assets | — | — | — | — % | 66 | — | 66 | — % |
| Transaction and other related costs | 314 | 4,254 | (3,940) | (93)% | 7,756 | 6,387 | 1,369 | 21 % |
| Restructuring costs | 2,343 | 645 | 1,698 | 263 % | 4,201 | 642 | 3,559 | 554 % |
| **Net income (loss) before income taxes** | **(26,075)** | **(8,136)** | **(17,939)** | **(220)%** | **(36,271)** | **(7,795)** | **(28,476)** | **(365)%** |
| Income tax (recovery) expense | (8,621) | 3,020 | (11,641) | 385 % | (5,886) | 7,103 | (12,989) | 183 % |
| **Net income (loss) for the period** | **(17,454)** | **(11,156)** | **(6,298)** | **(56)%** | **(30,385)** | **(14,898)** | **(15,487)** | **(104)%** |

*Revenue*

The Company derives revenue from five source categories: (i) subscribers, being revenue derived from monthly subscriptions by consumers of the Company's content across various paywalled platforms; (ii) promotion and advertising, being revenue derived from the promotion and advertising by third parties on the Company's media platforms and print related advertising, as well as from the sale of advertising inventory for third party platforms; (iii) production services, being revenue derived from the production services for third parties; (iv) proprietary production and distribution, being revenue earned from licensing the Company's television programs, including programs that it produces, across specific geographic markets and within specified time periods; and (v) live event consumer shows, publishing and other, which include revenue derived from master control services and the Company's live event consumer show business. Further analysis of revenue is provided in the section entitled *"Results of Operations by Segment"*, below.

Revenue for the three months ended May 31, 2026 was $125.6 million, an increase of $69.6 million over the three months ended May 31, 2025.

In the nine months ended May 31, 2026, revenue was $276.1 million, an increase of $132.9 million over the nine months ended May 31, 2025. In both periods, revenue was higher across all streams with the exception of consumer shows, publishing and other, where it was lower than in the comparative periods. The overall increase in each period is primarily attributable to the higher proprietary production and production services revenue from the Retained Business and Thunderbird.

*Direct content, production and delivery expense*

Direct content, production and delivery expense in the three months ended May 31, 2026, was $89.7 million, compared to $28.5 million in the prior year period. The increase was primarily attributable to increase in proprietary production and production service activities in the current year period, where amortization of content rights were $21.1 million and production service and other production costs were $49.5 million in the three months ended May 31, 2026, compared to $8.3 million and $2.8 million in the three months ended May 31, 2025, respectively.

In the nine months ended May 31, 2026, direct content, production and delivery expense was $196.8 million, compared to $79.6 million in the nine months ended May 31, 2025. The increase was primarily attributable to increase in proprietary production and production service activities in the current year period, where amortization of content rights were $57.8 million and production service and other production costs were $93.8 million in the nine months ended May 31, 2026, compared to $32.1 million and $10.5 million in the nine months ended May 31, 2025, respectively.

*Sales, general and administrative expenses*

Sales, general and administrative expenses were higher in the three months ended May 31, 2026, being $19.1 million compared to $12.9 million in the three months ended May 31, 2025.

In the nine months ended May 31, 2026, sales, general and administrative expenses were $53.6 million compared to $38.4 million in the nine months ended May 31, 2025. The increase in both the three and nine-month periods was primarily due to the growth in the size of the Company, with higher salaries, IT, public-company related costs and other overhead costs from the Retained Business and Thunderbird, along with similar costs of the other acquired entities. Additionally, the Company had an increase in consulting and audit related costs the three and nine-month periods.

*Share-based compensation*

Share-based compensation expense in the three months ended May 31, 2026 was an expense of $0.7 million compared to $8.5 million in the three months ended May 31, 2025.

In the nine months ended May 31, 2026, share-based compensation expense was $2.4 million compared to $9.6 million in the nine months ended May 31, 2025. The decrease in both periods was due primarily to RSUs for which vesting was accelerated in the three months ended May 31, 2025 under the expectation of the close of the Transaction at the time satisfying the performance conditions of these RSUs, leading to a much higher expense in the prior year periods.

*Depreciation and intangible amortization*

Depreciation and intangible amortization expense was $4.6 million in the three months ended May 31, 2026, $3.1 million higher than the expense of $1.5 million in the three months ended May 31, 2025.

In the nine months ended May 31, 2026, depreciation and intangible amortization expense was $11.0 million, $6.7 million higher than the expense of $4.3 million in the nine months ended May 31, 2025. The variance in each period is primarily related to depreciation of the assets of the Retained Business and Thunderbird, including right of use assets, which were not included in the comparative periods. Additionally, there was amortization of intangible assets in the current year period relating to the identified intangible assets of Magellan.

*Impairment of assets*

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

Based on the analysis performed of the Canadian Media group of CGUs as at May 31, 2026, it was determined that the carrying value exceeded the recoverable amount and therefore an impairment of $33.1 million was recorded at this date on the Company's broadcast licenses, trademarks and acquired program rights and owned content.

During the three months ended May 31, 2025, management identified the presence of impairment indicators associated with the Canadian Media group of CGUs, resulting from the reallocation of the Smart TV advertising CGU to the Global Channels and Streaming operating segment. Accordingly, the Company tested goodwill of Canadian Media for impairment immediately post re-segmentation as at May 31, 2025. Based on the analysis performed, it was determined that the carrying value of the Canadian Media group of CGUs exceeded the recoverable amount and therefore an impairment of $8.3 million was recorded as at May 31, 2025, writing off the balance of goodwill in this group of CGUs.

*Finance expenses, net*

Finance expenses net of finance income were $1.8 million in the three months ended May 31, 2026 compared to net income of $0.5 million in the three months ended May 31, 2025, a variance of $2.2 million. The variance is related primarily to foreign exchange gains in the three months ended May 31, 2025 of $1.4 million compared to foreign exchange losses of $0.4 million in the current year period.

Additionally, the Company had higher interest expense in the current year period, due in part to interest accreted on the lease liabilities of the Retained Business and Thunderbird.

