STINGRAY®

Third Quarter Report

Fiscal 2025

For the nine-month period ended December 31, 2024

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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 the three-month and nine-month periods ended December 31, 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 February 4, 2025. 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 nine-month periods ended December 31, 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 close to 1000 employees worldwide and reaches 540 million consumers in 160 countries. For more information, visit www.stingray.com.

KEY PERFORMANCE INDICATORS

For the three-month period ended December 31, 2024 ("Q3 2025"):

$108.2 M ▲ 7.9% from Q3 2024 Revenues	**$15.7 M** ▲ 72.9% from Q3 2024 Net income Or $0.23 per share	**$35.4 M** ▲ 14.5% from Q3 2024 Cash flow from operating activities Or $0.51 per share(1)
$42.1 M ▲ 9.0% from Q3 2024 Adjusted EBITDA(1)	**$23.4 M** ▲ 26.7% from Q3 2024 Adjusted Net income(1) Or $0.34 per share(1)	**$28.6 M** ▼ 10.9% from Q3 2024 Adjusted free cash flow(1) Or $0.42 per share(1)

FINANCIAL AND BUSINESS HIGHLIGHTS

Highlights of the third quarter ended December 31, 2024:

Compared to the quarter ended December 31, 2023 ("Q3 2024"):

- Revenues increased 7.9% to $108.2 million from $100.3 million;
- Adjusted EBITDA(1) increased 9.0% to $42.1 million from $38.6 million. Adjusted EBITDA by segment was $31.6 million or 43.7% of revenues for Broadcasting and Commercial Music, $12.5 million or 34.8% of revenues for Radio and $(2.0) million for Corporate;
- Net income was $15.7 million ($0.23 per share(1)) compared with $9.1 million ($0.13 per share(1));
- Adjusted Net income(1) increased to $23.4 million ($0.34 per share(1)) compared with $18.5 million ($0.27 per share(1));
- Cash flow from operating activities increased 14.5% to $35.4 million ($0.51 per share(1)) compared to $30.9 million ($0.45 per share(1));
- Adjusted free cash flow(1) decreased 10.9% to $28.6 million ($0.42 per share(1)) compared to $32.1 million ($0.47 per share(1));
- Net debt to Pro Forma Adjusted EBITDA(1) ratio of 2.54x, compared with 2.99x and;
- 271,200 shares repurchased and cancelled for a total of $2.0 million, compared with 372,400 shares repurchased and cancelled for a total of $1.9 million.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

Business Highlights:

- On February 4, 2025, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around March 14, 2025, to shareholders on record as of February 28, 2025.
- On January 20, 2025, the Corporation announced the launch of five video channels on the ScreenHits TV in-car entertainment platform, available in Renault Grand Koleos, Nio and Porsche (Cayenne, Taycan, Panamera and 911) vehicles with upcoming plans for a worldwide release.
- On January 9, 2025, the Corporation announced that Samsung TV Karaoke, powered by the Stingray Karaoke app, has received the CES Innovation Award 2025 in the Content & Entertainment category.
- On December 23, 2024, the Corporation announced the acquisition of Loupe Art, a leading visual art streaming service on Smart TVs and Digital Signage. This strategic acquisition aims to expand Stingray's presence on Connected TVs and significantly enhance its offering for businesses, particularly in digital signage.
- On December 18, 2024, the Corporation announced that *EarthDay 365* has launched on The Roku Channel, the home of free ad-supported streaming television on Roku, offering viewers a dedicated space to explore and celebrate the wonders of our planet.
- On December 17, 2024, the Corporation announced the launch of its diverse range of channels on LiveTVx by Anoki, an innovative AI-driven FAST (Free Ad-Supported Streaming Television) service integrated natively with Google TV.
- On December 16, 2024, the Corporation announced its partnership with Sony Honda Mobility Inc. (SHM) to expand its in-car entertainment services. Through this partnership, AFEELA customers will be able to use Stingray Karaoke and enjoy in-car karaoke services.
- On December 11, 2024, the Corporation announced the expansion of its retail media network with the introduction of video advertising across METRO food and pharmacy banners. This new offering enhances the existing in-store audio advertising partnership, providing brands with a dynamic platform to engage and convert shoppers through digital signage.
- On December 10, 2024, the Corporation announced its sales and content provisioning agreement with K2 Studios to operate and distribute the EarthDay 365 channel. This business collaboration will deliver a captivating mix of nature, conservation and science content to audiences worldwide through all of Stingray's branded services, including Free Ad-Supported Television (FAST) and Advertising Video on Demand (AVOD) platforms.
- On December 9, 2024, the Corporation announced that it has successfully completed the increase and extension of its existing credit facility, providing additional liquidity for operations and M&A activities. The refinancing consists of a $500 million revolving credit facility maturing in December 2028.
- On December 2, 2024, the Corporation announced a groundbreaking content partnership with HYBE, a global entertainment lifestyle platform company. Qello Concerts by Stingray, renowned for offering the world's largest collection of full-length concerts and music documentaries, will feature 11 spectacular live concerts and documentaries showcasing BTS and SEVENTEEN, available across North America and Latin America starting this December.
- On November 20, 2024, the Corporation announced the launch of seven new free ad-supported streaming TV (FAST) channels now available for Xfinity customers to enjoy on X1 and the Xfinity Stream app.
- On November 19, 2024, the Corporation announced the launch of three new Stingray Music channels on The Roku Channel in Mexico. This expansion brings the vibrant sounds of Stingray Classic Rock, Stingray Greatest Hits, and Stingray Greatest Holiday Hits to music lovers across the country.
- On November 14, 2024, the Corporation and Singing Machine announced a Karaoke Microphone Partnership with BYD. This karaoke partnership will provide fully-featured karaoke microphones and a major update to Stingray Karaoke for BYD vehicles globally.

- On November 12, 2024, the Corporation announced the launch of Ro-Karaoke, an immersive virtual karaoke experience on Roblox, the global immersive gaming and creation platform.
- 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 was paid on 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.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	3 months				9 months			
	Dec. 31, 2024 Q3 2025		Dec. 31, 2023 Q3 2024		Dec. 31, 2024 YTD 2025		Dec. 31, 2023 YTD 2024	
(in thousands of Canadian dollars, except per share amounts)	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**
Revenues	108,228	100.0 %	100,278	100.0 %	290,883	100.0 %	261,763	100.0 %
Operating expenses	68,124	62.8 %	64,498	64.3 %	188,550	64.8 %	167,803	64.1 %
Depreciation, amortization and write-off	8,052	7.3 %	7,478	7.5 %	22,694	7.8 %	23,634	9.0 %
Net finance expense [1]	11,639	10.7 %	15,159	15.1 %	32,900	11.3 %	25,147	9.6 %
Change in fair value of investments	(43)	0.0 %	103	0.1 %	(56)	0.0 %	124	0.0 %
Share of results of investments in associates	(288)	(0.3) %	509	0.5 %	3,591	1.2 %	1,520	0.6 %
Acquisition, legal, restructuring and other expenses	1,042	1.0 %	275	0.3 %	4,414	1.5 %	(1,433)	(0.5) %
Income before income taxes	19,702	18.2 %	12,256	12.2 %	38,790	13.4 %	44,968	17.2 %
Income taxes	4,025	3.7 %	3,186	3.2 %	10,005	3.5 %	12,391	4.7 %
Net income	15,677	14.5 %	9,070	9.0 %	28,785	9.9 %	32,577	12.5 %
Adjusted EBITDA[2]	42,108	38.9 %	38,648	38.5 %	107,172	36.8 %	96,432	36.8 %
Adjusted Net income[2]	23,424	21.6 %	18,483	18.4 %	54,086	18.6 %	44,930	17.2 %
Cash flow from operating activities	35,387	32.7 %	30,902	30.8 %	65,320	22.5 %	74,263	28.4 %
Adjusted free cash flow[2]	28,636	26.5 %	32,146	32.1 %	65,201	25.4 %	65,170	24.9 %
Net debt[2]	351,573	–	381,488	–	351,573	–	381,488	–
Net debt to Pro Forma Adjusted EBITDA[2]	2.54x	–	2.99x	–	2.54x	–	2.99x	–
Net income per share basic and diluted	0.23	–	0.13	–	0.42	–	0.47	–
Adjusted Net income per share basic [2]	0.34	–	0.27	–	0.79	–	0.65	–
Adjusted Net income per share diluted[2]	0.34	–	0.27	-	0.78	–	0.65	–
Cash flow from operating activities per share basic[2]	0.52	–	0.45	–	0.96	–	1.07	–
Cash flow from operating activities per share diluted[2]	0.51		0.45	–	0.95	–	1.07	–
Adjusted free cashflow per share basic and diluted[2][3]	0.42	–	0.47	–	0.95	–	0.94	–
Revenues by segment								
Broadcasting and Commercial Music	72,218	66.7 %	65,647	65.5 %	189,958	65.3 %	162,650	62.1 %
Radio	36,010	33.3 %	34,631	34.5 %	100,925	34.7 %	99,113	37.9 %
Revenues	108,228	100.0 %	100,278	100.0 %	290,883	100.0 %	261,763	100.0 %
Revenues by geography								
Canada	54,184	50.1 %	51,002	50.9 %	152,140	52.3 %	146,712	56.0 %
United States	42,316	39.1 %	37,099	37.0 %	103,157	35.5 %	77,749	29.7 %
Other Countries	11,728	10.8 %	12,177	12.1 %	35,586	12.2 %	37,302	14.3 %
Revenues	108,228	100.0 %	100,278	100.0 %	290,883	100.0 %	261,763	100.0 %

