Second Quarter Report

Fiscal 2025
For the six-month period
ended September 30, 2024

TABLE OF CONTENTS

BASIS OF PREPARATION AND FORWARD-LOOKING STATEMENTS

The following is the quarterly 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 unaudited interim consolidated financial statements and accompanying notes for three-month and six-month periods ended September 30, 2024 and 2023, and with the most recent audited consolidated financial statements and MD&A for the year ended March 31, 2024. This MD&A reflects information available to the Corporation as at November 5, 2024. Additional information relating to the Corporation is also available on SEDAR at www.sedar.com. The auditors of the Corporation have not performed a review of the interim financial report for the three-month and six-month periods ended September 30, 2024 and 2023.

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 included 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 risk factors disclosed in the Annual Information Form for the year ended March 31, 2024 available on SEDAR.

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, over 100 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 over 1,000 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 September 30, 2024 ("Q2 2025"):

$93.6 M ▲ 13.4% from Q2 2024 Revenues	**$5.8 M** ▼ 38.1% from Q2 2024 Net income Or $0.08 per share	**$19.2 M** ▲ 0.4% from Q2 2024 Cash flow from operating activities Or $0.28 per share(1)
$34.0 M ▲ 15.2% from Q2 2024 Adjusted EBITDA(1)	**$16.7 M** ▲ 14.9% from Q2 2024 Adjusted Net income(1) Or $0.24 per share(1)	**$21.1M** ▲ 44.9% from Q2 2024 Adjusted free cash flow(1) Or $0.31 per share(1)

FINANCIAL AND BUSINESS HIGHLIGHTS

Highlights of the second quarter ended September 30, 2024:

Compared to the quarter ended September 30, 2023 ("Q2 2024"):

- Revenues increased 13.4% to $93.6 million from $82.5 million;
- Adjusted EBITDA(1) increased 15.2% to $34.0 million from $29.5 million. Adjusted EBITDA by segment was $25.0 million or 41.0% of revenues for Broadcasting and Commercial Music, $11.0 million or 33.7% of revenues for Radio and $(2.0) million for Corporate;
- Net income decreased to $5.8 million ($0.08 per share) from $9.4 million ($0.14 per share);
- Adjusted Net income(1) increased to $16.7 million ($0.24 per share) from $14.6 million ($0.21 per share);
- Cash flow from operating activities increased 0.4% to $19.2 million ($0.28 per share) compared to $19.1 million ($0.28 per share);
- Adjusted free cash flow(1) increased to $21.1 million ($0.31 per share) compared to $14.6 million ($0.21 per share);
- Net debt to Pro Forma Adjusted EBITDA(1) ratio of 2.72x, compared with 3.19x and;
- 333,400 shares repurchased and cancelled for a total of $2.5 million, compared with 119,800 shares repurchased and cancelled for a total of $0.6 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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Business Highlights:

- On November 5, 2024, 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 December 13, 2024 to shareholders on record as of November 29, 2024.
- On October 21, 2024, the Corporation announced the launch of eight new video channels — Stingray Naturescape, Stingray Holidayscapes, ZenLIFE by Stingray, Qello Concerts by Stingray, Stingray Classica, Stingray CMusic, Stingray DJAZZ, and Ultimate Trivia by Stingray — on the DTS AutoStage Video Service Powered by TiVo. This strategic expansion is set to transform in-car entertainment by offering a diverse array of premium content to a wide range of vehicles in the current product portfolio of the BMW Group, providing a cohesive and comprehensive solution that caters to the evolving needs of modern car owners, drivers, and passengers.
- On October 1, 2024, the Corporation announced the launch of the Stingray Karaoke app on VIZIO. Starting today, karaoke fans can access an extensive library of over 100,000 licensed songs directly through the Stingray Karaoke app available on millions of VIZIO Smart TVs.
- On September 25, 2024, the Corporation announced that the Toronto Stock Exchange (“TSX”) has approved the renewal of its normal course issuer bid (“NCIB”), authorizing Stingray 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” (as defined in the TSX Company Manual) of Subordinate Shares as at September 13, 2024.
- On September 19, 2024, the Corporation announced the launch of two new free ad-supported TV channels, Stingray Naturescape and ZenLIFE, on Amazon Fire TV Channels. These channels are designed to bring tranquility and wellness into the homes of viewers worldwide, with additional videos also available on ad-supported video on demand (AVOD) on the platform.
- On September 17, 2024, the Corporation announced the launch of Stingray Karaoke in Ford Motor Company’s vehicles. Starting with the all-electric F-150® Lightning® and Mustang Mach-E and coming soon to vehicles with the Ford and Lincoln Digital Experience. This will be the first time karaoke is available for Ford owners to use and enjoy inside the vehicle while parked and on the go.
- On September 16, 2024, the Corporation announced the launch of Stingray Karaoke in NIO’s smart electric vehicles across European territories. This exciting new feature will be available in all NIO cars sold in Europe over the next two years, with each vehicle enjoying three years of complimentary karaoke service.
- On August 6, 2024, 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 September 13, 2024 to shareholders on record as of August 30, 2024.
- On July 17, 2024, the Corporation announced the launch of two free ad-supported TV channels, Qello Concerts by Stingray and ZenLIFE by Stingray, on Amazon Freevee.
- On July 9, 2024, the Corporation announced the acquisition of The Coda Collection, a premier music-focused streaming platform. This strategic move solidifies Stingray’s position as the leading provider of concert streaming on the world’s most popular platforms.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	3 months				6 months			
	Sept. 30, 2024 **Q2 2025**		Sept. 30, 2023 **Q2 2024**		Sept. 30, 2024 **YTD 2025**		Sept. 30, 2023 **YTD 2024**	
(in thousands of Canadian dollars, except per share amounts)	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**
Revenues	93,585	100.0 %	82,493	100.0 %	182,655	100.0 %	161,485	100.0 %
Operating expenses	61,460	65.7 %	53,685	65.1 %	120,426	65.9 %	103,305	64.0 %
Depreciation, amortization and write-off	7,306	7.8 %	8,253	10.0 %	14,642	8.0 %	16,156	10.0 %
Net finance expense (income)(1)	12,162	13.0 %	5,582	6.8 %	21,261	11.6 %	9,988	6.2 %
Change in fair value of investments	29	0.0 %	(86)	(0.1) %	(13)	0.0 %	21	0.0 %
Share of results of investments in associates	1,827	2.0 %	1,011	1.2 %	3,879	2.1 %	1,011	0.6 %
Acquisition, legal, restructuring and other expenses	2,531	2.7 %	1,192	1.4 %	3,372	1.8 %	(1,708)	(1.1) %
Income before income taxes	8,270	8.8 %	12,856	15.6 %	19,088	10.6 %	32,712	20.4 %
Income taxes	2,457	2.6 %	3,467	4.2 %	5,980	3.4 %	9,205	5.7 %
Net income	5,813	6.2 %	9,389	11.4 %	13,108	7.2 %	23,507	14.6 %
Adjusted EBITDA(2)	33.994	36.3 %	29,518	35.8 %	65,064	35.6 %	57,784	35.8 %
Adjusted Net income(2)	16,729	17.9 %	14,554	17.6 %	30,662	16.8 %	26,447	16.4 %
Cash flow from operating activities	19,183	20.5 %	19,101	23.2 %	29,933	16.4 %	43,361	26.9 %
Adjusted free cash flow(2)(3)	21,103	22.5 %	14,567	17.7 %	36,565	20.0 %	33,024	20.5 %
Net debt(2)	367,490	–	390,462	–	367,490	–	390,462	–
Net debt to Pro Forma Adjusted EBITDA(2)	2.72x	–	3.19x	–	2.72x	–	3.19x	–
Net income per share basic and diluted	0.08	–	0.14	–	0.19	–	0.34	–
Adjusted Net income per share basic(2)	0.24	–	0.21	–	0.45	–	0.38	–
Adjusted Net income per share diluted(2)	0.24	–	0.21	–	0.44		0.38	
Cash flow from operating activities per share basic(2)	0.28	–	0.28	–	0.44	–	0.63	–
Cash flow from operating activities per share diluted(2)	0.28	–	0.28	–	0.43	–	0.62	–
Adjusted free cashflow per share basic and diluted(2)(3)	0.31	–	0.21	–	0.53	–	0.48	–
Revenues by segment								
Broadcasting and Commercial Music	60,895	65.1 %	49,815	60.4 %	117,740	64.5 %	97,003	60.1 %
Radio	32,690	34.9 %	32,678	39.6 %	64,915	35.5 %	64,482	39.9 %
Revenues	93,595	100.0 %	82,493	100.0 %	182,655	100.0 %	161,485	100.0 %
Revenues by geography								
Canada	48,942	52.3 %	48,429	58.8 %	97,956	53.6 %	95,710	59.2 %
United States	32,889	35.1 %	21,571	26.1 %	60,841	33.3 %	40,650	25.2 %
Other Countries	11,754	12.6 %	12,493	15.1 %	23,858	13.1 %	25,125	15.6 %
Revenues	93,585	100.0 %	82,493	100.0 %	182,655	100.0 %	161,485	100.0 %

Notes:

(1) Interest paid during the Q2 2025 was $6.4 million (Q2 2024; $7.1 million). Interest paid for YTD Q2 2025 was $12.3 million (YTD Q2 2024; $12.7 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 6 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 8 and “Reconciliation of Quarterly Non-IFRS Measures” on page 17.