In the nine months ended May 31, 2026, finance expenses net of finance income were $3.3 million compared to $3.5 million in the nine months ended May 31, 2025, a variance of $0.2 million. In the nine-month period the Company earned higher interest income on bank deposits in the current year period, due to the larger average cash balance compared to the prior year. This was offset by a higher interest expense in the current year, due in part to interest accreted on the lease liabilities of the Retained Business and Thunderbird. Additionally, there were higher losses on foreign exchange in the prior year period.

*Transaction and other related costs*

Transaction and other related costs in the three months ended May 31, 2026 were $0.3 million compared to $4.3 million in the three months ended May 31, 2025.

In the nine months ended May 31, 2026, transaction and other related costs were $7.8 million compared to $6.4 million in the nine months ended May 31, 2025. In the current year periods, these costs include legal and other professional fees, one-time transition and other advisory costs associated with the acquisitions of Magellan and Thunderbird, whereas the prior year periods include costs associated with the RTO.

*Restructuring costs*

The Company incurred restructuring costs of $2.3 million and $4.2 million in the three and nine months ended May 31, 2026, respectively. The costs were driven by changes in the Company's Global Channels and Streaming segment during the first quarter, along with other integration-related personnel costs associated with recent acquisitions in the second and third quarters.

*Net income (loss)*

The Company had a net loss of $17.5 million in the three months ended May 31, 2026 compared to a net loss of $11.2 million in the three months ended May 31, 2025. In the nine months ended May 31, 2026, the Company had a net loss of $30.4 million compared to net loss of $14.9 million in the nine months ended May 31, 2025. The unfavourable variance in both periods relates primarily to the impairment of assets of the Canadian Media group of CGUs of $33.1 million in the three months ended May 31, 2026 as compared to an impairment of $8.3 million in the three months ended May 31, 2025, a variance of $24.8 million. Additionally, depreciation and intangible amortization was $3.1 million higher in the three months ended May 31, 2026 compared to the prior year period, relating mainly to the acquired assets of the Retained Business, MagellanTV and Thunderbird. Partially offsetting these unfavourable variances, transaction and other related costs were $3.9 million lower and share-based compensation expense were $7.8 million lower than in the current year period compared to the three months ended May 31, 2025.

In the nine months ended May 31, 2026, in addition to the $24.8 million variance relating to impairment noted above, depreciation and intangible amortization was $6.7 million higher, transaction and other related costs were $1.4 million higher, and restructuring costs were $3.6 million higher than in the nine months ended May 31, 2025. Partially offsetting these unfavourable variances, share-based compensation expense was $7.2 million lower than in the comparative period.

*Adjusted EBITDA**

The Company had Adjusted EBITDA* of $16.8 million for the three months ended May 31, 2026, compared to Adjusted EBITDA* of $14.6 million in the three months ended May 31, 2025. Although revenue was $69.6 million higher in the current year period, a 124% increase over the prior year period, direct content, production and delivery expenses were $61.2 million or 214% higher than in the prior year period, commensurate with the increase in revenue but resulting in a lower overall gross margin percentage. Additionally, sales, general and administrative expenses were $6.3 million higher, compared to the prior period for the reasons described above.

For the nine months ended May 31, 2026, the Company had Adjusted EBITDA* of $25.6 million compared to Adjusted EBITDA* of $25.1 million in the nine months ended May 31, 2025. Revenue was $132.9 million higher in the current year period, a 93% increase over the prior year period, where direct content, production and delivery expenses were $117.2 million or 147% higher than in the prior year period as a result of the increase in revenue but resulting in a lower overall gross margin percentage. Sales, general and administrative expenses were $15.2 million higher compared to the nine months ended May 31, 2025 for the reasons described above.

* This item is a non-IFRS measure. See definition and reconciliation to IFRS in “Non-IFRS Measures” and “Reconciliation table”.

**Results of Operations by Segment**

The Company manages and reports operating results through three segments: Global Channels and Streaming, Production and Distribution, and Canadian Media, which are described in detail below. The Company's primary measure of segment performance is "segment profit", which is calculated as revenue less direct content, production and delivery expenses, and sales, general and administrative expenses as reported in the Company's consolidated statements of net income (loss) and comprehensive income (loss) for each segment, before eliminations and corporate costs.

Global Channels and Streaming

The Global Channels and Streaming segment is comprised of international channel operations, including various Blue Ant channel brands (excluding its Canadian pay channels), delivered on multiple platforms, including FAST, SVOD, AVOD, pay TV, YouTube and social media, as well as the Company's Smart TV advertising sales business, Media Pulse.

The following tables present the Global Channels and Streaming segment revenue and segment profit for the three and nine months ended May 31, 2026 and 2025:

| *(dollars, in thousands)* | **Three months ended May 31,** | | **Change** | | **Nine months ended May 31,** | | **Change** | |
|---|---|---|---|---|---|---|---|---|
| | **2026** | **2025** | **$** | **%** | **2026** | **2025** | **$** | **%** |
| **Revenue** | | | | | | | | |
| Subscriber | 5,862 | 4,836 | 1,026 | 21 % | 17,346 | 14,310 | 3,036 | 21 % |
| Promotion and advertising | 17,229 | 15,568 | 1,661 | 11 % | 49,358 | 43,632 | 5,726 | 13 % |
| Production licensing and distribution | 578 | 753 | (175) | (23)% | 1,746 | 1,671 | 75 | 4 % |
| Consumer shows, publishing, service and other | — | 4 | (4) | (100)% | — | 15 | (15) | (100)% |
| **Total revenue** | **23,669** | **21,161** | **2,508** | **12 %** | **68,450** | **59,628** | **8,822** | **15 %** |
| Direct content, production and delivery expenses | 15,099 | 11,718 | 3,381 | 29 % | 43,603 | 33,581 | 10,022 | 30 % |
| Sales, general and administrative expenses | 4,161 | 3,855 | 306 | 8 % | 12,230 | 10,900 | 1,330 | 12 % |
| **Segment profit** | **4,409** | **5,588** | **(1,179)** | **(21)%** | **12,617** | **15,147** | **(2,530)** | **(17)%** |

The increase in revenue for the three and nine months ended May 31, 2026 compared to the prior periods was primarily driven by growth in subscriber revenue, including the addition of Magellan in October 2025, along with growth in Smart TV advertising sales, partially offset by lower FAST advertising revenue in the current year periods due to more challenging market conditions. Certain world events can drive advertising revenue favourably in both volume and rate, and create fluctuations in any given period or quarter. The US Presidential election had a significant impact on advertising sales in the prior year periods, which led to stronger comparative results before taking into account the Company's growth initiatives in the current year.