Notes:

(1) Interest paid during the Q3 2025 was $6.2 million (Q3 2024; $6.6 million). Interest paid for YTD Q3 2025 was $18.5 million (YTD Q3 2024, $19.3 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 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

(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, acquisition, restructuring and other expenses and change in fair value of investments. 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, 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 and the value of credit notes granted to certain customers as a result of the COVID-19 pandemic. Furthermore, Pro Forma Adjusted EBITDA includes the impact on a 12-month basis of these significant cost efficiencies, restructuring measures, and new sales hires in the fastest growing divisions. Management believes that Pro Forma Adjusted EBITDA provides investors with useful financial metrics to assess and evaluate the Corporation's financial performance from period-to-period by adjusting for the impact of acquisitions and cost saving initiatives assuming they occurred at the beginning of the fiscal year, as well as certain events that are otherwise non-recurring. The Corporation also presents such non-IFRS measure because it believes such non-IFRS measure is frequently used by securities analysts, investors and other interested parties as a measure of financial performance.

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

Net debt

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

Net debt to Pro Forma Adjusted EBITDA ratio

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

NON-IFRS MEASURES RECONCILIATIONS

Adjusted EBITDA, Pro Forma Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income, Adjusted Net income per share, Adjusted free cash flow, Adjusted free cash flow per share, Net debt and Net debt to Pro Forma Adjusted EBITDA ratio are non-IFRS measures.

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		9 months	
(in thousands of Canadian dollars)	Dec. 31, 2024 **Q3 2025**	Dec. 31, 2023 **Q3 2024**	Dec. 31, 2024 **YTD 2025**	Dec. 31, 2023 **YTD 2024**
Net income	**15,677**	**9,070**	**28,785**	**32,577**
Net finance expense (income)	11,639	15,159	32,900	25,147
Change in fair value of investments	(43)	103	(56)	124
Income taxes	4,025	3,186	10,005	12,391
Depreciation and write-off of property and equipment	2,104	2,401	6,149	7,159
Depreciation of right-of-use assets	850	1,074	3,077	3,228
Amortization of intangible assets	5,098	4,003	13,468	13,247
Share-based compensation	62	121	298	342
Performance and deferred share unit expense	1,942	2,747	4,541	2,130
Share of results of investments in associates (gain) loss	(288)	509	3,591	1,520
Acquisition, legal, restructuring and other expenses	1,042	275	4,414	(1,433)
Adjusted EBITDA	**42,108**	**38,648**	**107,172**	**96,432**
Adjusted EBITDA margin	**38.9%**	**38.5%**	**36.8%**	**36.8%**
Net income	**15,677**	**9,070**	**28,785**	**32,577**
Adjusted for:				
Unrealized loss (gain) on derivative instruments	2,770	5,056	8,257	821
Amortization of intangible assets	5,098	4,003	13,468	13,247
Change in fair value of investments	(43)	103	(56)	124
Share-based compensation	62	121	298	342
Performance and deferred share unit expense	1,942	2,747	4,541	2,130
Share of results of investments in associates (gain) loss	(288)	509	3,591	1,520
Acquisition, legal, restructuring and other expenses	1,042	275	4,414	(1,433)
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, legal, restructuring and other expenses	(2,836)	(3,401)	(9,212)	(4,398)
Adjusted Net income	**23,424**	**18,483**	**54,086**	**44,930**
Average number of shares outstanding (diluted)	68,742	69,068	68,978	69,282
Adjusted Net income per share (diluted)	**0.34**	**0.27**	**0.78**	**0.65**

(in thousands of Canadian dollars)	**December 31, 2024**	**December 31, 2023**	**March 31, 2024**
LTM Adjusted EBITDA	**136,595**	**123,005**	**125,855**
Permanent cost-saving initiatives	1,332	4,459	2,758
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	299	-	-
Pro Forma Adjusted EBITDA	**138,226**	**127,464**	**128,613**

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

	3 months		9 months	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
(in thousands of Canadian dollars)	**Q3 2025**	**Q3 2024**	**YTD 2025**	**YTD 2024**
Cash flow from operating activities	**35,387**	**30,902**	**65,320**	**74,263**
Add / Less :				
Acquisition of property and equipment	(1,765)	(1,742)	(5,137)	(5,461)
Acquisition of intangible assets other than internally developed intangible assets	(848)	(256)	(1,497)	(876)
Addition to internally developed intangible assets	(1,263)	(1,279)	(3,813)	(3,853)
Interest paid	(6,159)	(6,620)	(18,494)	(19,286)
Repayment of lease liabilities	(1,025)	(997)	(3,341)	(3,422)
Net change in non-cash operating working capital items	1,076	9,500	23,757	23,644
Unrealized loss (gains) on foreign exchange	2,191	2,363	3,992	1,594
Acquisition, legal, restructuring and other expenses	1,042	275	4,414	(1,433)
Adjusted free cash flow(1)	**28,636**	**32,146**	**65,201**	**65,170**
Average number of shares outstanding (diluted)	68,742	69,068	68,978	69,282
Adjusted free cash flow per share (diluted)	**0.42**	**0.47**	**0.95**	**0.94**

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

(in thousands of Canadian dollars)	**December 31, 2024**	**December 31, 2023**	**March 31, 2024**
Credit facilities	370,826	362,902	338,712
Subordinated debt	–	25,577	25,579
Cash and cash equivalents	(19,253)	(6,991)	(9,606)
Net debt	**351,573**	**381,488**	**354,685**
Net debt to Pro Forma Adjusted EBITDA	**2.54**	**2.99**	**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 DECEMBER 31, 2024 AND 2023

CONSOLIDATED PERFORMANCE

Revenues

Revenues are detailed as follows:

	3 months			9 months		
(in thousands of Canadian dollars)	Q3 2025	Q3 2024	% Change	YTD 2025	YTD 2024	% Change
Revenues by geography						
Canada	54,184	51,002	6.2	152,140	146,712	3.7
United States	42,316	37,099	14.1	103,157	77,749	32.7
Other Countries	11,728	12,177	(3.7)	35,586	37,302	(4.6)
Revenues	108,228	100,278	7.9	290,883	261,763	11.1

Global

Revenues in Q3 2025 increased $7.9 million or 7.9% to $108.2 million, from $100.3 million for Q3 2024. The increase was mainly due to increases in FAST channels revenues, in equipment and installation sales related to digital signage and in Radio revenues, partially offset by lower retail media advertising revenues.