(3) 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, and acquisition, legal, restructuring, other expenses, including one time settlement and shared results in joint venture. 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 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.

Cash flow from operating activities per share

Cash flow from operating activities per share is calculated by dividing Cash flow from operating activities for a given period by the weighted average number of diluted shares.

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, acquisition, legal, restructuring and other expenses, including one time settlement and shared results in joint venture, 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 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, financial system upgrade, 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.

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		6 months	
(in thousands of Canadian dollars)	Sept. 30, 2024 **Q2 2025**	Sept. 30, 2023 **Q2 2024**	Sept. 30, 2024 **YTD 2025**	Sept. 30, 2023 **YTD 2024**
Net income	**5,813**	**9,389**	**13,108**	**23,507**
Net finance expense	12,162	5,582	21,261	9,988
Change in fair value of investments	29	(86)	(13)	21
Income taxes	2,457	3,467	5,980	9,205
Depreciation and write-off of property and equipment	1,970	2,373	4,045	4,758
Depreciation of right-of-use assets	1,137	1,069	2,227	2,154
Amortization of intangible assets	4,199	4,811	8,370	9,244
Share-based compensation	106	120	236	221
Performance and deferred share unit expense	1,763	590	2,599	(617)
Share of results of investments in associates	1,827	1,011	3,879	1,011
Acquisition, legal, restructuring and other expenses	2,531	1,192	3,372	(1,708)
Adjusted EBITDA	**33,994**	**29,518**	**65,064**	**57,784**
Adjusted EBITDA margin	**36.3%**	**35.8%**	**35.6%**	**35.8%**
Net income	**5,813**	**9,389**	**13,108**	**23,507**
Adjusted for:				
Change in fair value of derivative financial instruments	4,434	(600)	5,487	(4,235)
Amortization of intangible assets	4,199	4,811	8,370	9,244
Change in fair value of investments	29	(86)	(13)	21
Share-based compensation	106	120	236	221
Performance and deferred share unit expense	1,763	590	2,599	(617)
Acquisition, legal, restructuring and other expenses	2,531	1,192	3,372	(1,708)
Share of results of investments in associates	1,827	1,011	3,879	1,011
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, change in fair value of derivative financial instruments and acquisition, share of results of investments in associates, legal, restructuring and other expenses	(3,973)	(1,873)	(6,376)	(997)
Adjusted Net income	**16,729**	**14,554**	**30,662**	**26,447**
Average number of shares outstanding (diluted)	69,022	69,349	69,094	69,392
Adjusted Net income per share (diluted)	**0.24**	**0.21**	**0.44**	**0.38**

(in thousands of Canadian dollars)	**September 30, 2024**	**September 30, 2023**	**March 31, 2024**
LTM Adjusted EBITDA	**133,135**	**118,807**	**125,855**
Permanent cost-saving initiatives	1,476	3,438	2,758
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	449	-	-
Pro Forma Adjusted EBITDA	**135,060**	**122,245**	**128,613**

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

(in thousands of Canadian dollars)	3 months Sept. 30, 2024 **Q2 2025**	 Sept. 30, 2023 **Q2 2024**	6 months Sept. 30, 2024 **YTD 2025**	 Sept. 30, 2023 **YTD 2024**
Cash flow from operating activities	**19,183**	**19,101**	**29,933**	**43,361**
Add / Less :				
Acquisition of property and equipment	(1,886)	(2,350)	(3,372)	(3,719)
Acquisition of intangible assets other than internally developed intangible assets	(205)	(318)	(649)	(620)
Addition to internally developed intangible assets	(1,268)	(1,274)	(2,550)	(2,574)
Interest paid	(6,356)	(7,093)	(12,335)	(12,666)
Repayment of lease liabilities	(1,324)	(1,368)	(2,316)	(2,425)
Net change in non-cash operating working capital items	9,848	8,054	22,681	14,144
Unrealized loss (gain) on foreign exchange	580	(1,377)	1,801	(769)
Acquisition, legal, restructuring and other expenses	2,531	1,192	3,372	(1,708)
Adjusted free cash flow(1)	**21,103**	**14,567**	**36,565**	**33,024**

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

(in thousands of Canadian dollars)	**September 30, 2024**	**September 30, 2023**	**March 31, 2024**
Credit facilities	350,500	374,573	338,712
Subordinated debt	25,583	25,593	25,579
Cash and cash equivalents	(8,593)	(9,704)	(9,606)
Net debt	**367,490**	**390,462**	**354,685**
Net debt to Pro Forma Adjusted EBITDA	**2.72**	**3.19**	**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 PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

CONSOLIDATED PERFORMANCE

Revenues

Revenues are detailed as follows:

	3 months			6 months		
(in thousands of Canadian dollars)	Q2 2025	Q2 2024	% Change	YTD 2025	YTD 2024	% Change
Canada	48,942	48,429	1.1	97,956	95,710	2.3
United States	32,889	21,571	52.5	60,841	40,650	49.7
Other Countries	11,754	12,493	(5.9)	23,858	25,125	(5.0)
Revenues	93,585	82,493	13.4	182,655	161,485	13.1

Global

Revenues in Q2 2025 increased $11.1 million or 13.4% to $93.6 million, from $82.5 million for Q2 2024. The increase was mainly due to an increase in FAST channel revenues and to an increase in equipment and installation sales related to digital signage.

Cumulative revenues for Fiscal 2025 increased $21.2 million or 13.1% to $182.7 million, from $161.5 million for cumulative Fiscal 2024. The increase was mainly due to an increase in FAST channel revenues, to an increase in equipment and installation sales related to digital signage and to an increase in retail media advertising revenues.

Canada

Revenues in Canada in Q2 2025 increased $0.5 million or 1.1% to $48.9 million, from $48.4 million for Q2 2024. The increase was mostly due an increase in equipment and installation sales related to digital signage, partially offset by a decrease in audio channel revenues.

Cumulative revenues in Canada for Fiscal 2025 increased $2.3 million or 2.3% to $98.0 million, from $95.7 million for cumulative Fiscal 2024. The increase was largely due to an increase in equipment and installation sales related to digital signage.

United States

Revenues in the United States in Q2 2025 increased $11.3 million or 52.5% to $32.9 million, from $21.6 million for Q2 2024. The increase was primarily due to an increase in FAST channel revenues and to an increase in equipment and installation sales related to digital signage.

Cumulative revenues in the United States for Fiscal 2025 increased $20.1 million or 49.7% to $60.8 million, from $40.7 million for cumulative Fiscal 2024. The increase was mainly due to an increase in FAST channel and in retail media advertising revenues, and to an increase in equipment and installation sales related to digital signage.

Other Countries

Revenues in Other countries in Q2 2025 decreased $0.7 million or 5.9% to $11.8 million, from $12.5 million for Q2 2024. Cumulative revenues in Other countries for Fiscal 2025 decreased $1.2 million or 5.0% to $23.9 million, from $25.1 million for cumulative Fiscal 2024. Both decreases were mainly due to a decrease in B2C subscriptions and in audio channel revenues.

Operating expenses

Operating expenses in Q2 2025 increased $7.8 million or 14.5% to $61.5 million, from $53.7 million for Q2 2024. Cumulative operating expenses for Fiscal 2025 increased $17.1 million or 16.6% to $120.4 million, from $103.3 million for cumulative Fiscal 2024. The increase was mainly due to higher variable expenses related to higher revenues.

Adjusted EBITDA[(1)]

Adjusted EBITDA in Q2 2025 increased $4.5 million or 15.2% to $34.0 million from $29.5 million for Q2 2024. Adjusted EBITDA margin was 36.3% compared to 35.8% for Q2 2024. Cumulative Adjusted EBITDA for Fiscal 2025 increased $7.3 million or 12.6% to $65.1 million from $57.8 million for cumulative Fiscal 2024. Adjusted EBITDA margin was 35.6% compared to 35.8% for cumulative Fiscal 2024. The increase of Adjusted EBITDA was largely due to higher revenues. The variance of Adjusted EBITDA margin was mainly due to the revenue mix.

Depreciation, amortization and write off

Depreciation, amortization and write off in Q2 2025 decreased $1.0 million or 11.5% to $7.3 million, from $8.3 million for Q2 2024. Cumulative depreciation, amortization and write off for Fiscal 2025 decreased $1.6 million or 9.4% to $14.6 million, from $16.2 million for cumulative Fiscal 2024. Both decreases were primarily due to less intangible assets to amortize compared to the prior period as certain intangible assets are fully amortized.

Net finance expense

Net finance expense for Q2 2025 was $12.2 million, compared to $5.6 million for Q2 2024. Cumulative Net finance expense for Fiscal 2025 increased $11.3 million or 112.9% to $21.3 million, from $10.0 million for cumulative Fiscal 2024. Both increases were mainly due to a loss on the fair value of derivative financial instruments and to a foreign exchange loss.

Acquisition, legal, restructuring and other expenses

	3 months			6 months		
(in thousands of Canadian dollars)	Q2 2025	Q2 2024	% Change	YTD 2025	YTD 2024	% Change
Acquisition	577	-	N/A	577	4	13,309.3
Legal	587	374	56.9	1,031	(3,341)	(130.9)
Restructuring and other	1,367	817	67.3	1,764	1,629	8.3
Acquisition, legal, restructuring and other expenses	2,531	1,191	112.4	3,372	(1,708)	(297.4)

Acquisition, legal, restructuring and other expenses increased $1.3 million in Q2 2025. The increase was mostly due to higher severance costs and to the acquisition fees related to The Coda Collection.