Direct content, production and delivery expenses increased in the current year periods due to an increase in Smart TV publisher costs. Sales, general and administrative costs also increased over the prior year period, consistent with the increase in higher advertising revenue, as well as the addition of Magellan's costs as of the date of acquisition. Segment profit decreased by $1.2 million in the three months ended May 31, 2026 and decreased by $2.5 million in the nine months ended May 31, 2026 compared to the prior year periods. Direct content, production and delivery expenses increased more than the increase in revenue in the three and nine months ended May 31, 2026.

Production and Distribution

The Production and Distribution segment is comprised of international content production and distribution activities. The production business creates video content in multiple genres, including unscripted, animation, reality competition and scripted, and the distribution business focuses on monetizing Blue Ant's content as well as content of third-party producers through licensing to other broadcasters and streamers around the world.

The following tables present the Production and Distribution segment revenue and segment profit for the three and nine months ended May 31, 2026 and 2025:

| *(dollars, in thousands)* | **Three months ended May 31,** | | **Change** | | **Nine months ended May 31,** | | **Change** | |
|---|---|---|---|---|---|---|---|---|
| | **2026** | **2025** | **$** | **%** | **2026** | **2025** | **$** | **%** |
| **Revenue** | | | | | | | | |
| Production services | 55,504 | 347 | 55,157 | nmf | 101,453 | 2,939 | 98,514 | nmf |
| Production licensing and distribution revenue | 27,159 | 12,541 | 14,618 | 117 % | 61,994 | 30,875 | 31,119 | 101 % |
| **Total revenue** | **82,663** | **12,888** | **69,775** | **541 %** | **163,447** | **33,814** | **129,633** | **383 %** |
| Direct content, production and delivery expenses | 66,332 | 8,426 | 57,906 | 687 % | 134,774 | 26,105 | 108,669 | 416 % |
| Sales, general and administrative expenses | 8,984 | 2,615 | 6,369 | 244 % | 21,639 | 9,933 | 11,706 | 118 % |
| **Segment profit (loss)** | **7,347** | **1,847** | **5,500** | **298 %** | **7,034** | **(2,224)** | **9,258** | **416 %** |

Revenue for the three and nine months ended May 31, 2026 increased compared to the prior year periods, driven by higher production services and production licensing revenue resulting from production activities and deliveries of the Retained Business and Thunderbird in the quarter.

Direct content, production and delivery expenses were higher in the three and nine months ended May 31, 2026 due to higher service costs and amortization of programming assets and associated with the revenue from production services and production licensing, respectively.

Sales, general and administrative costs were $6.4 million and $11.7 million higher three and nine-month periods ended May 31, 2026, than in the respective prior year periods. In the current year periods, the increase was due primarily to those costs of the Retained Business, as well as the costs of Thunderbird in the three months ended May 31, 2026.

Segment income was $5.5 million higher in the three months ended May 31, 2026 compared to the prior year period, and a favourable variance of $9.3 million in the nine months ended May 31, 2026. The increase in the volume of production services and production licensing activities in the nine months ended May 31, 2026 led to the improvement in segment profit (loss) compared to the prior year periods. Production services generally have a smaller margin than production licensing and distribution activities, hence the increase in segment revenue in the current quarter did not lead to a proportionate improvement in segment income. The favourable variance in segment income due to higher production services and production licensing activities in the current year periods was partially offset by the sales, general and administrative costs of the Retained Business for the full nine-month period and of Thunderbird, included in the segment from the date of acquisition.

Canadian Media

The Canadian Media segment is comprised of channel operations in Toronto and the sale of advertising across multiple platforms, including television, digital, print and live event consumer shows in Canada. This includes Blue Ant's seven Canadian pay TV channels, that deliver both advertising and subscription revenue, as well as its live consumer shows in various categories, including home design, renovations, cottage living and parenting (which derive revenue from selling exhibit space to businesses and tickets to attendees), and its Cottage Life publishing business.

The following tables present the Canadian Media segment revenue and segment profit for the three and nine months ended May 31, 2026 and 2025:

| *(Amounts in thousands CAD)* | **Three months ended May 31,** | | **Change** | | **Nine months ended May 31,** | | **Change** | |
|---|---|---|---|---|---|---|---|---|
| | **2026** | **2025** | **$** | **%** | **2026** | **2025** | **$** | **%** |
| **Revenue** | | | | | | | | |
| Subscriber | 5,591 | 6,496 | (905) | (14)% | 17,596 | 19,755 | (2,159) | (11)% |
| Promotion and advertising | 4,198 | 5,436 | (1,238) | (23)% | 11,888 | 15,536 | (3,648) | (23)% |
| Production licensing and distribution | 102 | 124 | (22) | (18)% | 1,076 | 317 | 759 | 239 % |
| Consumer shows, publishing, and other | 9,406 | 9,929 | (523) | (5)% | 13,597 | 14,068 | (471) | (3)% |
| **Total revenue** | **19,297** | **21,985** | **(2,688)** | **(12)%** | **44,157** | **49,676** | **(5,519)** | **(11)%** |
| Direct content, production and delivery expenses | 8,124 | 8,384 | (260) | (3)% | 17,788 | 19,587 | (1,799) | (9)% |
| Sales, general and administrative expenses | 3,967 | 4,823 | (856) | (18)% | 12,163 | 14,107 | (1,944) | (14)% |
| **Segment profit** | **7,206** | **8,778** | **(1,572)** | **(18)%** | **14,206** | **15,982** | **(1,776)** | **(11)%** |

Revenue in the Canadian Media segment decreased in the three and nine months ended May 31, 2026 compared to the prior year period. Canadian Media was impacted by a challenged linear advertising market in Canada with a gradual shift to Smart TV advertising, along with a continued decline in subscriber revenue from a combination of subscriber attrition and rate reduction. Additionally, consumer shows and publishing underperformed in the three months ended May 31, 2026 compared to the prior year period. These factors were slightly offset by an increase in distribution sales of acquired library content in the nine-month period. The decrease in revenues in the current year periods was in part offset by a reduction in direct content, production and delivery expenses and sales, general and administrative expenses in both the three and nine months ended May 31, 2026 leading to a lower decline in segment profit year-over-year.