Cumulative revenues for Fiscal 2025 increased $29.1 million or 11.1% to $290.9 million, from $261.8 million for cumulative Fiscal 2024. The increase was mainly due to an increase in FAST channels revenues, to a positive foreign exchange impact, and to an increase in equipment and installation sales related to digital signage.

Canada

Revenues in Canada in Q3 2025 increased $3.2 million or 6.2% to $54.2 million, from $51.0 million for Q3 2024. Cumulative revenues in Canada for Fiscal 2025 increased $5.4 million or 3.7% to $152.1 million, from $146.7 million for cumulative Fiscal 2024. Both increases were mainly due to an increase in equipment and installation sales related to digital signage and an increase in Radio revenues driven by growth in digital sales.

United States

Revenues in the United States in Q3 2025 increased $5.2 million or 14.1% to $42.3 million, from $37.1 million for Q3 2024. The increase was mainly due to an increase in FAST channel revenues, partially offset by lower retail media advertising revenues.

Cumulative revenues in the United States for Fiscal 2025 increased $25.4 million or 32.7% to $103.2 million, from $77.8 million for cumulative Fiscal 2024. The increase was largely due to an increase in FAST channels revenues.

Other Countries

Revenues in Other countries in Q3 2025 decreased $0.5 million or 3.7% to $11.7 million, from $12.2 million for Q3 2024. Cumulative revenues in Other countries for Fiscal 2025 decreased $1.7 million or 4.6% to $35.6 million, from $37.3 million for cumulative Fiscal 2024. Both decreases were mostly due to a decrease in subscription revenues.

Operating expenses

Operating expenses in Q3 2025 increased $3.6 million or 5.6% to $68.1 million, from $64.5 million for Q3 2024. The increase was largely due to higher operating costs related to higher revenues.

Cumulative operating expenses for Fiscal 2025 increased $20.8 million or 12.4% to $188.6 million, from $167.8 million for cumulative Fiscal 2024. The increase was mainly due to higher operating costs related to higher revenues and to higher variables expenses mostly due to higher salaries.

Adjusted EBITDA(1)

Adjusted EBITDA in Q3 2025 increased $3.5 million or 9.0% to $42.1 million from $38.6 million for Q3 2024. Adjusted EBITDA margin was 38.9% compared to 38.5% for Q3 2024. The increases of Adjusted EBITDA and Adjusted EBITDA margin were mostly due to higher revenues as variable expenses showed minimal fluctuation compared to prior period and to a difference in product mix.

Cumulative Adjusted EBITDA for Fiscal 2025 increased $10.8 million or 11.1% to $107.2 million from $96.4 million for cumulative Fiscal 2024. Adjusted EBITDA margin remained stable at 36.8% compared to cumulative Fiscal 2024. The increase of Adjusted EBITDA was mostly due to higher revenues, partially offset by higher variable expenses due to increased salaries.

Depreciation, amortization and write off

Depreciation, amortization and write off in Q3 2025 increased 0.6 million or 7.7% to $8.1 million from $7.5 million for Q3 2024. The increase was mostly to an increase in amortization of intangible assets resulting from higher additions to intangible assets.

Cumulative depreciation, amortization and write off for Fiscal 2025 decreased $0.9 million or 4.0% to $22.7 million, from $23.6 million for cumulative Fiscal 2024. The decrease was mainly due to less intangible assets to amortize compared to the comparative period as certain intangible assets are now fully amortized.

Net finance expense

Net finance expense in Q3 2025 decreased $3.6 million or 23.2% to $11.6 million, from $15.2 million for Q3 2024. The decrease was mainly due to a lower unrealized loss on derivative financial instruments.

Cumulative Net finance expense for Fiscal 2025 increased $7.8 million or 30.8% to $32.9 million, from $25.1 million for cumulative Fiscal 2024. The increase was largely due to a higher unrealized loss on derivative financial instruments.

Change in fair value of investments

In Q3 2025, the change in fair value of investments was nil compared to a loss of $0.1 million in Q3 2024. In cumulative Fiscal 2025 there was a gain of $0.1 million compared to a loss of $0.1 million in cumulative Fiscal 2024. The variation on the fair value of investments was due to the translation of an investment denominated in U.S. dollars to Canadian dollars.

Acquisition, legal, restructuring and other expenses

	3 months			9 months		
(in thousands of Canadian dollars)	Q3 2025	Q3 2024	% Change	YTD 2025	YTD 2024	% Change
Acquisition	650	-	N/A	1,227	4	28,431.6
Legal	1,028	(233)	337.1	2,060	(3,574)	(157.6)
Restructuring and other	(636)	508	(140.0)	1,127	2,137	(47.2)
Acquisition, legal, restructuring and other expenses	1,042	275	64.4	4,414	(1,433)	(408.0)

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

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 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

Income taxes

The income tax expense recognized in comprehensive income was $4.0 million for Q3 2025 compared to $3.2 million for Q3 2024. The effective tax rate for Q3 2025 was 20.4% compared to 26.0% for Q3 2024. The variance of the income tax rate is due to the variance in permanent differences.

The income tax expense recognized in comprehensive income was $10.0 million for cumulative Fiscal 2025 compared to $12.4 million for cumulative Fiscal 2024. The effective tax rate for cumulative Fiscal 2025 was 25.8% compared to 27.6% for cumulative Fiscal 2024. The variance of the income tax rate is due to the variance in permanent differences.

Net income and Net income per share

Net income in Q3 2025 was $15.7 million ($0.23 per share) compared to $9.1 million ($0.13 per share) for Q3 2024. The increase was mainly due to higher operating results and to a lower unrealized loss on derivative financial instruments.

Cumulative Net income for Fiscal 2025 was $28.8 million ($0.42 per share) compared to $32.6 million ($0.47 per share) for cumulative Fiscal 2024. The decrease was mainly due to a higher unrealized loss on derivative financial instruments and to a one-time settlement gain on a trademark dispute in the comparative period, partially offset by higher operating results.

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

Adjusted Net income in Q3 2025 was $23.4 million ($0.34 per share), compared to $18.5 million ($0.27 per share) for Q3 2024. The increase was mostly due to higher operating results.

Cumulative Adjusted Net income for Fiscal 2025 was $54.1 million ($0.78 per share), compared to $44.9 million ($0.65 per share) for cumulative Fiscal 2024. The increase was primarily due to higher operating results, partially offset by a higher foreign exchange loss.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to “Supplemental Information on Non-IFRS Measures” on page 7 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 9 and “Reconciliation of Quarterly Non-IFRS Measures” on page 18.

Business segment performance

Broadcasting and Commercial Music

(in thousands of Canadian dollars)	3 months			9 months		
	Q3 2025	Q3 2024	% Change	YTD 2025	YTD 2024	% Change
Revenues	72,218	65,647	10.0	189,958	162,650	16.8
Operating expenses	40,629	37,715	7.7	110,445	94,843	16.4
Adjusted EBITDA(1)	**31,589**	**27,932**	**13.1**	**79,513**	**67,807**	**17.3**
Adjusted EBITDA margin(1)	**43.7%**	**42.5%**	**2.8**	**41.9%**	**41.7%**	**0.4**

Revenues

In Q3 2025, Broadcasting and Commercial Music revenues increased $6.5 million or 10.0% to $72.2 million, from $65.7 million for Q3 2024. The increase was mainly due to an increase in FAST channels revenues and to higher equipment and installation sales related to digital signage, partially offset by lower retail media advertising revenues.

Cumulative Broadcasting and Commercial Music revenues for Fiscal 2025 increased $27.3 million or 16.8% to $190.0 million from $162.7 million for cumulative Fiscal 2024. The increase was mainly due to an increase in FAST channel revenues, to higher equipment and installation sales related to digital signage and to a positive foreign exchange impact.

Adjusted EBITDA(1)

In Q3 2025, Broadcasting and Commercial Music Adjusted EBITDA increased $3.7 million or 13.1% to $31.6 million from $27.9 million for Q3 2024. The increase was mainly due to an increase in gross margin due to higher revenues and to a difference in product mix.