Cumulative acquisition, legal, restructuring and other expenses increased in Fiscal 2025 primarily due to a one-time settlement gain related to a trademark dispute in the comparative period.

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 6 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 8 and “Reconciliation of Quarterly Non-IFRS Measures” on page 17.

Income taxes

The income tax expense recognized in comprehensive income was $2.5 million for Q2 2025 compared to $3.5 million for Q2 2024. The effective tax rate for Q2 2025 was 29.7% compared to 27.0% for Q2 2024. The income tax expense recognized in comprehensive income was $6.0 million for cumulative Fiscal 2025 compared to $9.2 million for cumulative Fiscal 2024. The effective tax rate for cumulative Fiscal 2025 was 31.3% compared to 28.1% for cumulative Fiscal 2024. Both variances in the effective tax rates were mainly due to the variance in permanent differences.

Net income and Net income per share

Net income in Q2 2025 was $5.8 million ($0.08 per share) compared to $9.4 million ($0.14 per share) for Q2 2024. The decrease was mainly due to a loss on the fair value of derivative financial instruments and to a foreign exchange loss, partially offset by higher operating results.

Cumulative Net income for Fiscal 2025 was $13.1 million ($0.19 per share) compared to $23.5 million ($0.34 per share) for cumulative Fiscal 2024. The decrease was mainly due to a loss on the fair value of derivative financial instruments, to a one-time settlement gain on a trademark dispute in the comparative period and to higher performance and deferred share unit expense, partially offset by higher operating results.

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

Adjusted Net income in Q2 2025 was $16.7 million ($0.24 per share), compared to $14.6 million ($0.21 per share) for Q2 2024. Cumulative Adjusted Net income for Fiscal 2025 was $30.7 million ($0.44 per share), compared to $26.4 million ($0.38 per share) for cumulative Fiscal 2024. Both increases were primarily due to higher operating results, partially offset by a 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 6 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 8 and “Reconciliation of Quarterly Non-IFRS Measures” on page 17.

Business segment performance

Broadcasting and Commercial Music

(in thousands of Canadian dollars)	3 months			6 months		
	Q2 2025	Q2 2024	% Change	YTD 2025	YTD 2024	% Change
Revenues	60,895	49,815	22.2	117,740	97,003	21.4
Operating expenses	35,922	29,898	20.1	69,816	57,128	22.2
Adjusted EBITDA(1)	**24,973**	**19,917**	**25.4**	**47,924**	**39,875**	**20.2**
Adjusted EBITDA margin(1)	**41.0%**	**40.0%**	**2.6**	**40.7%**	**41.1%**	**(1.0)**

Revenues

In Q2 2025, Broadcasting and Commercial Music revenues increased $11.1 million or 22.2% to $60.9 million, from $49.8 million for Q2 2024. The increase was largely due to an increase in FAST channel revenues and to an increase in equipment and installation sales related to digital signage.

Cumulative Broadcasting and Commercial Music revenues for Fiscal 2025 increased $20.7 million or 21.4% to $117.7 million from $97.0 million for cumulative Fiscal 2024. The increase was primarily due to an increase in FAST channel revenues, to higher retail media advertising revenues and to an increase in equipment and installation sales related to digital signage.

Adjusted EBITDA(1)

In Q2 2025, Broadcasting and Commercial Music Adjusted EBITDA increased $5.1 million or 25.4% to $25.0 million from $19.9 million for Q2 2024. Cumulative Broadcasting and Commercial Music Adjusted EBITDA for Fiscal 2025 increased $8.0 million or 20.2% to $47.9 million from $39.9 million for cumulative Fiscal 2024. Both increases were largely due to higher revenues.

Radio

(in thousands of Canadian dollars)	3 months			6 months		
	Q2 2025	Q2 2024	% Change	YTD 2025	YTD 2024	% Change
Revenues	32,690	32,678	0.0	64,915	64,482	0.7
Operating expenses	21,672	21,665	0.0	43,966	43,582	0.9
Adjusted EBITDA(1)	**11,018**	**11,013**	**0.0**	**20,949**	**20,900**	**0.2**
Adjusted EBITDA margin(1)	**33.7%**	**33.7%**	**0.0**	**32.3%**	**32.4%**	**(0.4)**

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 Q2 2025, Radio revenues remained stable at $32.7 million compared to Q2 2024. Cumulative Radio revenues for Fiscal 2025 increased $0.4 million or 0.7% to $64.9 million from $64.5 million for cumulative Fiscal 2024. Both variances were due to an increase in digital advertising revenues, mostly offset by slightly lower national airtime sales.

Adjusted EBITDA(1)

In Q2 2025 and in cumulative Fiscal 2025, Radio Adjusted EBITDA remained stable at $11.0 million and $20.9 million, respectively, relative to the same period in the previous fiscal year. The negligible variance in Adjusted EBITDA was explained by a slight decrease in the gross margin related to a higher digital revenue component to the sales mix, which was offset by a reduction in operating costs.

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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

CORPORATE

	3 months			6 months		
(in thousands of Canadian dollars)	Q2 2025	Q2 2024	% Change	YTD 2025	YTD 2024	% Change
Operating expenses	3,866	2,122	82.2	6.644	2,595	156.0
Adjust:						
Share-based compensation	(106)	(120)	(11.7)	(236)	(221)	6.8
Performance and deferred share unit expense	(1,763)	(590)	198.8	(2,599)	617	(521.2)
Adjusted EBITDA(1)	**(1,997)**	**(1,412)**	**41.4**	**(3,809)**	**(2,991)**	**27.4**

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 is 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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Quarterly results

Revenues fluctuated over the last eight quarters from $89.2 million in the third quarter of Fiscal 2023 to $93.6 million in the second 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 decrease in Q4 2023 was mainly due to normal business seasonality. The increase in Q1 2024 was mostly due to higher Radio revenues, mainly offset by the decrease in retail media advertising and In-store commercial revenues. 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.

Adjusted EBITDA(1) fluctuated over the last eight quarters from $34.5 million in the third quarter of Fiscal 2023 to $34.0 million in the second quarter of Fiscal 2025. The decrease in Q4 2023 was mainly due to normal business seasonality. The increase in Q1 2024 was mostly due to a decrease in operating expenses due to cost-saving initiatives implemented. 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.

Net income (loss) fluctuated over the last eight quarters from a Net income of $12.9 million in the third quarter of Fiscal 2023 to a Net income of $5.8 million in the second quarter of Fiscal 2025. The decrease in Q4 2023 was mainly due to lower operating results, to higher restructuring and other costs and to higher performance and deferred share unit expense, partially offset by lower income tax expense. In Q1 2024, the increase was mainly due to a one-time settlement gain on a trademark dispute, to lower restructuring and other costs, to a higher unrealized gain on derivative instruments and to a lower performance and deferred share unit expense, partially offset by higher income tax expense and gain related to the change in fair value of contingent consideration. 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.

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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Summary of Consolidated Quarterly Results

(in thousands of Canadian dollars, except per share amounts)	3 months Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022
	FY2025	**FY2025**	**FY2024**	**FY2024**	**FY2024**	**FY2024**	**FY2023**	**FY2023**
Revenues by segment								
Broadcasting and Commercial Music	60,895	56,845	53,409	65,647	49,815	47,188	50,045	54,158
Radio	32,690	32,225	30,256	34,631	32,678	31,804	28,886	35,084
Total revenues	**93,585**	**89,070**	**83,665**	**100,278**	**82,493**	**78,992**	**78,931**	**89,242**
Revenues by geography								
Canada	48,942	49,014	45,581	51,002	48,429	47,281	43,667	49,471
United States	32,889	27,952	26,224	37,099	21,571	19,079	21,968	26,561
Other countries	11,754	12,104	11,860	12,177	12,493	12,632	13,296	13,210
Total revenues	**93,585**	**89,070**	**83,665**	**100,278**	**82,493**	**78,992**	**78,931**	**89,242**
Adjusted EBITDA(1)	**33,994**	**31,070**	**29,423**	**38,648**	**29,518**	**28,266**	**26,573**	**34,450**
LTM Adjusted EBITDA(1)	**133,135**	**128,659**	**125,855**	**123,005**	**118,807**	**116,320**	**114,140**	**108,590**
Net income	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**	**4,447**	**12,944**
Net income per share basic and diluted	0.08	0.11	(0.67)	0.13	0.14	0.20	0.06	0.19
Adjusted Net income(1)	**16,729**	**13,933**	**15,382**	**18,483**	**14,554**	**11,893**	**14,668**	**16,464**
Adjusted Net income per share basic(1)	0.24	0.20	0.22	0.27	0.21	0.17	0.21	0.24
Adjusted Net income per share diluted(1)	0.24	0.20	0.22	0.27	0.21	0.17	0.21	0.24
Cash flow from operations	**19,183**	**10,750**	**44,263**	**30,902**	**19,101**	**24,260**	**27,552**	**24,605**
Adjusted free Cash Flow(1)(2)	**21,103**	**15,462**	**15,624**	**32,146**	**14,567**	**18,457**	**14,642**	**18,158**
Quarterly dividend	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**	**0.075**

Notes:

(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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

(2) A non-material adjustment was made to Q4 2024, Q3 2024, Q2 2024, Q4 2023 and Q3 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), Q4 2023; from $14.9 million (0.21 per share) to $14.6 million (0.21 per share), and Q3 2023; from $18.1 million (0.27 per share) to $18.2 million (0.27 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 financial performance. Refer to "Supplemental information on Non-IFRS Measures" on page 6.