## Summary of Quarterly Results

Certain of the Company’s operating results for each of its reporting segments are subject to seasonal fluctuations that can significantly impact quarter-to-quarter operating results. For example, the Company’s advertising revenue is dependent on general advertising and retail cycles associated with consumer spending activity, and its consumer shows only occur at particular times of the year so primarily only recognize revenue during such periods. The Company typically sees higher advertising revenue in the third and fourth quarters. Similarly, the Company’s production and distribution revenue may vary due to the number and timing of programs delivered or licensed, the size of budgets and related production revenue, and license period start dates with buyers and distributors. While the timing of production revenue is generally unpredictable, distribution revenue is often higher in the fourth quarter. As a result, the Company’s results may fluctuate materially from period-to-period and the results of any one period are not necessarily indicative of results for future periods.

The following table sets out certain unaudited information with respect to each of the Company’s fiscal quarters commencing with the quarter ended August 31, 2024.

| *(Amounts in thousands CAD, except EPS)* | Q3 2026 | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 |
|---|---|---|---|---|---|---|---|---|
| Revenue | 125,629 | 69,961 | 80,464 | 60,837 | 56,033 | 38,377 | 48,707 | 54,172 |
| Net income (loss) attributable to shareholders | (17,904) | (6,030) | (6,842) | 28,979 | (11,790) | (4,822) | 1,099 | (14,090) |
| Adjusted EBITDA* | 16,798 | 3,824 | 4,994 | 11,988 | 14,642 | 4,121 | 6,352 | 14,228 |
| Basic EPS** - attributable to shareholders | $ (0.64) | $ (0.23) | $ (0.31) | $ 1.61 | $ (0.73) | $ (0.30) | $ 0.07 | $ (0.88) |
| Diluted EPS** - attributable to shareholders | $ (0.64) | $ (0.23) | $ (0.31) | $ 1.50 | $ (0.73) | $ (0.30) | $ 0.06 | $ (0.88) |

* As defined in “Non-IFRS Measures”

** EPS for all periods is presented on a post-Share Capital Reorganization basis, as if share premium and share consolidation had been applied to share base for all historical periods presented

## Liquidity and Capital Resources

*(Amounts in thousands CAD)*

| Balance: | May 31, 2026 | August 31, 2025 |
|---|---|---|
| Bank indebtedness | 9,402 | 19,342 |
| Interim production financing | 70,481 | 52,144 |

The Company’s largest working capital need is typically related to programming spend, which the Company generally funds via operating cash flows that are augmented, when necessary (and typically only for short-term periods), by the Operating Line (as defined below under “*Bank Indebtedness*”). In addition, the Company funds production spending needs by way of its Interim Production Facility (also defined and described below under “*Production Financing*”).

The Company’s well-diversified operations help it to navigate cyclical working capital challenges across its business segments. Results of operations for any period are partly dependent on the amount and timing of content delivered. Consequently, the Company's results from operations may fluctuate materially from period to period and the results of any one period are not necessarily indicative of results for future periods. Cash flows may also fluctuate and are not necessarily closely correlated with revenue recognition.

| *(Amounts in thousands CAD)* | **Nine months ended May 31,** | |
|---|---|---|
| Net cash provided by (used in): | **2026** | **2025** |
| Operating activities | (1,486) | 10,639 |
| Financing activities | 14,056 | (7,781) |
| Investing activities | (7,074) | (2,359) |
| Net interest expense on bank indebtedness and Interim production financing | 1,663 | 1,776 |

As at May 31, 2026, the Company had cash of $59.9 million, an increase of $5.5 million compared to $54.5 million as at August 31, 2025 .

Net cash used in operating activities during the nine months ended May 31, 2026 was $1.5 million, compared to a source of cash of $10.6 million during the nine months ended May 31, 2025, a year-over-year decrease of $12.1 million. The amount of cash provided by operations depends in part on the timing of production activities, where owned content requires an operating cash outflow during the course of production that does not get recorded in the statement of income until the time the production is delivered. In the nine months ended May 31, 2026, the Company expended $57.3 million in cash for additions to content rights, $10.5 million more than the $46.8 million expended in the nine months ended May 31, 2025. The timing of production activity can also have an impact on non-cash working capital items such as accounts receivable, prepaid expenses, accounts payable and deferred revenue. The total movement in all non-cash working capital items in the nine months ended May 31, 2026 amounted to a cash net outflow of $8.5 million compared to a net inflow of $8.9 million in the comparative period, or a decrease of $17.4 million in cash from operations over the prior year period. This year-over-year variance is due primarily to a decrease in accounts payable and accrued liabilities in the current year period as compared to the nine months ended May 31, 2025. The net loss for nine months ended May 31, 2026 included non-cash expenses for amortization of content rights of $57.8 million, asset impairment of $33.1 million and depreciation and intangible amortization of $11.0 million, compared to $32.1 million, $8.3 million and $4.3 million in the nine months ended May 31, 2025, respectively. After adding back all non-cash operating items including these amounts, net loss from operations becomes a cash inflow of $64.4 million in the nine months ended May 31, 2026 compared to net income providing a cash inflow $48.6 million in the prior year period, an increase of $15.8 million in the current year.