Cumulative Broadcasting and Commercial Music Adjusted EBITDA for Fiscal 2025 increased $11.7 million or 17.3% to $79.6 million from $67.9 million for cumulative Fiscal 2024. The increase was mainly due to an increase in gross margin due to higher revenues, partially offset by higher variable expenses resulting mostly from higher salaries.

Radio

(in thousands of Canadian dollars)	3 months			9 months		
	Q3 2025	Q3 2024	% Change	YTD 2025	YTD 2024	% Change
Revenues	36,010	34,631	4.0	100,925	99,113	1.8
Operating expenses	23,465	22,292	5.3	67,431	65,874	2.4
Adjusted EBITDA(1)	**12,545**	**12,339**	**1.7**	**33,494**	**33,239**	**0.8**
Adjusted EBITDA margin(1)	**34.8%**	**35.6%**	**(2.2)**	**33.2%**	**33.5%**	**(1.0)**

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 Q3 2025, Radio revenues increased $1.4 million or 4.0% to $36.0 million from $34.6 million for Q3 2024. Cumulative Radio revenues for Fiscal 2025 increased $1.8 million or 1.8% to $100.9 million from $99.1 million for cumulative Fiscal 2024. Both increases were mostly due to an increase in digital advertising revenues, partially offset by lower national airtime sales.

Adjusted EBITDA(1)

In Q3 2025, Radio Adjusted EBITDA increased $0.2 million or 1.7% to $12.5 million from $12.3 million in Q3 2024. Cumulative Radio Adjusted EBITDA for Fiscal 2025 increased $0.3 million or 0.8% to $33.5 million from $33.2 million for cumulative Fiscal 2024. Both increases in Adjusted EBITDA were due to higher revenues. Both decreases in Adjusted EBITDA margins were due to higher digital revenue component to the sales mix.

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 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

CORPORATE

(in thousands of Canadian dollars)	3 months Q3 2025	Q3 2024	% Change	9 months YTD 2025	YTD 2024	% Change
Operating expenses	4,030	4,491	(10.3)	10,674	7,086	50.6
Adjust:						
Share-based compensation	(62)	(121)	(48.8)	(298)	(342)	(12.9)
Performance and deferred share unit expense	(1,942)	(2,747)	(29.3)	(4,541)	(2,130)	113.2
Adjusted EBITDA(1)	**(2,026)**	**(1,623)**	**24.8**	**(5,835)**	**(4,614)**	**26.5**

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 mainly related to higher compensation compared to corresponding periods.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to “Supplemental Information on Non-IFRS Measures” on page 7 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 9 and “Reconciliation of Quarterly Non-IFRS Measures” on page 18.

Quarterly results

Revenues fluctuated over the last eight quarters from $78.9 million in the fourth quarter of Fiscal 2023 to $108.2 million in the third quarter of Fiscal 2025. These fluctuations, largely driven by the cyclical nature of the Corporation's business, were also influenced by several other factors. The increase in 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. The increase in Q3 2025 was primarily due to normal business seasonality and to an increase in FAST channel revenues.

Adjusted EBITDA(1) fluctuated over the last eight quarters from $26.6 million in the fourth quarter of Fiscal 2023 to $42.1 million in the third quarter of Fiscal 2025. 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 increases in Q2 2025 and in Q3 2025 were largely due to higher revenues.

Net income fluctuated over the last eight quarters from $4.4 million in the fourth quarter of Fiscal 2023 to $15.7 million in the third quarter of Fiscal 2025. 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. In Q3 2025, the increase was mostly due to 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 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

Summary of Consolidated Quarterly Results

(in thousands of Canadian dollars, except per share amounts)	3 months Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
	FY2025	**FY2025**	**FY2025**	**FY2024**	**FY2024**	**FY2024**	**FY2024**	**FY2023**
Revenues by segment								
Broadcasting and Commercial Music	72,218	60,895	56,845	53,409	65,647	49,815	47,188	50,045
Radio	36,010	32,690	32,225	30,256	34,631	32,678	31,804	28,886
Total revenues	**108,228**	**93,585**	**89,070**	**83,665**	**100,278**	**82,493**	**78,992**	**78,931**
Revenues by geography								
Canada	54,184	48,942	49,014	45,581	51,002	48,429	47,281	43,667
United States	42,316	32,889	27,952	26,224	37,099	21,571	19,079	21,968
Other countries	11,728	11,754	12,104	11,860	12,177	12,493	12,632	13,296
Total revenues	**108,228**	**93,585**	**89,070**	**83,665**	**100,278**	**82,493**	**78,992**	**78,931**
Adjusted EBITDA(1)	**42,108**	**33,994**	**31,070**	**29,423**	**38,648**	**29,518**	**28,266**	**26,573**
LTM Adjusted EBITDA(1)	**136,595**	**133,135**	**128,659**	**125,855**	**123,005**	**118,807**	**116,320**	**114,140**
Net income	**15,677**	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**	**4,447**
Net income per share basic and diluted	0.23	0.08	0.11	(0.67)	0.13	0.14	0.20	0.06
Adjusted Net income(1)	**23,424**	**16,729**	**13,933**	**15,382**	**18,483**	**14,554**	**11,893**	**14,668**
Adjusted Net income per share basic and diluted(1)	0.34	0.24	0.20	0.22	0.27	0.21	0.17	0.21
Cash flow from operations	**35,387**	**19,183**	**10,750**	**44,263**	**30,902**	**19,101**	**24,260**	**27,552**
Adjusted free Cash Flow(1)(2)	**28,636**	**21,103**	**15,462**	**15,624**	**32,146**	**14,567**	**18,457**	**14,642**
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 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

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

Reconciliation of Quarterly Non-IFRS Measures

Adjusted EBITDA, Pro Forma Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income, Adjusted Net income per share, Adjusted free cash flow, Adjusted free cash flow per share, Net debt and Net debt to Pro Forma Adjusted EBITDA ratio are non-IFRS measures that the Corporation uses to assess its financial performance. Refer to "Supplemental information on Non-IFRS Measures" on page 7.

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)	**Dec. 31, 2024**	**Sept. 30, 2024**	**June 30, 2024**	**March 31, 2024**	**Dec. 31, 2023**	**Sept. 30, 2023**	**June 30, 2023**	**March 31, 2023**
	FY 2025	**FY 2025**	**FY2025**	**FY2024**	**FY2024**	**FY2024**	**FY2024**	**FY2023**
Net income (loss)	**15,677**	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**	**4,447**
Impairment on Goodwill	–	–	–	56,119	–	–	–	–
Net finance expense (income)	11,639	12,162	9,099	3,736	15,159	5,582	4,406	3,749
Change in fair value of investments	(43)	29	(42)	(106)	103	(86)	107	11
Income taxes	4,025	2,457	3,523	3,639	3,186	3,467	5,738	753
Depreciation and write-off of property and equipment	2,104	1,970	2,075	1,183	2,401	2,373	2,385	2,406
Depreciation of right-of-use assets	850	1,137	1,090	1,192	1,074	1,069	1,085	1,225
Amortization of intangible assets	5,098	4,199	4,171	4,124	4,003	4,811	4,433	4,547
Share-based compensation	62	106	130	93	121	120	101	157
Performance and deferred share unit expense (income)	1,942	1,763	836	4,711	2,747	590	(1,207)	2,068
Share of results of investments in associates	(288)	1,827	2,052	(354)	509	1,011	–	267
Acquisition, legal, restructuring and other expenses	1,042	2,531	841	1,404	275	1,191	(2,900)	6,943
Adjusted EBITDA	**42,108**	**33,994**	**31,070**	**29,423**	**38,648**	**29,518**	**28,266**	**26,573**
Adjusted EBITDA margin	**38.9%**	**36.3%**	**34.9%**	**35.2%**	**38.5%**	**35.8%**	**35.8%**	**33.7%**
Net income	**15,677**	**5,813**	**7,295**	**(46,318)**	**9,070**	**9,389**	**14,118**	**4,447**
Adjusted for:								
Impairment on Goodwill	–	–	–	56,119	–	–	–	–
Unrealized loss (gain) on derivative financial instruments	2,770	4,434	1,053	(2,252)	5,056	(600)	(3,635)	(70)
Amortization of intangible assets	5,098	4,199	4,171	4,124	4,003	4,811	4,433	4,547
Change in fair value of investments	(43)	29	(42)	(106)	103	(86)	107	11
Share-based compensation	62	106	130	93	121	120	101	157
Performance and deferred share unit expense	1,942	1,763	836	4,711	2,747	590	(1,207)	2,068
Acquisition, legal, restructuring and other expenses	1,042	2,531	841	1,404	275	1,191	(2,900)	6,943
Share of results of investments in associates	(288)	1,827	2,052	(354)	509	1,011	–	267
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets,unrealized losses (gains) on derivative financial instruments and acquisition, legal, restructuring and other expenses	(2,836)	(3,973)	(2,403)	(2,039)	(3,401)	(1,873)	876	(3,702)
Adjusted Net income	**23,424**	**16,729**	**13,933**	**15,382**	**18,483**	**14,554**	**11,893**	**14,668**
Average number of shares outstanding (diluted)	68,742	69,022	69,209	68,811	69,068	69,349	69,433	69,459
Adjusted Net income per share diluted	**0.34**	**0.24**	**0.20**	**0.22**	**0.27**	**0.21**	**0.17**	**0.21**