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

	3 months							
(in thousands of Canadian dollars)	**Sept. 30, 2024**	**June 30, 2024**	**March 31, 2024**	**Dec. 31, 2023**	**Sept. 30, 2023**	**June 30, 2023**	**March 31, 2023**	**Dec. 31, 2022**
	FY 2025	**FY2025**	**FY2024**	**FY 2024**	**FY 2024**	**FY2024**	**FY2023**	**FY2023**
Net income (loss)	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**	**4,447**	**12,944**
Impairment on Goodwill	-	-	56,119	-	-	-	-	-
Net finance expense (income)	12,162	9,099	3,736	15,159	5,582	4,406	3,749	7,205
Change in fair value of investments	29	(42)	(106)	103	(86)	107	11	68
Income taxes	2,457	3,523	3,639	3,186	3,467	5,738	753	5,037
Depreciation and write-off of property and equipment	1,970	2,075	1,183	2,401	2,373	2,385	2,406	1,784
Depreciation of right-of-use assets	1,137	1,090	1,192	1,074	1,069	1,085	1,225	1,092
Amortization of intangible assets	4,199	4,171	4,124	4,003	4,811	4,433	4,547	4,596
Share-based compensation	106	130	93	121	120	101	157	153
Performance and deferred share unit expense (income)	1,763	836	4,711	2,747	590	(1,207)	2,068	(238)
Share of results of investments in associates	1,827	2,052	(354)	509	1,011	-	267	(73)
Acquisition, legal, restructuring and other expenses	2,531	841	1,404	275	1,191	(2,900)	6,943	1,882
Adjusted EBITDA	**33,994**	**31,070**	**29,423**	**38,648**	**29,518**	**28,266**	**26,573**	**34,450**
Adjusted EBITDA margin	**36.3%**	**34.9%**	**35.2%**	**38.5%**	**35.8%**	**35.8%**	**33.7%**	**38.6%**
Net income (loss)	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**	**4,447**	**12,944**
Adjusted for:								
Impairment on Goodwill	-	-	56,119	-	-	-	-	-
Unrealized loss (gain) on derivative financial instruments	4,434	1,053	(2,252)	5,056	(600)	(3,635)	(70)	(1,642)
Amortization of intangible assets	4,199	4,171	4,124	4,003	4,811	4,433	4,547	4,596
Change in fair value of investments	29	(42)	(106)	103	(86)	107	11	68
Share-based compensation	106	130	93	121	120	101	157	153
Performance and deferred share unit expense	1,763	836	4,711	2,747	590	(1,207)	2,068	(238)
Acquisition, legal, restructuring and other expenses	2,531	841	1,404	275	1,191	(2,900)	6,943	1,882
Share of results of investments in associates	1,827	2,052	(354)	509	1,011	-	267	(73)
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, change in fair value of derivative financial instruments and acquisition, share of results of investments in associates, legal, restructuring and other expenses	(3,973)	(2,403)	(2,039)	(3,401)	(1,873)	876	(3,702)	(1,226)
Adjusted Net income	**16,729**	**13,933**	**15,382**	**18,483**	**14,554**	**11,893**	**14,668**	**16,464**
Average number of shares outstanding (diluted)	69,022	69,209	68,811	69,068	69,349	69,433	69,459	69,678
Adjusted Net income per share diluted	**0.24**	**0.20**	**0.22**	**0.27**	**0.21**	**0.17**	**0.21**	**0.24**

(in thousands of Canadian dollars)	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022
	3 months							
	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024	FY2023	FY2023
LTM Adjusted EBITDA	133,135	128,659	125,855	123,005	118,807	116,320	114,140	108,590
Permanent cost-saving initiatives	1,476	2,309	2,758	4,459	3,438	1,880	2,325	5,074
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	449	-	-	-	-	-	-	-
Pro Forma Adjusted EBITDA	**135,060**	**130,968**	**128,613**	**127,464**	**122,245**	**118,200**	**116,465**	**113,664**

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

(in thousands of Canadian dollars)	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022
	3 months							
	FY 2025	FY2025	FY2024	FY 2024	FY 2024	FY2024	FY2023	FY2023
Cash flow from operating activities	**19,183**	**10,750**	**44,263**	**30,902**	**19,101**	**24,260**	**27,552**	**24,605**
Acquisition of property and equipment	(1,886)	(1,486)	(2,351)	(1,742)	(2,350)	(1,369)	(2,987)	(1,997)
Acquisition of intangible assets other than internally developed intangible assets	(205)	(444)	(355)	(256)	(318)	(302)	(383)	(532)
Addition to internally developed intangible assets	(1,268)	(1,282)	(1,148)	(1,279)	(1,274)	(1,300)	(1,236)	(1,978)
Interest paid	(6,356)	(5,979)	(6,641)	(6,620)	(7,093)	(5,573)	(6,842)	(6,882)
Repayment of lease liabilities	(1,324)	(992)	(929)	(997)	(1,368)	(1,057)	(1,122)	(974)
Net change in non-cash operating working capital items	9,848	12,833	(17,661)	9,500	8,054	6,090	(7,077)	3,376
Unrealized loss (gain) on foreign exchange	580	1,221	(958)	2,363	(1,377)	608	(206)	658
Acquisition, legal, restructuring and other expenses	2,531	841	1,404	275	1,192	(2,900)	6,943	1,882
Adjusted free cash flow(1)	**21,103**	**15,462**	**15,624**	**32,146**	**14,567**	**18,457**	**14,642**	**18,158**
Average number of shares outstanding (diluted)	69,022	69,209	68,811	69,068	69,349	69,433	69,459	69,678
Adjusted free cash flow per share (diluted)(1)	**0.31**	**0.22**	**0.23**	**0.47**	**0.21**	**0.27**	**0.21**	**0.26**

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

(in thousands of Canadian dollars)	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022
	3 months							
	FY 2025	FY2025	FY2024	FY 2024	FY 2024	FY2024	FY2023	FY2023
Credit facilities	350,500	345,854	338,712	362,902	374,573	374,114	360,990	366,168
Subordinated debt	25,583	25,581	25,579	25,577	25,593	25,568	25,543	25,517
Cash and cash equivalents	(8,593)	(9,184)	(9,606)	(6,991)	(9,704)	(11,682)	(15,453)	(12,303)
Net debt	**367,490**	**362,251**	**354,685**	**381,488**	**390,462**	**388,000**	**371,080**	**379,382**
Net debt to Pro Forma Adjusted EBITDA	**2.72**	**2.77**	**2.76**	**2.99**	**3.19**	**3.28**	**3.19**	**3.34**

Note:

(1) A non-material adjustment was made to Q4 2024, Q3 2024, Q2 2024, Q4 2023 and Q3 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), Q4 2023; from $14.9 million (0.21 per share) to $14.6 million (0.21 per share), and Q3 2023; from $18.1 million (0.27 per share) to $18.2 million (0.27 per share).

LIQUIDITY AND CAPITAL RESOURCES
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

	3 months		6 months	
(in thousands of Canadian dollars)	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Operating activities	19,183	19,101	29,933	43,361
Financing activities	(14,426)	(16,654)	(22,004)	(41,127)
Investing activities	(5,390)	(4,376)	(9,005)	(7,882)
Effect of foreign exchange difference on cash and cash equivalents	32	(49)	53	(101)
Net change in cash	(601)	(1,978)	(1,023)	(5,749)
Cash – beginning of period	9,184	11,682	9,606	15,453
Cash – end of period	8,583	9,704	8,583	9,704
Adjusted free cash flow(1)(2)	**21,103**	**14,567**	**36,565**	**33,024**

Operating Activities

Cash flow generated from operating activities amounted to $19.2 million for Q2 2025 compared to $19.1 million for Q2 2024. The increase was mainly due to higher operating results, largely offset by a foreign exchange loss and by a higher negative change in non-cash operating items.

Cash flow generated from operating activities amounted to $29.9 million for cumulative Fiscal 2025 compared to $43.4 million for cumulative Fiscal 2024. The decrease was mainly due to a higher negative change in non-cash operating items, to a one-time settlement gain related to a trademark dispute in the comparative period and to higher income taxes paid, partially offset by higher operating results.

Financing Activities

Net cash flow used in financing activities amounted to $14.4 million for Q2 2025 compared to $16.7 million for Q2 2024. The decrease was primarily due to higher credit facility borrowings, partially offset by a higher number of shares repurchased.

Net cash flow used in financing activities amounted to $22.0 million for cumulative Fiscal 2025 compared to $41.1 million for cumulative Fiscal 2024. The decrease was mostly due to the repayment of contingent consideration for the acquisition of InStore Audio Network in the comparative period, partially offset by a higher number of shares repurchased.