Cash generated from financing activities was $14.1 million during the nine months ended May 31, 2026, compared to a use of $7.8 million in the nine months ended May 31, 2025, a net cashflow increase of $21.8 million. In the current year period, the Company received a net capital contribution of $34.3 million from one of its significant shareholders, with no similar amount in the comparative period (see Note 4 (a) of the interim financial statements). Also in the current year period, there was a net draw of interim production financing of $1.0 million in the nine months ended May 31, 2026 compared to a net draw of $0.5 million in the nine months ended May 31, 2025, accounting for an inflow of $0.5 million year-over-year. Partially offsetting these inflow variances, the Company had a net repayment of $11.1 million on its operating credit facilities, compared to a net repayment of $3.5 million in the comparative period, creating a variance of $7.6 million. The net repayment in the current period is primarily due to repayment of the acquisition loan draw for Thunderbird. Additionally, repayment of lease liabilities was $4.5 million higher in the current year period due to leases assumed as part of the RTO and Thunderbird.

Cash used in investing activities was $7.1 million during the nine months ended May 31, 2026, compared to $2.4 million during the nine months ended May 31, 2025, a net cash outflow increase of $4.7 million. During the nine months ended May 31, 2026, the Company expended $16.1 million in net cash in acquiring Thunderbird and MagellanTV. Additions to intangible library assets in the nine months ended

May 31, 2026 were $1.3 million, consistent with additions of $1.3 million in the comparative period, and additions to property and equipment were $3.3 million compared to $1.0 million, or $2.3 million higher than in the comparative period. The expenditures on additions to property and equipment in the nine months ended May 31, 2026 were net of insurance proceeds of $3.0 million received for the replacement of IT equipment that had been previously damaged in a flood. These increases in investing outflows compared to the prior year period were partially offset by net proceeds of $13.6 million received for the sale of the Company's VTB Note during the nine months ended May 31, 2026.

*Bank Indebtedness*

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

The 2025 Credit Facility consists of Facilities A and C as summarized below (refer to *Interim Production Financing* section below for Facility B).

- General purpose credit facility ("**Facility A**")

  The Company's revolving credit facility is $30.0 million, where advances under this facility are for working capital and general corporate purposes.

- Acquisition credit facility ("**Facility C**")

  The Company's acquisition revolving credit facility is $55.0 million.

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

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

Principal repayments on Facilities C are as follows: 3.55% of the principal amount of each advance, payable in quarterly installments and the remainder payable on the  the 2025 Credit Facility's maturity date of December 6, 2027. The facility permits voluntary repayments without payment of any penalty or fee.

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

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

The Company was in compliance with all financial covenants as described above in both the nine months ended May 31, 2026 and the year ended August 31, 2025.

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

As at May 31, 2026, $9.4 million was outstanding under the 2025 Credit Agreement, excluding amounts owing under the Interim Production Facility, but including accrued interest and unamortized financing costs (August 31, 2025 - $19.3 million outstanding under the Credit Facility). In the nine months ended May 31, 2026, the Company incurred net interest expense on its bank indebtedness and interim financing loans of $1.7 million, compared to $1.8 million for the nine months ended May 31, 2025 (excludes interest capitalized to production costs in each period).

*Interim Production Financing*

The Company typically incorporates a new single purpose entity for each of its material productions, including for each new season of an existing series, in order to manage the budget and cash flow of its productions. This structure is designed to enable the Company to limit liability, monitor production costs, and manage financing and future revenue streams associated with each production. The single purpose entity is generally amalgamated as the receivables that fund a production, including tax credits, are received and the interim production financing is repaid, as further described below.

The Company's production funding model is unique to each show and includes various sources of third-party funding. These funding sources include the Interim Production Facility, contracted license fees (i.e. pre-sales of initial broadcast rights to linear channels or streaming platforms), advances from international buyers (i.e. foreign streamers, linear channels or third-party distributors who acquire certain geographic or global rights), and federal, provincial or state tax credits, grants and other funding.

Due to timing differences between the inflow of third-party financing and the required outflows to fund a production's budget, the Company typically requires interim production financing. When third-party funding for a project is confirmed, such funding is pledged to a bank or other industry lender to secure an interim production financing loan. The pledges, which generally include financing commitments from large streamers and linear channels, as well as government funding, are used to repay the interim production financing as the third-party funding is collected by the Company. As such, the Company's financing facilities typically self-liquidate when applicable tax credits and other funding are collected by the Company.

Because the timing of the collection of third party financing can sometimes occur well after a production is completed (as is particularly the case for government tax credits, which may only be received 12 to 24 months after physical production has ended), the timing of repayment of interim production financing can result in a misalignment in financial reporting whereby production inflows do not necessarily match capital outflows by the Company.

As at May 31, 2026, interim production financing includes the following facilities:

- Production revolving loan under 2025 Credit Agreement

  This is a revolving credit facility with a total limit of $70.0 million under which advances may be used to provide interim production financing for eligible productions ("**Facility B**"). This facility is secured by a guarantee from the Company up to a maximum principal amount of $5.0 million, as well as being secured by specific production financing, licensing contracts and film tax credits receivables.

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

  As part of the 2025 Credit Agreement, the Company entered into a revolving credit agreement specifically for interim financing on future service productions with a limit of up to $20.0 million. No amounts were drawn from this facility as of November 30, 2025.

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

On the closing of the Transaction on August 1, 2025, the Company assumed a revolving credit agreement secured by certain production service tax credits receivable (the "**Borrowing Base Facility**").

The Borrowing Base Facility is repayable on demand but it is expected that it will be repayable on collection of the specified borrowing base amounts.

Additionally on the Closing, the Company assumed a number of single-purpose production-specific interim production financing loans and a general security agreement in respect to Proper Television and Insight Productions. These loans are secured by production tax credits receivable.

The Company's interim production financing balance as at May 31, 2026 (including amounts owing under the Interim Production Facility) was $70.5 million, compared to $52.1 million as at August 31, 2025. This increase was driven by draws for new production funding requirements in excess of repayments through the receipt of tax credits and other production receivables.