(in thousands of Canadian dollars)	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
	3 months							
	FY2025	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024	FY2023
LTM Adjusted EBITDA	136,595	133,135	128,659	125,855	123,005	118,807	116,320	114,140
Permanent cost-saving initiatives	1,332	1,476	2,309	2,758	4,459	3,438	1,880	2,325
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	299	449	–	–	–	–	–	–
Pro Forma Adjusted EBITDA	**138,226**	**135,060**	**130,968**	**128,613**	**127,464**	**122,245**	**118,200**	**116,465**

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

(in thousands of Canadian dollars)	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
	3 months							
	FY2025	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024	FY2023
Cash flow from operating activities	**35,387**	**19,183**	**10,750**	**44,263**	**30,902**	**19,101**	**24,260**	**27,552**
Acquisition of property and equipment	(1,765)	(1,886)	(1,486)	(2,351)	(1,742)	(2,350)	(1,369)	(2,987)
Acquisition of intangible assets other than internally developed intangible assets	(848)	(205)	(444)	(355)	(256)	(318)	(302)	(383)
Addition to internally developed intangible assets	(1,263)	(1,268)	(1,282)	(1,148)	(1,279)	(1,274)	(1,300)	(1,236)
Interest paid	(6,159)	(6,356)	(5,979)	(6,641)	(6,620)	(7,093)	(5,573)	(6,842)
Repayment of lease liabilities	(1,025)	(1,324)	(992)	(929)	(997)	(1,368)	(1,057)	(1,122)
Net change in non-cash operating working capital items	1,076	9,848	12,833	(17,661)	9,500	8,054	6,090	(7,077)
Unrealized loss (gain) on foreign exchange	2,191	580	1,221	(958)	2,363	(1,377)	608	(206)
Acquisition, legal, restructuring and other expenses	1,042	2,531	841	1,404	275	1,192	(2,900)	6,943
Adjusted free cash flow(1)	**28,636**	**21,103**	**15,462**	**15,624**	**32,146**	**14,567**	**18,457**	**14,642**
Average number of shares outstanding (diluted)	68,742	69,022	69,209	68,811	69,068	69,349	69,433	69,459
Adjusted free cash flow per share (diluted)	**0.42**	**0.31**	**0.22**	**0.23**	**0.47**	**0.21**	**0.27**	**0.21**

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

(in thousands of Canadian dollars)	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
	3 months							
	FY2025	FY2025	FY2025	FY2024	FY2024	FY2024	FY2024	FY2023
Credit facilities	370,826	350,500	345,854	338,712	362,902	374,573	374,114	360,990
Subordinated debt	–	25,583	25,581	25,579	25,577	25,593	25,568	25,543
Cash and cash equivalents	(19,253)	(8,593)	(9,184)	(9,606)	(6,991)	(9,704)	(11,682)	(15,453)
Net debt	**351,573**	**367,490**	**362,251**	**354,685**	**381,488**	**390,462**	**388,000**	**371,080**
Net debt to Pro Forma Adjusted EBITDA	**2.54**	**2.72**	**2.77**	**2.76**	**2.99**	**3.19**	**3.28**	**3.19**

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

LIQUIDITY AND CAPITAL RESOURCES
FOR THE PERIODS ENDED DECEMBER 31, 2024 AND 2023

	3 months		9 months	
(in thousands of Canadian dollars)	Q3 2025	Q3 2024	YTD 2025	YTD 2024
Operating activities	35,387	30,902	65,320	74,263
Financing activities	(19,759)	(28,801)	(41,763)	(69,928)
Investing activities	(5,164)	(4,900)	(14,169)	(12,782)
Effect of foreign exchange difference on cash and cash equivalents	206	86	259	(15)
Net change in cash	10,670	(2,713)	9,647	(8,462)
Cash – beginning of period	8,583	9,704	9,606	15,453
Cash – end of period	19,253	6,991	19,253	6,991
Adjusted free cash flow(1)(2)	**28,636**	**32,146**	**65,201**	**65,170**

Operating Activities

Cash flow generated from operating activities amounted to $35.4 million for Q3 2025 compared to $30.9 million for Q3 2024. The increase was mainly due a lower negative net change in non-cash operating items and to higher operating results, partially offset by a non-recurring recovery of income taxes attributable to the Radio segment in the comparative period.

Cash flow generated from operating activities amounted to $65.3 million for cumulative Fiscal 2025 compared to $74.3 million for cumulative Fiscal 2024. The decrease was primarily due to higher income taxes paid and to a one-time settlement gain on a trademark dispute in the comparative period, partially offset by higher operating results.

Financing Activities

Net cash flow used in financing activities amounted to $19.8 million for Q3 2025 compared to $28.8 million for Q3 2024. The decrease was mostly due to lower repayment of credit facilities.

Net cash flow used in financing activities amounted to $41.8 million for cumulative Fiscal 2025 compared to $69.9 million for cumulative Fiscal 2024. The decrease was mostly due to the repayment of contingent consideration for the acquisition of InStore Audio Network in Q1 2024 and to higher credit facilities borrowing, partially offset by a higher number of shares repurchased.

Investing Activities

Net cash flow used in investing activities amounted to $5.2 million for Q3 2025 compared to $4.9 million for Q3 2024. The increase was mainly due to the acquisition of Loupe Art, to an increase in acquisition of intangible assets and to additional investments in joint ventures, mostly offset by additional investment in The Singing Machine in the comparative period.

Net cash flow used in investing activities amounted to $14.2 million for cumulative Fiscal 2025 compared to $12.8 million for cumulative Fiscal 2024. The increase was mainly due to the acquisitions of The Coda Collection and Loupe Art, partially offset by additional investment in The Singing Machine in the comparative period.

Adjusted free cash flow(1)

Adjusted free cash flow generated in Q3 2025 amounted to $28.6 million compared to $32.1 million for Q3 2024. The decrease was mainly due to the non-recurring recovery of income taxes attributable to the Radio segment in the comparative period, partially offset by higher operating results.

Adjusted free cash flow generated in cumulative Fiscal 2025 amounted to $65.2 million compared to $65.2 million for cumulative Fiscal 2024. The nil variance was mostly due to higher operating results which was offset by income taxes paid.