Investing Activities

Net cash flow used in investing activities amounted to $5.4 million for Q2 2025 compared to $4.4 million for Q2 2024. Net cash flow used in investing activities amounted to $9.0 million for cumulative Fiscal 2025 compared to $7.9 million for cumulative Fiscal 2024. Both increases were mostly due to the acquisition of The Coda Collection.

Adjusted free cash flow(1)

Adjusted free cash flow generated in Q2 2025 amounted to $21.1 million compared to $14.6 million for Q2 2024. The increase was related to higher operating results.

Adjusted free cash flow generated in cumulative Fiscal 2025 amounted to $36.6 million compared to $33.0 million for cumulative Fiscal 2024. The increase was mainly due to higher operating results, partially offset by higher income taxes paid.

Notes:

(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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

(2) 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).

CONSOLIDATED FINANCIAL POSITION AND CAPITAL RESOURCES

The following table shows the main variances that have occurred in the consolidated financial position of the Corporation for the six-month period ending September 30, 2024:

(in thousands of Canadian dollars)	Sept. 30, 2024	March 31, 2024	Variance		Significant contributions
Trade and other receivables	84,380	72,002	12,378	▲	Timing of payments by clients
Intangible assets	55,405	58,052	(2,647)	▼	Amortization of intangible assets
Goodwill	306,586	304,604	1,982	▲	Foreign exchange differences and acquisition of The Coda Collection
Accounts payables and accrued liabilities	71,504	75,177	(3,673)	▼	Timing of payments to suppliers
Other liabilities	20,334	17,810	2,524	▲	Increase in derivative financial instruments liability, partially offset by payment for CRTC tangible benefits
Credit facilities	350,500	338,712	11,788	▲	Refer to the graph on next page
Subordinated debt	25,583	25,579	4	▲	Amortization of deferred financing fees

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. The Corporation expects 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.

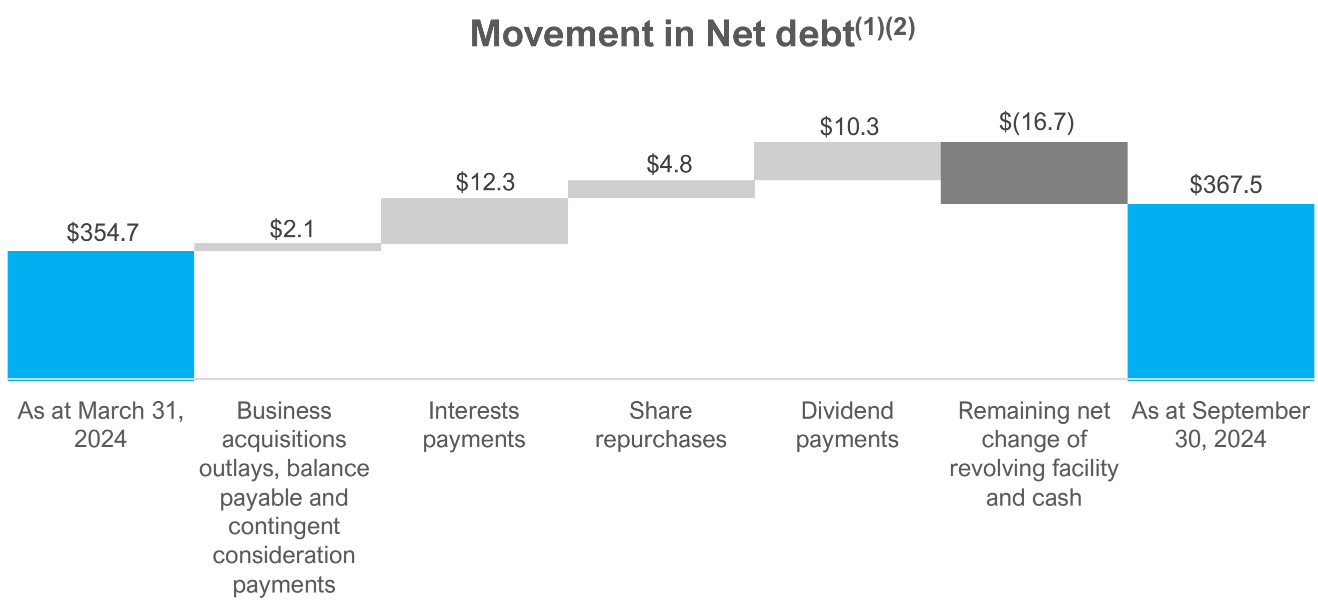
The credit facilities consist of a $375.0 million revolving credit facility and a remaining $45.0 million term loan, both maturing in October 2027.

The Corporation is required to make consecutive quarterly capital repayments of 2.50% of the initial drawdown of the term loan. The remaining capital balance will be payable on maturity date, on October 15, 2027.

The credit facilities bear interest at (a) the bank's prime rate (6.45% and 7.20% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (9.00% and 9.25% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (4.62% and 5.73% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (5.35% and 5.43% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (3.59% and 3.63% as at September 30, 2024 and 2023, 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% as at September 30, 2024 and 0.40% as at September 30, 2023).

As of September 30, 2024, the Corporation had cash and cash equivalents of $8.6 million, a subordinated debt of $25.6 million and credit facilities of $350.5 million, of which approximately $68.0 million was available.

The following table summarizes the impact on the Net debt that occurred in the six-month period ended September 30, 2024:



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 6 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 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

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.

Contractual Obligations

The Corporation is committed under the terms of contractual obligations with various expiration dates, primarily the rental of office space, financial obligations under its credit agreement, broadcast licences and commitments for copyright royalties. There have been no material changes to these obligations since March 31, 2024.

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. There have been no material changes to the nature or importance of the transactions between related parties since March 31, 2024.

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.

Disclosure of Outstanding Share Data

Issued and outstanding shares and outstanding stock options consisted of:

	October 31, 2024	September 30, 2024
Issued and outstanding shares:		
Subordinate voting shares	52,861,511	52,995,016
Subordinate voting shares held in trust through employee share purchase plan	(23,798)	(18,780)
Variable subordinate voting shares	2,332,016	2,333,613
Multiple voting shares	12,941,498	12,941,498
	68,111,227	**68,251,347**
Outstanding stock options:		
Stock options	3,516,624	3,516,624

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. During the first six months of Fiscal 2025, 146,627 options were exercised, no options were cancelled nor granted to eligible employees.

Financial Risk Factors

The Corporation is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest risk). The interim consolidated financial statements and management discussion and analysis do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements as at March 31, 2024. The Corporation is not aware of any significant changes to the financial risk factors from those disclosed at that time.

Risk Factors

For a detailed description of risk factors associated with the Corporation, please refer to the “Risk Factors” section of the Corporation’s Annual Information Form dated June 4, 2024. The Corporation is not aware of any significant changes to the Corporation’s risk factors from those disclosed at that time.

Future Accounting Changes

For information on future accounting changes, please refer to the unaudited interim consolidated financial statements.

Evaluation of Disclosure Controls and Procedures

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 September 30, 2024, 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 September 30, 2024.

As at September 30, 2024, 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 September 30, 2024.

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.

The Corporation has accordingly availed itself of provision 3.3(1)(b) of Regulation 52-109 which permits exclusion of this acquisition in the design and operating effectiveness assessment of its ICFR for a maximum period of 365 days from the date of acquisition.

Subsequent Events

Dividend

On November 5, 2024, 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 December 13, 2024, to shareholders on record as of November 29, 2024.

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.

Consolidated Statements of Comprehensive Income

Three-month and six-month periods ended September 30, 2024 and 2023

(In thousands of Canadian dollars, except per share amounts) (Unaudited)	Note	3 months September 30, 2024	3 months September 30, 2023	6 months September 30, 2024	6 months September 30, 2023
Revenues	5	$ 93,585	$ 82,493	$ 182,655	$ 161,485
Operating expenses		61,460	53,685	120,426	103,305
Depreciation, amortization and write-off		7,306	8,253	14,642	16,156
Net finance expense (income)	6	12,162	5,582	21,261	9,988
Change in fair value of investments		29	(86)	(13)	21
Share of results of investments in associates		1,827	1,011	3,879	1,011
Acquisition, legal, restructuring and other expenses	7	2,531	1,192	3,372	(1,708)
Income before income taxes		8,270	12,856	19,088	32,712
Income taxes		2,457	3,467	5,980	9,205
Net income		$ 5,813	$ 9,389	$ 13,108	$ 23,507
Net income per share — Basic and Diluted		$ 0.08	$ 0.14	$ 0.19	$ 0.34
Weighted average number of shares — Basic		68,399,173	69,276,233	68,508,316	69,298,775
Weighted average number of shares — Diluted		69,021,923	69,348,732	69,093,700	69,391,740
Comprehensive income					
Net income		$ 5,813	$ 9,389	$ 13,108	$ 23,507
Other comprehensive income (loss)					
Items that may be reclassified to profit and loss					
Exchange differences on translation of foreign operations		1,286	(539)	2,082	(3,510)
Total other comprehensive gain (loss)		1,286	(539)	2,082	(3,510)
Total comprehensive income		$ 7,099	$ 8,850	$ 15,190	$ 19,997

Net income is entirely attributable to Shareholders.