## OUTSTANDING EQUITY INSTRUMENTS

As of July 15, 2026, the following equity instruments are outstanding:

| **Type of Equity Instrument** | **#** |
|---|---|
| Multiple Voting Shares ("MVS") | 12.5 |
| Subordinate Voting Shares ("SVS") | 27,687,058 |
| Restricted Voting Shares ("RVS") | 75,000,000 [1] |
| Stock Options | 1,874,042 |
| Restricted Share Units | 608,076 |
| Deferred Share Units | 163,112 |
| Performance Share Units | 253,924 |
| Warrants | 546,875 |

The weighted average exercise price of the stock options outstanding is $12.87.

[1] Michael MacMillan owns 3.7% of the Company but controls ~73% of the vote via MVS and RVS shares in order to comply with Canadian regulatory rules on Canadian control/ownership. MacMillan owns twelve and a half MVS which each hold the equivalent value of a single SVS (save their vote entitlement). He owns 75,000,000 RVS, which are redeemable at the option of the Company for $7,500 (the sum total amount for all the RVS shares) and which, because of their nominal economic value, are not included in the basic or fully diluted share count.

## Non-IFRS Measures

The MD&A contains references to certain measures that do not have a standardized meaning under IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies. These measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management's perspective. Accordingly, non-IFRS measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS Accounting Standards.

The Company believes these non-IFRS and supplementary financial measures are frequently used by securities analysts, investors and other interested parties as measures of financial performance and to provide supplemental measures of operating performance and can assist in highlighting trends that may not otherwise be apparent when relying solely on IFRS financial measures. A reconciliation of the Company's non-IFRS measures is included in the *"Reconciliation Table"* section of this report.

*EBITDA*

EBITDA is defined as net income or loss before interest, taxes, depreciation and intangible amortization.

*Adjusted EBITDA*

Adjusted EBITDA is defined as EBITDA before certain expenses, costs, charges or benefits incurred in the period which in management's view are not indicative of continuing operations, including: share-based compensation, gain or loss on warrants, gain or loss on contingent consideration, gain or loss on put options, professional and consulting fees relating to non-core operating activities, impairment of goodwill and acquired program rights and owned content, restructuring costs, amortization of deferred financing costs, gain or loss on sale of assets, realized and unrealized gains or losses on foreign exchange, and other costs not indicative of the Company's core operating results.

The Company believes this measure is important as it allows the Company to evaluate the operating performance of its business segments and its ability to service or incur debt, and is one of the measures used by the investing community to value the Company.

*Cash Available for Use*

Cash Available for Use is defined as the total cash of the Company less Cash Required for Use in Productions. Cash Available for Use funds ongoing working capital requirements, principal and interest payments on bank indebtedness (if any) as well as ongoing development and growth efforts and thus is an important liquidity measure that management uses to monitor the business on an ongoing basis.

*Cash Required for Use in Productions*

Cash Required for Use in Productions is defined as cash required for the funding of productions in progress that is not considered by the Company to be available for other uses. The cash is not legally restricted and has not been classified as Restricted Cash on the consolidated statement of financial position. This cash has been provided by buyers and third-party IP owners that have engaged the Company to provide services, as well as banks with whom the Company has contracted to provide interim production financing. Management uses the amount of Cash Required for Use in Productions to determine the Company's Cash Available for Use.

## Related Party Transactions

Related party transactions are reviewed by the Audit Committee of the Board, with interested directors excluded. The terms of these transactions are equivalent to those that would apply to arm's length transactions.

The Company, in the ordinary course of business, sells advertising inventory from time to time to GroupM Canada Inc. and certain of its affiliates (collectively, "**GroupM**"), a company of which Kevin Johnson, a director of the Company, is the CEO. These transactions are conducted on arm's length terms. During the three and nine months ended May 31, 2026, the Company sold GroupM advertising inventory having a value of $1.5 million and $3.3 million, respectively ($1.3 million and $3.6 million in the three and nine months ended May 31, 2025, respectively).

The Company pays Southhill Inc., a company controlled by Michael MacMillan, rent in the amount of ten thousand dollars each month in the ordinary course for use of an office space and administration service in the three and nine months ended May 31, 2026 and May 31, 2025.

## Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## Critical Accounting Policies

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenue and expenses during the reporting periods. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

For a summary of the Company's accounting policies, see Note 3 to the Company's annual financial statements.

The significant estimates and judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty for its interim condensed consolidated financial statements for the three and nine months ended May 31, 2026 and 2025 are the same as those described in the Company's MD&A and annual financial statements for the years ended August 31, 2025 and 2024.

Changes to the Company's accounting policies from those disclosed in the Company's annual financial statements are disclosed in note 3 of the Company's interim financial statements.

**Disclosure Controls and Procedures and Internal Controls Over Financial Reporting**

The Company's management, under the supervision of the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), is responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**") as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**").

Subject to the limitations described below, management has designed and maintained DC&P to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings, or other reports filed under securities legislation is recorded, processed, summarized, and reported within the time periods specified by such legislation.

The CEO and CFO have also designed, or caused to be designed under their supervision, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management uses the framework and criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission to design the Company's ICFR.

Internal control systems, no matter how well designed or operated, have inherent limitations. Even controls that are effectively designed can provide only reasonable, not absolute, assurance that the objectives of financial reporting, financial statement preparation, and disclosure controls and procedures are achieved. Accordingly, there can be no guarantee that all material misstatements or control issues, if any, will be prevented or detected on a timely basis.

As of May 2026, a material weakness in ICFR related to revenue recognition within the production and distribution segment, as previously disclosed in its MD&A for the third quarter of fiscal 2025, continues to exist; specifically:

- The controls over the accounting for certain distribution revenue contracts that have a license commencement date that is not clearly specified in the contract, were not properly designed to ensure the appropriate timing of revenue recognition.
- The controls over the accounting for production deliveries were not properly designed to capture episodic or partial recognition that spanned more than one quarter within the same fiscal year.

A material weakness, as defined in NI 52-109, is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

For the material weaknesses identified, management continues to implement its remediation plan, which remains in progress, to strengthen revenue recognition controls within the production and distribution segment. The plan includes enhancing revenue recognition policies, providing relevant team members training to ensure consistent application, increasing management oversight and review of non-standard and significant agreements, and implementing workflow improvements to ensure appropriate documentation and evidence of management review.