Note:

(1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

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 nine-month period ending December 31, 2024:

(in thousands of Canadian dollars)	Dec. 31, 2024	March 31, 2024	Variance		Significant contributions
Trade and other receivables	92,301	72,002	20,299	▲	Increase in revenues
Intangible assets	56,110	58,052	(1,942)	▼	Amortization of intangible assets, partially offset by additions through the acquisition of The Coda Collection and Loupe Art
Goodwill	308,162	304,604	3,558	▲	Foreign exchange differences
Accounts payables and accrued liabilities	77,929	75,177	2,752	▲	Timing of payments to suppliers
Other liabilities	25,067	17,810	7,257	▲	Higher derivative financial instruments liability and increased contingent consideration liability due to business acquisitions, partially offset by payments of CRTC tangible benefits
Credit facilities	370,826	338,712	32,114	▲	Refer to the graph on next page
Subordinated debt	–	25,579	(25,579)	▼	Reimbursement of subordinated debt

Capital Resources

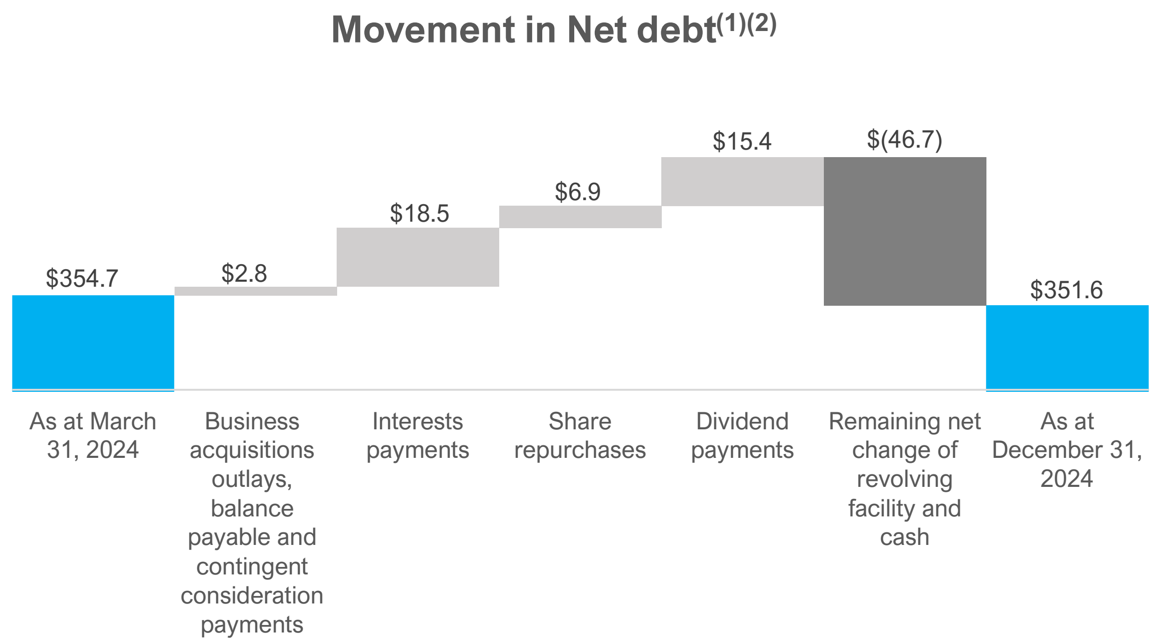
Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our revolving facility. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, pay dividends, repurchase shares and provide for working capital.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

The credit facility consists of a $500.0 million revolving credit facility, maturing in December 2028.

The credit facility bears interest at (a) the bank's prime rate (5.45% and 7.20% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (8.00% and 9.00% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (3.62% and 5.33% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (4.67% and 5.45% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (3.00% and 3.85% as at December 31, 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 facility (0.37% as at December 31, 2024 and 0.40% as at December 31, 2023). The credit facility is secured by guarantees from subsidiaries and first ranking lien on universality of all assets, tangible and intangible, present and future.

As of December 31, 2024, the Corporation had cash and cash equivalents of $19.3 million, and a credit facility of $370.8 million, of which approximately $127.2 million was available.

The following table summarizes the impact on the Net debt that occurred in the nine-month period ended December 31, 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 7 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 9 and "Reconciliation of Quarterly Non-IFRS Measures" on page 18.

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, but in the opinion of the Objectors failed to offer compelling alternatives other than a request to maintain the status quo.

As of December 2020, the Objectors and SOCAN entered into a binding memorandum of understanding that will result in a partial refund to the Objectors of past royalties paid and a meaningfully reduced tariff burden for the present and future. 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.

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 has no off-balance sheet arrangements, except for the operating leases with terms of 12 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:

	January 31, 2025	December 31, 2024
Issued and outstanding shares:		
Subordinate voting shares	52,692,837	52,791,543
Subordinate voting shares held in trust through employee share purchase plan	(2,966)	(29,760)
Variable subordinate voting shares	2,306,409	2,313,237
Multiple voting shares	12,941,498	12,941,498
	67,937,778	68,016,518
Outstanding stock options:		
Stock options	3,461,724	3,461,724

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 nine months of Fiscal 2025, 201,527 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 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 Corporation's management, under the supervision of the CEO and CFO, designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and based on 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.

During the third quarter ended December 31, 2024, there have been no changes in the Corporation's internal control over financial reporting that have materially affected, or are likely to materially affect, the Corporation's ICFR.

Management's assessment of and conclusion on the design and the effectiveness of the Corporation's ICFR as at February 4, 2025, did not include the controls or procedures of the operations of Loupe Art acquired by Stingray on December 23, 2024. 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 February 4, 2025, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around March 14, 2025, to shareholders on record as of February 28, 2025.

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 nine-month periods ended December 31, 2024 and 2023

(In thousands of Canadian dollars, except per share amounts) (Unaudited)	Note	3 months December 31, 2024	3 months December 31, 2023	9 months December 31, 2024	9 months December 31, 2023
Revenues	5	$ 108,228	$ 100,278	$ 290,883	$ 261,763
Operating expenses		68,124	64,498	188,550	167,803
Depreciation, amortization and write-off		8,052	7,478	22,694	23,634
Net finance expense (income)	6	11,639	15,159	32,900	25,147
Change in fair value of investments		(43)	103	(56)	124
Share of results of investments in associates		(288)	509	3,591	1,520
Acquisition, legal, restructuring and other expenses	7	1,042	275	4,414	(1,433)
Income before income taxes		19,702	12,256	38,790	44,968
Income taxes		4,025	3,186	10,005	12,391
Net income		$ 15,677	$ 9,070	$ 28,785	$ 32,577
Net income per share — Basic and Diluted		$ 0.23	$ 0.13	$ 0.42	$ 0.47
Weighted average number of shares — Basic		68,106,721	69,003,449	68,373,964	69,200,333
Weighted average number of shares — Diluted		68,742,426	69,067,947	69,977,870	69,281,610
Comprehensive income					
Net income		$ 15,677	$ 9,070	$ 28,785	$ 32,577
Other comprehensive income					
Items that may be reclassified to profit and loss					
Exchange differences on translation of foreign operations		2,538	2,461	4,620	(1,049)
Total other comprehensive gain (loss)		2,538	2,461	4,620	(1,049)
Total comprehensive income		$ 18,215	$ 11,531	$ 33,405	$ 31,528

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

December 31, 2024 and March 31, 2024

(In thousands of Canadian dollars) (Unaudited)	Note		December 31, 2024		March 31, 2024
Assets					
Current assets					
Cash and cash equivalents		$	19,253	$	9,606
Trade and other receivables			92,301		72,002
Income taxes receivable			439		785
Inventories			3,308		4,324
Prepaid expenses and deposits			18,027		17,374
			133,328		104,091
Non-current assets					
Property and equipment	8		35,184		37,408
Right-of-use assets on leases	8		17,101		19,934
Intangible assets, excluding broadcast licences	8		56,110		58,052
Broadcast licences	8		273,017		272,996
Goodwill	8		308,162		304,604
Investments			6,556		9,658
Other non-current assets			3,032		3,170
Deferred tax assets			4,076		1,653
Total assets		$	836,566	$	811,566
Liabilities and Equity					
Current liabilities					
Credit facilities	9	$	—	$	7,500
Accounts payable and accrued liabilities			77,929		75,177
Dividend payable			—		5,157
Deferred revenues			7,721		9,693
Current portion of lease liabilities	10		3,871		4,200
Current portion of other liabilities	11		7,973		5,250
Income taxes payable			8,414		8,040
			105,908		115,017
Non-current liabilities					
Credit facility	9		370,826		331,212
Subordinated debt			—		25,579
Deferred revenues			184		184
Lease liabilities	10		15,433		18,206
Other liabilities	11		17,094		12,560
Deferred tax liabilities			61,064		60,225
Total liabilities			570,509		562,983
Shareholders' equity					
Share capital	12		290,982		294,782
Contributed surplus			6,458		6,393
Deficit			(39,335)		(55,924)
Accumulated other comprehensive income (loss)			7,952		3,332
Total equity			266,057		248,583
Subsequent event (note 15)					
Total liabilities and equity		$	836,566	$	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