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

Consolidated Statements of Financial Position

September 30, 2024 and March 31, 2024

(In thousands of Canadian dollars) (Unaudited)	Note	September 30, 2024	March 31, 2024
Assets			
Current assets			
Cash and cash equivalents		$ 8,583	$ 9,606
Trade and other receivables		84,340	72,002
Income taxes receivable		1,162	785
Inventories		6,142	4,324
Prepaid expenses and deposits		16,140	17,374
		116,407	104,091
Non-current assets			
Property and equipment	8	35,976	37,408
Right-of-use assets on leases	8	18,913	19,934
Intangible assets, excluding broadcast licences	8	55,405	58,052
Broadcast licences	8	273,017	272,996
Goodwill	8	306,586	304,604
Investments		6,381	9,658
Other non-current assets		3,422	3,170
Deferred tax assets		2,427	1,653
Total assets		$ 818,534	$ 811,566
Liabilities and Equity			
Current liabilities			
Credit facilities	9	$ 7,500	$ 7,500
Accounts payable and accrued liabilities		71,504	75,177
Dividend payable		—	5,157
Deferred revenues		7,038	9,693
Current portion of lease liabilities	10	4,232	4,200
Current portion of other liabilities	11	5,218	5,250
Income taxes payable		6,972	8,040
		102,464	115,017
Non-current liabilities			
Credit facilities	9	343,000	331,212
Subordinated debt		25,583	25,579
Deferred revenues		184	184
Lease liabilities	10	17,058	18,206
Other liabilities	11	15,116	12,560
Deferred tax liabilities		60,511	60,225
Total liabilities		563,916	562,983
Shareholders' equity			
Share capital	12	292,002	294,782
Contributed surplus		6,526	6,393
Deficit		(49,324)	(55,924)
Accumulated other comprehensive income (loss)		5,414	3,332
Total equity		254,618	248,583
Subsequent event (note 15)			
Total liabilities and equity		$ 818,534	$ 811,566

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

Approved by the Board of Directors,

(Signed) Eric Boyko, Director

(Signed) Karinne Bouchard, Director

Consolidated Statements of Changes in Equity

Six-month periods ended September 30, 2024 and 2023

(In thousands of Canadian dollars, except number of share capital) (Unaudited)	Share Capital				Accumulated other comprehensive income (loss)		
	Number	Amount	Contributed surplus	Deficit	Cumulative Translation Account	Defined Benefit 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	—	—	—	(5,194)	—	—	(5,194)
Repurchase and cancellation of shares	(127,500)	(724)	—	79	—	—	(645)
Share-based compensation	—	—	128	—	—	—	128
Employee share purchase plan	(28,563)	(143)	143	—	—	—	—
Net income	—	—	—	23,507	—	—	23,507
Other comprehensive loss	—	—	—	—	(3,510)	—	(3,510)
Balance at September 30, 2023	69,163,735	$ 297,036	$ 6,429	$ (3,342)	$ (1,804)	$ 2,236	$ 300,555
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 options (note 12)	146,627	784	(105)	—	—	—	679
Dividends	—	—	—	(5,111)	—	—	(5,111)
Repurchase and cancellation of shares (note 12)	(640,600)	(3,449)	—	(1,397)	—	—	(4,846)
Share-based compensation	—	—	123	—	—	—	123
Employee share purchase plan (note 12)	(12,244)	(115)	115	—	—	—	—
Net income	—	—	—	13,108	—	—	13,108
Other comprehensive income	—	—	—	—	2,082	—	2,082
Balance at September 30, 2024	68,251,347	$ 292,002	$ 6,526	$ (49,324)	$ 2,952	$ 2,462	$ 254,618

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

Consolidated Statements of Cash Flows

Three-month and six-month periods ended September 30, 2024 and 2023

(In thousands of Canadian dollars) (Unaudited)	Note	3 months September 30, 2024	3 months September 30, 2023	6 months September 30, 2024	6 months September 30, 2023
Operating activities:					
Net income		$ 5,813	$ 9,389	$ 13,108	$ 23,507
Adjustments for:					
Depreciation, amortization and write-off		7,254	8,253	14,590	16,156
Gain on disposal of leases		52	33	52	33
Share-based compensation, PSU and DSU expenses		1,869	710	2,835	(396)
Interest expense and standby fees	6	6,088	6,814	11,988	13,440
Change in fair value of derivative financial instruments	6	4,434	(600)	5,635	(4,235)
Change in fair value of investments		29	(86)	(13)	21
Share of results of joint ventures		(17)	311	(15)	300
Share of results of investments in associates		1,827	745	3,879	745
Change in fair value of contingent consideration	6	185	171	390	264
Accretion expense	6	181	325	401	695
Interest expense on lease liabilities	6,10	324	360	658	735
Income tax expense		2,457	3,467	5,980	9,205
Income taxes paid		(1,465)	(2,737)	(6,874)	(2,965)
		29,031	27,155	52,614	57,505
Net change in non-cash operating items	13	(9,848)	(8,054)	(22,681)	(14,144)
		19,183	19,101	29,933	43,361
Financing activities:					
Increase of credit facilities		4,565	362	11,626	13,390
Payment of dividends		(5,126)	(5,194)	(10,268)	(10,394)
Share repurchased and cancelled	12	(2,532)	(606)	(4,846)	(645)
Proceeds from the exercise of stock options		324	—	679	—
Shares purchased under the employee share purchase plan		(73)	(78)	(115)	(143)
Interest paid		(6,356)	(7,093)	(12,335)	(12,666)
Repayment of lease liabilities		(1,324)	(1,368)	(2,316)	(2,425)
Repayment of other liabilities		(3,904)	(2,677)	(4,281)	(28,244)
Unwind of interest rate contract		—	—	(148)	—
		(14,426)	(16,654)	(22,004)	(41,127)
Investing activities:					
Business acquisition, net of cash acquired	3	(1,885)	—	(1,885)	—
Acquisition of investments		—	(7)	31	(49)
Acquisition of investments in joint ventures		(345)	(427)	(779)	(920)
Disposal of non-core assets		198	—	198	—
Acquisition of property and equipment		(1,885)	(2,350)	(3,371)	(3,719)
Acquisition of intangible assets other than internally developed intangible assets		(205)	(318)	(649)	(620)
Addition to internally developed intangible assets		(1,268)	(1,274)	(2,550)	(2,574)
		(5,390)	(4,376)	(9,005)	(7,882)
Effect of foreign exchange difference on cash and cash equivalents		32	(49)	53	(101)
Net decrease in cash and cash equivalents		(601)	(1,978)	(1,023)	(5,749)
Cash and cash equivalents, beginning of period		9,184	11,682	9,606	15,453
Cash and cash equivalents, end of period		$ 8,583	$ 9,704	$ 8,583	$ 9,704

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

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

1. BUSINESS DESCRIPTION AND BASIS OF CONSOLIDATION

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 a number of 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.

These interim consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, Stingray Music USA Inc. (and its subsidiary 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 and Stingray Radio Inc. and all these entities' wholly owned subsidiaries.

The auditors of the Corporation have not performed a review of the interim financial report for the three-month and six-month periods ended September 30, 2024.

2. SIGNIFICANT CHANGE AND HIGHLIGHT

The interim consolidated financial position and performance of the Corporation was particularly affected by the following events and transactions during the three-month and six-month periods ended September 30, 2024:

- 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 12 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 8), goodwill (note 8), and contingent consideration (note 11).

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

3. BUSINESS ACQUISITIONS

FISCAL 2025

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 contingent consideration 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.

		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)
(Unaudited)

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 ("CDOM") 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 expenses, depreciation, amortization and write-off, net finance expense (income), change in fair value of investments 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 three-month and six-month periods ended September 30, 2024 and 2023.

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	Q2 2025	Q2 2024	Q2 2025	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**	**Q2 2024**
Three-month periods								
Revenues	$ 60,895	$ 49,815	$ 32,690	$ 32,678	$ —	$ —	**$ 93,585**	**$ 82,493**
Operating expenses (excluding Share-based compensation and PSU and DSU expenses)	35,922	29,898	21,672	21,665	1,997	1,412	**59,591**	**52,975**
Adjusted EBITDA	$ 24,973	$ 19,917	$ 11,018	$ 11,013	(1,997)	(1,412)	**33,994**	**29,518**
Share-based compensation					106	120	**106**	**120**
PSU and DSU expenses					1,763	590	**1,763**	**590**
Depreciation, amortization and write-off					7,306	8,253	**7,306**	**8,253**
Net finance expense (income)					12,162	5,582	**12,162**	**5,582**
Change in fair value of investments					29	(86)	**29**	**(86)**
Share of results on investments in associates					1,827	1,011	**1,827**	**1,011**
Acquisition, legal, restructuring and other expenses					$ 2,531	$ 1,192	**2,531**	**1,192**
Income before income taxes							**8,270**	**12,856**
Income taxes							**2,457**	**3,467**
Net income							**$ 5,813**	**$ 9,389**

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	Q2 2025	Q2 2024	Q2 2025	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**	**Q2 2024**
Six-month periods								
Revenues	$ 117,740	$ 97,003	$ 64,915	$ 64,482	$ —	$ —	**$ 182,655**	**$ 161,485**
Operating expenses (excluding Share-based compensation and PSU and DSU expenses)	69,816	57,128	43,966	43,582	3,809	2,991	**117,591**	**103,701**
Adjusted EBITDA	$ 47,924	$ 39,875	$ 20,949	$ 20,900	(3,809)	(2,991)	**65,064**	**57,784**
Share-based compensation					236	221	**236**	**221**
PSU and DSU expenses					2,599	(617)	**2,599**	**(617)**
Depreciation, amortization and write-off					14,642	16,156	**14,642**	**16,156**
Net finance expense (income)					21,261	9,988	**21,261**	**9,988**
Change in fair value of investments					(13)	21	**(13)**	**21**
Share of results on investments in associates					3,879	1,011	**3,879**	**1,011**
Acquisition, legal, restructuring and other expenses					$ 3,372	$ (1,708)	**3,372**	**(1,708)**
Income before income taxes							**19,088**	**32,712**
Income taxes							**5,980**	**9,205**
Net income							**$ 13,108**	**$ 23,507**

During the six-month period ended September 30, 2024 the Corporation received tax credits related to its research and development and multimedia activities of $909 (2023 - $911) which were recorded as a reduction of operating expenses.