Although management expects that the remediation of deficiencies in key controls related to its revenue processes which resulted in the occurrence of a material weakness will be completed during the year ending August 31, 2026, there is no assurance as to when such remediation will be completed. A material weakness is not considered remediated until the newly designed or enhanced control activity has been implemented and has operated effectively for a sufficient period of time to allow management to evaluate its design and operating effectiveness. Management must conclude, through testing performed as part of the Company's regular quarterly close and annual review processes, that the control is functioning as intended and effectively addresses the previously identified weakness.

Other than the material weakness and ongoing remediation efforts described above, there were no changes in the Company's ICFR during the quarter ended May 31, 2026 that have materially affected, or are reasonably likely to materially affect, ICFR.

Limitation on Scope of Design

The CEO and CFO have limited the scope of the design of the Company's DC&P and ICFR to exclude the controls, policies, and procedures of Thunderbird (acquired January 27, 2026) MagellanTV (acquired October 2, 2025), and the three production businesses, Insight Productions, Jam Filled Entertainment, and Proper Television, acquired as part of the RTO completed on August 1, 2025 (the "Retained Production Business").

This limitation on the scope of design is in accordance with section 3.3(1)(b) of National Instrument 52-109, which permits an issuer to limit the design of DC&P and ICFR for a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A.

The following is a summary of certain financial information as at May 31, 2026, related to the above mentioned acquisitions:

| *(dollars, in thousands)* | **Thunderbird** | **MagellanTV** | **Retained Production Business** |
|---|---|---|---|
| | **Nine months ended May 31, 2026** | | |
| Revenue | 54,099 | 8,229 | 84,347 |
| Net income (loss) | 1,748 | 930 | 6,290 |
| | **As at May 31, 2026** | | |
| Total current assets | 107,192 | 3,443 | 56,177 |
| Total non-current assets | 54,695 | 15,157 | 21,163 |
| Total assets | 161,887 | 18,600 | 77,340 |
| Total current liabilities | 70,034 | 2,927 | 51,213 |
| Total non-current liabilities | 37,598 | 557 | — |
| Total liabilities | 107,632 | 3,484 | 51,213 |

**Risks and Uncertainties**

The Company is exposed to a number of specific and general risks that could affect its results and ongoing operations, including but not limited to the following risk factors: shifts in consumer behaviour and content demand, including with respect to content buyer commissioning preferences, may reduce the Company's revenue or lead to outdated content and other business offerings; the imposition of tariffs by the United States on the film and television sectors could materially and adversely affect the Company's business, operating and financial results; the industries and markets in which the Company operates are highly competitive and rapidly evolving; the Company's operating and financial results may be affected by external factors beyond its control, including tariffs imposed by the United States; the Company's business is significantly dependent on Michael MacMillan, the Company's CEO and controlling shareholder, as well as other members of the senior management team; the loss of buyers or other strategic partners or key relationships, or changes to partner terms of service, may adversely affect the Company's revenue and growth prospects; changes in the methodologies, policies, or contractual terms applicable to streaming platforms such as Amazon, Facebook or YouTube, changes in laws or regulations applicable to such platforms, or any governmental or third-party claim against any such platform could have a material adverse effect on the Company's financial results; the Company's operating and financial results may be affected by external factors beyond its control, including tariffs imposed by the United States; the imposition of tariffs by the United States could materially and adversely affect the Company's business, operating and financial results; a decrease in brand recognition may reduce the Company's buyer and consumer retention and related monetization potential; many of the Company's productions are funded in part by tax credits or other subsidies, which may be inaccurately estimated or subject to audit. In addition, any change in the regulations related to tax credits or other subsidies could negatively affect the Company's business; loss of Canadian Person status may result in loss of government tax credits and incentives or default by the Company under its broadcast licenses; the Company's revenues, spending and results of operations may fluctuate significantly period to period; the Company is subject to risks, such as unforeseen costs and potential liability, in connection with content it produces, acquires, licenses or distributes; protecting and defending against intellectual property claims may adversely affect the Company's business; the implementation and use of artificial intelligence technologies exposes the Company's business to new and evolving risks; the Company may not be able to secure necessary studio space to produce its content, and even if it can secure such space, the cost of the space may be in excess of the Company's estimated amounts; the Company may face labour shortages that could slow its growth, and strikes or unionization could delay its projects and increase production costs; changes in the Company's business strategy or plans for growth, as well as costs related to becoming a public company, may increase costs or otherwise affect the profitability of its business; the Company faces risks inherent in doing business internationally, many of which are beyond the Company's control; the Company's cash and cash equivalents could be adversely affected if any financial institution in which it holds its cash and cash equivalents fails; the Company may be adversely affected by credit risk; the Company may require additional capital to fund ongoing operations or capital expenditures and may have difficulty obtaining such capital; a significant portion of the Company's revenues and expenses are denominated in Canadian dollars. However, a growing portion of its sales and operating costs are denominated in foreign currencies, mainly in U.S. dollars, Euros, British Pounds and Australian dollars; the Company is subject to income taxes in a number of jurisdictions, as well as to audits by tax authorities in those jurisdictions; unauthorized disclosure of confidential information could harm the Company's business and reputation; the Company is dependent on its information technology ecosystem. Failures in certain components of the information technology ecosystem, or threats or actions by malicious parties, could adversely affect the Company and its operations; the Company operates through a holding company structure; pandemics, epidemics and other health risks could have an adverse effect on the Company’s business.

The risks and uncertainties described are not the only ones Blue Ant faces. Additional risks and uncertainties not presently known to the Company, or that it currently believes to be immaterial, may also materially adversely affect the Company's business, assets, liabilities, financial condition, results of operations, prospects and cash flows.