Nine-month periods ended December 31, 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	Retained earnings (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	—	—	—	(10,361)	—	—	(10,361)
Repurchase and cancellation of shares	(499,900)	(2,840)	—	323	—	—	(2,517)
Share-based compensation	—	—	212	—	—	—	212
Employee share purchase plan	(47,856)	(237)	237	—	—	—	—
Net income	—	—	—	32,577	—	—	32,577
Other comprehensive income (loss)	—	—	—	—	(1,049)	—	(1,049)
Balance at December 31, 2023	68,772,042	$ 294,826	$ 6,607	$ 805	$ 657	$ 2,236	$ 305,131
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)	201,527	1,288	(273)	—	—	—	1,015
Dividends	—	—	—	(10,215)	—	—	(10,215)
Shares returned to treasury and cancelled (note 12)	(7,549)	(39)	—	39	—	—	—
Repurchase and cancellation of shares (note 12)	(911,800)	(4,851)	—	(2,020)	—	—	(6,871)
Share-based compensation	—	—	140	—	—	—	140
Employee share purchase plan (note 12)	(23,224)	(198)	198	—	—	—	—
Net income	—	—	—	28,785	—	—	28,785
Other comprehensive income (loss)	—	—	—	—	4,620	—	4,620
Balance at December 31, 2024	68,016,518	$ 290,982	$ 6,458	$ (39,335)	$ 5,490	$ 2,462	$ 266,057

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

Consolidated Statements of Cash Flows

Three-month and nine-month periods ended December 31, 2024 and 2023

(In thousands of Canadian dollars) (Unaudited)	Note	3 months December 31, 2024	3 months December 31, 2023	9 months December 31, 2024	9 months December 31, 2023
Operating activities:					
Net income		$ 15,677	$ 9,070	$ 28,785	$ 32,577
Adjustments for:					
Depreciation, amortization and write-off		8,050	7,478	22,640	23,634
Loss (gain) on disposal of property and equipment		233	—	233	—
Loss (gain) on disposal of leases		(231)	—	(179)	33
Share-based compensation, PSU and DSU expenses		2,004	2,868	4,839	2,472
Interest expense and standby fees	6	5,663	6,661	17,651	20,101
Change in fair value of derivative financial instruments	6	2,770	5,351	8,405	1,116
Change in fair value of investments		(43)	103	(56)	124
Share of results of joint ventures		(5)	(11)	(20)	(35)
Equity loss (gain) on associates		(288)	510	3,591	1,579
Change in fair value of contingent consideration	6	462	125	852	389
Accretion expense	6	189	261	590	956
Interest expense on lease liabilities	6,10	311	346	969	1,081
Income tax expense		4,025	3,186	10,005	12,391
Income taxes received (paid)		(2,354)	4,454	(9,228)	1,489
		36,463	40,402	89,077	97,907
Net change in non-cash operating items	13	(1,076)	(9,500)	(23,757)	(23,644)
		35,387	30,902	65,320	74,263
Financing activities:					
Increase (decrease) of credit facilities		20,825	(11,406)	32,451	1,984
Increase (decrease) of subordinated debt		(25,600)	—	(25,600)	—
Payment of dividends		(5,104)	(5,167)	(15,372)	(15,561)
Shares repurchased and cancelled	12	(2,025)	(1,871)	(6,871)	(2,516)
Proceeds from the exercise of stock options		336	—	1,015	—
Shares purchased under the employee share purchase plan		(84)	(94)	(199)	(237)
Interest paid		(6,159)	(6,620)	(18,494)	(19,286)
Deferred financing fees		(593)	(350)	(593)	(350)
Repayment of lease liabilities		(1,025)	(997)	(3,341)	(3,422)
Repayment of other liabilities		(330)	(2,001)	(4,611)	(30,245)
Unwind of interest rate swaps	14	—	(295)	(148)	(295)
		(19,759)	(28,801)	(41,763)	(69,928)
Investing activities:					
Business acquisition, net of cash acquired	3	(605)	—	(2,489)	—
Acquisition of investments		(25)	(15)	6	(64)
Disposal of non-core assets		—	—	198	—
Acquisition of investments in associates		—	(1,370)	—	(1,370)
Acquisition of investments in joint ventures		(658)	(238)	(1,437)	(1,158)
Acquisition of property and equipment		(1,765)	(1,742)	(5,137)	(5,461)
Acquisition of intangible assets other than internally developed intangible assets		(848)	(256)	(1,497)	(876)
Addition to internally developed intangible assets		(1,263)	(1,279)	(3,813)	(3,853)
		(5,164)	(4,900)	(14,169)	(12,782)
Effect of foreign exchange difference on cash and cash equivalents		206	86	259	(15)
Net increase (decrease) in cash and cash equivalents		10,670	(2,713)	9,647	(8,462)
Cash and cash equivalents, beginning of period		8,583	9,704	9,606	15,453
Cash and cash equivalents, end of period		$ 19,253	$ 6,991	$ 19,253	$ 6,991

(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 revenue 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., 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 nine-month periods ended December 31, 2024.

2. SIGNIFICANT CHANGES AND HIGHLIGHTS

The interim consolidated financial position and performance of the Corporation was particularly affected by the following events and transactions during the three-month and nine-month periods ended December 31, 2024:

- On December 23, 2024, the Corporation acquired Loupe, Inc., a company operating a visual art streaming service on smart TVs and digital signage, for total consideration of US$1,558 ($2,240). It resulted in the recognition of goodwill (note 8), intangible assets (note 8), a contingent consideration (note 11) and a balance payable on acquisition (note 11).
- On December 5, 2024, the Corporation completed the increase and extension of its credit facility consisting of a 500,000 revolving credit facility, providing an additional $80,000 in liquidity. The maturity date was extended by one year to December 5th, 2028. Additionally, the term loan and subordinated debt were repaid for a total amount of $70,600.
- On September 25, 2024, the Corporation announced that the Toronto Stock Exchange had approved its normal course issuer bid, authorizing the Corporation to repurchase up to an aggregate 3,542,716 subordinate voting shares and variable subordinate voting shares (collectively, “Subordinate Shares”), representing approximately 10% of the public float of Subordinate Shares as at September 13, 2024. Refer to note 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

Loupe Art

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

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

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

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

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

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

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 provides support and governance to the Corporation's operating business units.

The following tables present financial information by segment for the three-month and nine-month periods ended December 31, 2024 and 2023.