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	September 30, 2024	March 31, 2024	September 30, 2024	March 31, 2024	September 30, 2024	March 31, 2024	**September 30, 2024**	**March 31, 2024**
Total assets	$ 271,311	$ 262,154	$ 543,779	$ 549,412	$ —	$ —	**$ 815,090**	**$ 811,566**
Total liabilities[(1)]	$ 78,173	$ 82,841	$ 99,538	$ 107,267	$ 382,761	$ 372,875	**$ 560,472**	**$ 562,983**

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

	Broadcasting and commercial music		Radio		**Consolidated**	
Three-month periods	Q2 2025	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**	**Q2 2024**
Acquisition of property and equipment	$ 704	$ 975	$ 832	$ 1,375	**$ 1,536**	**$ 2,350**
Addition to right-of-use assets on leases	$ 617	$ —	$ 25	$ 633	**$ 642**	**$ 633**
Acquisition of intangible assets	$ 4,195	$ 1,615	$ —	$ —	**$ 4,195**	**$ 1,615**
Acquisition of broadcast licences	$ —	$ —	$ 21	$ —	**$ 21**	**$ —**
Goodwill recorded on business acquisitions	$ 510	$ —	$ —	$ —	**$ 510**	**$ —**

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

	Broadcasting and commercial music		Radio		**Consolidated**	
Six-month periods	Q2 2025	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**	**Q2 2024**
Acquisition of property and equipment	$ 1,514	$ 1,552	$ 1,355	$ 1,926	**$ 2,869**	**$ 3,478**
Addition to right-of-use assets on leases	$ 1,320	$ 480	$ 53	$ 767	**$ 1,373**	**$ 1,247**
Acquisition of intangible assets	$ 5,948	$ 3,272	$ —	$ —	**$ 5,948**	**$ 3,272**
Acquisition of broadcast licences	—	$ —	$ 21	$ —	**$ 21**	**$ —**
Goodwill recorded on business acquisitions	$ 510	$ —	$ —	$ —	**$ 510**	**$ —**

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

As at September 30, 2024, approximately 75% (76% as at September 30, 2023) 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 segments, primary geographical markets and products.

	Reportable segments[3]					
	Broadcasting and commercial music		Radio		**Total revenues**	
Three-month periods	Q2 2025	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**	**Q2 2024**
Geography						
Canada	$ 16,252	$ 15,751	$ 32,690	$ 32,678	**$ 48,942**	**$ 48,429**
United States	32,889	21,571	—	—	**32,889**	**21,571**
Other countries	11,754	12,493	—	—	**11,754**	**12,493**
	60,895	49,815	32,690	32,678	**93,585**	**82,493**
Products						
Advertising [1]	18,480	11,120	32,690	32,678	**51,170**	**43,798**
Subscriptions [2]	33,776	33,751	—	—	**33,776**	**33,751**
Equipment and labor [1]	8,639	4,944	—	—	**8,639**	**4,944**
	$ 60,895	$ 49,815	$ 32,690	$ 32,678	**$ 93,585**	**$ 82,493**

[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)
(Unaudited)

	Reportable segments[3]					
	Broadcasting and commercial music		Radio		**Total revenues**	
Six-month periods	Q2 2025	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**	**Q2 2024**
Geography						
Canada	$ 33,041	$ 31,228	$ 64,915	$ 64,482	**$ 97,956**	**$ 95,710**
United States	60,841	40,650	—	—	**60,841**	**40,650**
Other countries	23,858	25,125	—	—	**23,858**	**25,125**
	117,740	97,003	64,915	64,482	**182,655**	**161,485**
Products						
Advertising [1]	34,815	19,331	64,915	64,482	**99,730**	**83,813**
Subscriptions [2]	67,702	68,065	—	—	**67,702**	**68,065**
Equipment and labor [1]	15,223	9,607	—	—	**15,223**	**9,607**
	$ 117,740	$ 97,003	$ 64,915	$ 64,482	**$ 182,655**	**$ 161,485**

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

6. NET FINANCE EXPENSE (INCOME)

	3 months		6 months	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest expense and standby fees	$ 6,088	$ 6,814	$ 11,988	$ 13,440
Unrealized loss (gain) on derivative financial instruments	4,434	(600)	5,487	(4,235)
Realized loss on derivative financial instruments	—	—	148	—
Change in fair value of contingent consideration	185	171	390	264
Accretion expense	181	325	401	695
Interest expense on lease liabilities (note 10)	324	360	658	735
Foreign exchange loss (gain)	950	(1,488)	2,189	(911)
	$ 12,162	$ 5,582	$ 21,261	$ 9,988

7. ACQUISITION, LEGAL, RESTRUCTURING AND OTHER EXPENSES

	3 months		6 months	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Acquisition	$ 577	$ —	$ 577	$ 4
Legal	587	374	1,032	(3,341)
Restructuring and other expenses[1]	1,367	818	1,763	1,629
	$ 2,531	$ 1,192	$ 3,372	$ (1,708)

On June 30, 2023, the Corporation resolved a trademark dispute, which resulted in a one-time settlement gain of US$3,125 ($4,156), recorded as a reduction of legal expenses.

[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)
(Unaudited)

8. PROPERTY AND EQUIPMENT, RIGHT-OF-USE-ASSETS ON LEASES, INTANGIBLE ASSETS, BROADCAST LICENCES AND GOODWILL

	Property and equipment	Right-of-use assets on leases	Intangible assets	Broadcast licences	Goodwill
Year ended March 31, 2024					
Net book amount as at March 31, 2023	$ 38,792	$ 23,271	$ 68,814	$ 272,996	$ 360,900
Additions	7,812	1,190	6,446	—	—
Disposals and write-off	(490)	(137)	—	—	—
Depreciation of property and equipment	(8,806)	—	—	—	—
Depreciation of right-of-use assets on leases	—	(4,453)	—	—	—
Amortization of intangible assets	—	—	(17,371)	—	—
Impairment charge	—	—	—	—	(56,119)
Foreign exchange differences	100	63	163	—	(177)
Net book amount as at March 31, 2024	**$ 37,408**	**$ 19,934**	**$ 58,052**	**$ 272,996**	**$ 304,604**
Six-month period ended September 30, 2024					
Net book amount as at March 31, 2024	$ 37,408	$ 19,934	$ 58,052	$ 272,996	$ 304,604
Additions	2,869	1,373	3,611	21	—
Additions through business acquisition (note 3)	—	—	2,337	—	510
Disposals and write-off	—	(141)	(2)	—	—
Depreciation of property and equipment	(4,045)	—	—	—	—
Depreciation of right-of-use assets on leases	—	(2,175)	—	—	—
Amortization of intangible assets	—	—	(8,370)	—	—
Foreign exchange differences	(256)	(78)	(223)	—	1,472
Net book amount as at September 30, 2024	**$ 35,976**	**$ 18,913**	**$ 55,405**	**$ 273,017**	**$ 306,586**

9. CREDIT FACILITIES

The total credit facilities consist of a $375,000 revolving credit facility and a remaining $45,000 term loan, both maturing in October 2027.

The credit facilities may be drawn in Canadian dollars in the form of prime rate loan 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 (6.45% and 7.20% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (9.00% and 9.25% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (4.62% and 5.73% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (5.35% and 5.43% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (3.59% and 3.63% as at September 30, 2024 and 2023, 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% as at September 30, 2024 and 0.40% as at September 30, 2023). The credit facilities are secured by guarantees from subsidiaries and first ranking lien on universality of all assets, tangible and intangible, present and future.

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

The table below is a summary of the credit facilities:

September 30, 2024	Total available	Drawn	Letter of credit	Net available
Committed credit facilities				
Revolving facility	$ 375,000	$ 306,243	$ 750	$ 68,007
Term facility	45,000	45,000	—	—
Total committed credit facilities	$ 420,000	351,243	$ 750	$ 68,007
Less: unamortized deferred financing fees		(743)		
Balance, end of period		$ 350,500		
Current portion		$ 7,500		
Non-current portion		$ 343,000		

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

As at September 30, 2024 and March 31, 2024, a letter of credit amounting to $750 and $775 respectively reduced the availability on the revolving facility.

The Corporation is required to make consecutive quarterly capital repayments of 2.50% of the initial drawdown amount of the term facility. The remaining capital balance will be payable on the maturity date, October 15, 2027.