**Forward-looking Statements**

This MD&A contains certain statements that are prospective in nature and constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, **"forward-looking statements"**). Forward-looking statements are provided for the purposes of assisting the reader in understanding Blue Ant's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements generally, but not always, can be identified by the use of forward-looking terminology such as "anticipate", "be achieved", "believes", "budget", "can", "continue", "could", "would", "expect", "estimate", "forecasts", "goal", "has an opportunity", "intend", "indicate", "likely", "may", "might", "objective", "outlook", "plans", "potential", "predict", "project", "prospect", "scheduled", "seek", "should", "strategy", "target", or "will", or variations of such words and phrases or similar expressions suggesting future outcomes or events, and the negative of any of these terms. Forward-looking statements in this MD&A include, among other things, the Company's expectations regarding the Company's integration strategy, including the reorganization of certain of the Company's business units into single monetization unit; trends in the Company's financial results in the second half of the 2026 fiscal year; the Company's ability to realize synergies from recent acquisitions; and the Company's ability to pursue strategic acquisition opportunities.

These forward-looking statements reflect management's current opinions, beliefs, estimates, expectations and assumptions and are based on information currently available to management, which includes assumptions about continued revenue based on historical past performance, management's historical experience, perception of trends and current business conditions, expected future developments, and other factors which management considers appropriate and reasonable in the circumstances. As they are forward-looking in nature, forward-looking statements are subject to change. With respect to the forward-looking statements included in this MD&A, the Company has made certain assumptions with respect to, among other things, its long-term growth outlook; the Company's integration strategy; the Company's ability to realize synergies from recent acquisitions; its product mix and segment margins; the performance of its business and operations; its ability to meet its future objectives and strategies; that its future projects and plans are achievable and proceeding as anticipated (including assumptions regarding renewals of existing series and greenlights of new projects), as well as assumptions concerning labour availability at budgeted rates and the length and impact of any labour unrest or strikes; the current geo-political landscape (including vis-à-vis the on-going global conflicts and the associated political and economic repercussions); general economic and market segment conditions, including whether or not the entertainment industry and/or broader market experiences a recession, currency exchange and interest rates, competitive intensity and consumer preferences (including continued demand for discretionary consumer products). There can be no assurance that management's underlying opinions, beliefs, expectations, estimates and assumptions will prove to be correct and that actual results will be consistent with these forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes, or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements, including, but not limited to, the Company's failure to execute on its integration strategy and realize expected synergies from recent acquisitions; its long-term growth outlook; its product mix and segment margins; shifts in consumer behaviour and content demand, including with respect to content buyer commissioning preferences, may reduce the

Company’s revenue or lead to outdated content and other business offerings; the imposition of tariffs by the United States on the film and television sectors could materially and adversely affect the Company’s business, operating and financial results; the industries and markets in which the Company operates are highly competitive and rapidly evolving; the Company’s operating and financial results may be affected by external factors beyond its control; the Company’s business is significantly dependent on Michael MacMillan, the Company’s CEO and controlling shareholder, as well as other members of the senior management team; the loss of buyers or other strategic partners or key relationships, or changes to partner terms of service, may adversely affect the Company’s revenue and growth prospects; changes in the methodologies, policies, or contractual terms applicable to streaming platforms such as Amazon, Facebook or YouTube, changes in laws or regulations applicable to such platforms, or any governmental or third-party claim against any such platform could have a material adverse effect on the Company’s financial results; that attractive acquisition opportunities may not be available or may not be available on acceptable terms; and other risks and factors described in the Company's most recent Annual Information Form.

### Reconciliation Table

The following table presents the reconciliation from net income (loss) to Adjusted EBITDA for the three and nine months ended May 31, 2026 and 2025:

| | Three months ended May 31, | | Nine months ended May 31, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **$** | **$** | **$** | **$** |
| Net income / (loss) | (17,454) | (11,156) | (30,385) | (14,898) |
| Add back: | | | | |
| Depreciation and intangible amortization | 4,614 | 1,498 | 10,993 | 4,306 |
| Interest expense, net of interest income | 1,378 | 686 | 2,538 | 2,498 |
| Income taxes | (8,621) | 3,020 | (5,886) | 7,103 |
| **EBITDA*** | (20,083) | (5,952) | (22,740) | (991) |
| Adjustments: | | | | |
| Share-based compensation[1] | 695 | 8,532 | 2,393 | 9,583 |
| Impairment of assets[2] | 33,137 | 8,317 | 33,137 | 8,317 |
| Other finance costs[3] | 19 | 220 | 780 | 789 |
| Net (gains) losses on foreign exchange[4] | 373 | (1,374) | 23 | 236 |
| Loss on warrants[5] | — | — | — | 152 |
| Loss on sale of assets[6] | — | — | 66 | — |
| Transaction and other related costs[7] | 314 | 4,254 | 7,756 | 6,387 |
| Restructuring costs[8] | 2,343 | 645 | 4,201 | 642 |
| **Adjusted EBITDA*** | **16,798** | **14,642** | **25,616** | **25,115** |

*This item is a non-IFRS measure. See "Non-IFRS measures" section for further information.

[1] Non-cash expenses associated with share-based compensation granted to certain officers, directors and employees.
[2] Impairment of certain program rights and owned content titles, broadcast licenses and trademarks in the Canadian Media group of CGUs in the three and nine months ended May 31, 2026, and impairment of goodwill in the Canadian Media group of CGUs in the three and nine months ended May 31, 2025.
[3] Amortization of deferred financing costs and other finance-related costs outside the normal course of business.
[4] Realized and unrealized net gains and losses on foreign currency exchange.
[5] Change in fair value of warrants.
[6] Gain on insurance settlement offset by loss on sale of VTB Note in the nine months ended May 31, 2026.
[7] Professional and other fees associated with the acquisitions of Thunderbird and MagellanTV, and the RTO in the current year periods, including non-recurring integration costs, and with the RTO and other non-recurring similar costs in the comparative periods.
[8] Restructuring costs in the three and nine months ended May 31, 2026 relate to personnel costs in the Global Channels and Streaming segment, along with other integration-related personnel costs associated with recent acquisitions. Restructuring costs in the three and nine months ended May 31, 2025 relate to restructuring of the Canadian Media segment.