	Capital repayments of the term facility
2025	$ 3,750
2026	7,500
2027	7,500
2028	26,250
	$ 45,000

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

10. LEASE LIABILITIES

The following table presents a summary of the activity related to the lease liabilities of the Corporation for the three-month and six-month periods ended September 30, 2024:

	3 months		6 months	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Lease liabilities, beginning of period	$ 22,092	$ 24,915	$ 22,406	$ 25,710
Additions	642	651	1,373	1,232
Payment of lease liabilities, including related interest	(1,648)	(1,728)	(2,974)	(3,160)
Reassessment of the lease term	—	(644)	(2)	(666)
Disposal	(87)	(41)	(87)	(350)
Interest expense on lease liabilities (note 6)	324	360	658	735
Foreign exchange differences	(33)	(20)	(84)	(8)
Lease liabilities, end of period	$ 21,290	$ 23,493	$ 21,290	$ 23,493

Lease liabilities included in the Consolidated statements of financial position	**September 30, 2024**	**March 31, 2024**
Current portion	$ 4,232	$ 4,200
Non-current portion	$ 17,058	$ 18,206
	$ 21,290	$ 22,406

The following table presents the maturity analysis of contractual undiscounted cashflows related to the lease liabilities of the Corporation as of September 30, 2024:

Less than one year	$ 4,162
One to five years	15,033
More than five years	7,384
Total undiscounted lease liabilities as at September 30, 2024	$ 26,579

11. OTHER LIABILITIES

	Note	September 30, 2024	March 31, 2024
CRTC tangible benefits		$ 4,125	$ 8,137
Contingent consideration		3,028	1,708
Balance payable on business acquisitions		167	330
Accrued pension benefit liability		2,515	2,628
Derivative financial instruments	14	6,678	912
Performance share unit payable		2,249	2,515
Other		1,572	1,580
		20,334	17,810
Current portion		(5,218)	(5,250)
		$ 15,116	$ 12,560

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

12. 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
Six-month period ended September 30, 2024			
Subordinate voting shares and variable subordinate voting shares			
As at March 31, 2024	50,816,066	$	276,556
Exercise of stock options	146,627		784
Class exchange from multiple voting shares to subordinate voting shares	5,000,000		350
Repurchased and cancelled	(640,600)		(3,449)
Purchased and held in trust through employee share purchase plan	(12,244)		(115)
As at September 30, 2024	55,309,849	$	274,126
Multiple voting shares			
As at March 31, 2024	17,941,498	$	18,226
Class exchange from multiple voting shares to subordinate voting shares	(5,000,000)		(350)
As at September 30, 2024	12,941,498		17,876
	68,251,347	$	292,002

Transactions for the six-month period ended September 30, 2024

During the six-month period ended September 30, 2024, 146,627 stock options were exercised and consequently, the Corporation issued 146,627 subordinate voting shares. The proceeds amounted to $679. An amount of $105 of contributed surplus related to those stock options was transferred to the subordinate voting shares' account balance.

On August 6, 2024, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend was paid on September 13, 2024 to shareholders on record as of August 30, 2024.

On June 18, 2024, a total of 5,000,000 multiple voting shares were exchanged for an equivalent number of subordinate voting shares, with no cash consideration involved.

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

On March 19, 2024, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share, multiple voting share and subscription receipts. A dividend payable of $5,157 was accrued in the consolidated statement of financial position as at March 31, 2024.

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 six-month periods ended September 30, 2024 and September 30, 2023:

		2024		2023
Subordinate voting shares repurchased for cancellation *(unit)*		640,600		127,500
Average price per share	$	7.5644	$	5.0624
Total repurchase cost	$	4,846	$	645
Repurchase resulting in a reduction of:				
Share capital	$	3,449	$	724
Deficit [1]	$	1,397	$	(79)

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

13. SUPPLEMENTAL CASH FLOW INFORMATION

	3 months				6 months			
		September 30, 2024		September 30, 2023		September 30, 2024		September 30, 2023
Trade and other receivables	$	(11,062)	$	(7)	$	(12,068)	$	405
Inventories		(583)		1,217		(1,447)		1,435
Other current assets		1,131		207		1,327		3,235
Other non-current assets		7		528		3		947
Accounts payable and accrued liabilities		2,997		(1,671)		(5,528)		(12,359)
Deferred revenues		(1,742)		(711)		(2,606)		(1,652)
Income taxes payable		(402)		(813)		(953)		(1,395)
Other liabilities		(194)		(6,804)		(1,409)		(4,760)
	$	(9,848)	$	(8,054)	$	(22,681)	$	(14,144)

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

The following table summarizes the Corporation's additions not affecting cash and cash equivalents for the three-month and six-month periods ended September 30, 2024 and 2023:

	3 months		6 months	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Additions to property and equipment	$ (350)	$ —	$ (503)	$ (241)
Additions to intangible assets, excluding broadcast licences and intangible assets acquired through business acquisitions	2,722	23	2,749	78
	$ 2,372	$ 23	$ 2,246	$ (163)

14. FINANCIAL INSTRUMENTS

FINANCIAL RISK FACTORS

The Corporation is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest risk). The interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements as at March 31, 2024. The Corporation is not aware of any significant changes to the Corporation's risk factors from those disclosed at that time.

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 they bear 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.

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

The carrying and fair value of financial assets and liabilities, including their level in the fair value hierarchy, consist of the following:

As at September 30, 2024	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 8,583				
Trade and other receivables	80,580				
Financial assets measured at fair value					
Investments	$ 1,786	$ 1,786	$ —	$ —	$ 1,786
Derivative financial instruments	40	40	—	40	—
Financial liabilities measured at amortized cost					
Credit facilities	$ 350,500				
Subordinated debt	25,583				
Accounts payable and accrued liabilities	67,541				
CRTC tangible benefits	4,125				
Accrued pension benefit liability	2,515				
Performance share unit payable	2,249				
Balance payable on business acquisitions	167	167	—	167	—
Financial liabilities measured at fair value					
Contingent consideration	$ 3,028	$ 3,028	$ —	$ —	$ 3,028
Derivative financial instruments	6,678	6,678	—	6,678	—

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	—

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

Fair value measurement (Level 3):

	Investments	Contingent consideration
Six-month period ended September 30, 2023		
Opening amount as at March 31, 2023	$ 1,845	$ 21,117
Additions	34	—
Change in fair value, including foreign exchange differences	(1)	264
Settlements	—	(19,941)
Balance at September 30, 2023	$ 1,878	$ 1,440
Six-month period ended September 30, 2024		
Opening amount as at March 31, 2024	$ 2,014	$ 1,708
Additions through business acquisition	—	963
Disposals	(229)	—
Change in fair value, including foreign exchange differences	1	390
Settlements	—	(33)
Balance at September 30, 2024	$ 1,786	$ 3,028

There were no changes in the valuation techniques for the contingent consideration, investments and investments in associates during the six-month periods ended September 30, 2024 and 2023.

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.

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 present value the cash flows, which is based on the risk associated with the revenue targets being met. The contingent consideration is classified as a financial liability and is included in other liabilities (note 11). The change in fair value is recognized in net finance expense (income) (note 6).

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation uses derivative financial instruments to manage its interest rate risk on its credit facilities.

The table below summarizes the interest rate contracts effective as at September 30, 2024 and March 31, 2024:

Maturity	Currency	Fixed interest rate (when applicable)	Initial nominal value	Mark-to-market assets (liabilities) as at September 30, 2024	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	(5,330)	(471)
September 29, 2028	CAD	3.93%	25,000	(1,173)	(214)
			$ 365,000	$ (6,503)	$ (753)

To manage its currency risk, the Corporation entered into foreign exchange forward contracts during the year ended March 31, 2024. The table below summarizes the contracts effective as at September 30, 2024 and March 31, 2024:

Maturity	Type	Contract exchange rate	Contractual amount	Mark-to-market assets (liabilities) as at September 30, 2024	Mark-to-market assets (liabilities) as at March 31, 2024
Foreign exchange forward contracts					
0 to 12 months	USD Sale	1.3182 – 1.3561	$ 24,000	$ (137)	$ (11)
13 to 24 months	USD Sale	1.3372 – 1.3721	24,000	381	(8)
			$ 48,000	$ 244	$ (19)

15. SUBSEQUENT EVENT

Dividend

On November 5, 2024, 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 December 13, 2024 to shareholders on record as of November 29, 2024.

16. BASIS OF PREPARATION

a) **Statement of compliance:**

These interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) on a basis consistent with those accounting policies followed by the Corporation in the most recent audited consolidated annual financial statements. These interim consolidated financial statements have been prepared on a form in accordance with IAS 34 “Interim Financial Reporting”. Accordingly, certain information, in particular the accompanying notes, normally included in the consolidated annual financial statements prepared in accordance with IFRS, has been omitted or condensed. Income taxes in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss. These interim consolidated financial statements should be read in conjunction with the consolidated annual financial statements and the note thereto for the year ended March 31, 2024.

(In thousands of Canadian dollars, unless otherwise stated)
(Unaudited)

The interim consolidated financial statements were authorized for issue by the Board of Directors on November 5, 2024.

b) Use of estimates and judgements:

The preparation of consolidated financial statements in conformity with 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.

In preparing these interim consolidated financial statements, the significant judgments made by management in applying the Corporation's accounting policies and the key sources of information were the same as the ones applied to the audited consolidated financial statements for the year ended March 31, 2024.

c) Functional and presentation currency:

These interim consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

stingray.com