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	**Q3 2025**	**Q3 2024**
Three-month periods								
Revenues	$ 72,218	$ 65,647	$ 36,010	$ 34,631	$ —	$ —	**$ 108,228**	**$ 100,278**
Operating expenses (excluding Share-based compensation and PSU and DSU expenses)	40,629	37,715	23,465	22,292	2,026	1,623	**66,120**	**61,630**
Adjusted EBITDA	$ 31,589	$ 27,932	$ 12,545	$ 12,339	(2,026)	(1,623)	**42,108**	**38,648**
Share-based compensation					62	121	**62**	**121**
PSU and DSU expenses					1,942	2,747	**1,942**	**2,747**
Depreciation, amortization and write-off					8,052	7,478	**8,052**	**7,478**
Net finance expense (income)					11,639	15,159	**11,639**	**15,159**
Change in fair value of investments					(43)	103	**(43)**	**103**
Share of results on investments in associates					(288)	509	**(288)**	**509**
Acquisition, legal, restructuring and other expenses					$ 1,042	$ 275	**1,042**	**275**
Income before income taxes							**19,702**	**12,256**
Income taxes							**4,025**	**3,186**
Net income							**$ 15,677**	**$ 9,070**

Notes to Interim Consolidated Financial Statements

Three-month and nine-month periods ended December 31, 2024 and 2023

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

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	**Q3 2025**	**Q3 2024**
Nine-month periods								
Revenues	$ 189,958	$ 162,650	$ 100,925	$ 99,113	$ —	$ —	**$ 290,883**	**$ 261,763**
Operating expenses (excluding Share-based compensation and PSU and DSU expenses)	110,445	94,843	67,431	65,874	5,835	4,614	**183,711**	**165,331**
Adjusted EBITDA	$ 79,513	$ 67,807	$ 33,494	$ 33,239	(5,835)	(4,614)	**107,172**	**96,432**
Share-based compensation					298	342	**298**	**342**
PSU and DSU expenses					4,541	2,130	**4,541**	**2,130**
Depreciation, amortization and write-off					22,694	23,634	**22,694**	**23,634**
Net finance expense (income)					32,900	25,147	**32,900**	**25,147**
Change in fair value of investments					(56)	124	**(56)**	**124**
Share of results on investments in associates					3,591	1,520	**3,591**	**1,520**
Acquisition, legal, restructuring and other expenses					$ 4,414	$ (1,433)	**4,414**	**(1,433)**
Income before income taxes							**38,790**	**44,968**
Income taxes							**10,005**	**12,391**
Net income							**$ 28,785**	**$ 32,577**

During the nine-month period ended December 31, 2024 the Corporation received tax credits related to its research and development and multimedia activities of $1,398 (2023 – $1,323) which were recorded as a reduction of operating expenses.

	Broadcasting and commercial music		Radio		Corporate and eliminations[(1)]		**Consolidated**	
	December 31, 2024	March 31, 2024	December 31, 2024	March 31, 2024	December 31, 2024	March 31, 2024	**December 31, 2024**	**March 31, 2024**
Total assets	$ 289,961	$ 262,154	$ 546,605	$ 549,412	$ —	$ —	**$ 836,566**	**$ 811,566**
Total liabilities	$ 89,975	$ 82,841	$ 100,679	$ 107,267	$ 379,855	$ 372,875	**$ 570,509**	**$ 562,983**

(1) Total liabilities include operating liabilities and the Credit facility

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

	Broadcasting and commercial music		Radio		**Consolidated**	
Three-month periods	Q3 2025	Q3 2024	Q3 2025	Q3 2024	**Q3 2025**	**Q3 2024**
Acquisition of property and equipment	$ 901	$ 1,007	$ 885	$ 756	**$ 1,786**	**$ 1,763**
Addition to right-of-use assets on leases	$ —	$ —	$ 15	$ —	**$ 15**	**$ —**
Acquisition of intangible assets	$ 5,230	$ 1,587	$ —	$ —	**$ 5,230**	**$ 1,587**
Goodwill recorded on business acquisitions	$ 95	$ —	$ —	$ —	**$ 95**	**$ —**

	Broadcasting and commercial music		Radio		**Consolidated**	
Nine-month periods	Q3 2025	Q3 2024	Q3 2025	Q3 2024	**Q3 2025**	**Q3 2024**
Acquisition of property and equipment	$ 2,415	$ 2,559	$ 2,240	$ 2,682	**$ 4,655**	**$ 5,241**
Addition to right-of-use assets on leases	$ 1,320	$ 480	$ 68	$ 767	**$ 1,388**	**$ 1,247**
Acquisition of intangible assets	$ 11,178	$ 4,859	$ —	$ —	**$ 11,178**	**$ 4,859**
Acquisition of broadcast licences	$ —	$ —	$ 21	$ —	**$ 21**	**$ —**
Goodwill recorded on business acquisitions	$ 605	$ —	$ —	$ —	**$ 605**	**$ —**

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

As at December 31, 2024, approximately 74% (2023 – 76%) of the Corporation's non-current assets are located in Canada.

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

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	Q3 2025	Q3 2024	Q3 2025	Q3 2024	**Q3 2025**	**Q3 2024**
Geography						
Canada	$ 18,174	$ 16,371	$ 36,010	$ 34,631	**$ 54,184**	**$ 51,002**
United States	42,316	37,099	—	—	**42,316**	**37,099**
Other countries	11,728	12,177	—	—	**11,728**	**12,177**
	72,218	65,647	36,010	34,631	**108,228**	**100,278**
Products						
Advertising [1]	29,923	25,891	36,010	34,631	**65,933**	**60,522**
Subscriptions [2]	34,339	34,410	—	—	**34,339**	**34,410**
Equipment and labor [1]	7,956	5,346	—	—	**7,956**	**5,346**
	$ 72,218	$ 65,647	$ 36,010	$ 34,631	**$ 108,228**	**$ 100,278**

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

	Reportable segments[3]					
	Broadcasting and commercial music		Radio		**Total revenues**	
Nine-month periods	Q3 2025	Q3 2024	Q3 2025	Q3 2024	**Q3 2025**	**Q3 2024**
Geography						
Canada	$ 51,215	$ 47,599	$ 100,925	$ 99,113	**$ 152,140**	**$ 146,712**
United States	103,157	77,749	—	—	**103,157**	**77,749**
Other countries	35,586	37,302	—	—	**35,586**	**37,302**
	189,958	162,650	100,925	99,113	**290,883**	**261,763**
Products						
Advertising [1]	64,738	45,222	100,925	99,113	**165,663**	**144,335**
Subscriptions [2]	102,041	102,475	—	—	**102,041**	**102,475**
Equipment and labor [1]	23,179	14,953	—	—	**23,179**	**14,953**
	$ 189,958	$ 162,650	$ 100,925	$ 99,113	**$ 290,883**	**$ 261,763**

[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)

6. NET FINANCE EXPENSE (INCOME)

	3 months		9 months	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Interest expense and standby fees	$ 5,663	$ 6,661	$ 17,651	$ 20,101
Unrealized loss (gain) on derivatives instruments	2,770	5,056	8,257	821
Realized loss on derivatives instruments	—	295	148	295
Change in fair value of contingent consideration	462	125	852	389
Accretion expense	189	261	590	956
Interest expense on lease liabilities (note 10)	311	346	969	1,081
Foreign exchange loss	2,244	2,415	4,433	1,504
	$ 11,639	$ 15,159	$ 32,900	$ 25,147

7. ACQUISITION, LEGAL, RESTRUCTURING AND OTHER EXPENSES

	3 months		9 months	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Acquisition	$ 650	$ —	$ 1,227	$ 4
Legal	1,028	(233)	2,060	(3,574)
Restructuring and other expenses[1]	(636)	508	1,127	2,137
	$ 1,042	$ 275	$ 4,414	$ (1,433)

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
Nine-month period ended December 31, 2024					
Net book amount as at March 31, 2024	$ 37,408	$ 19,934	$ 58,052	$ 272,996	$ 304,604
Additions	4,655	1,388	6,315	21	—
Additions through business acquisitions (note 3)	—	—	4,863	—	605
Gain (loss) on disposals, write-off or reassessment of leases' term	(233)	231	—	—	—
Disposal of leases	—	(1,137)	—	—	—
Disposals and write-off	(504)	—	(841)	—	—
Depreciation of property and equipment	(5,916)	—	—	—	—
Depreciation of right-of-use assets on leases	—	(3,256)	—	—	—
Amortization of intangible assets	—	—	(13,468)	—	—
Foreign exchange differences	(226)	(59)	1,189	—	2,953
Net book amount as at December 31, 2024	$ 35,184	$ 17,101	$ 56,110	$ 273,017	$ 308,162

9. CREDIT FACILITY

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

The Credit facility may be drawn in Canadian dollars in the form of prime rate loans or CORRA loans, in US dollars in the form of US base rate loans or SOFR loans, in Euro in the form of Euribor loans, in British Pound 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 (5.45% and 7.20% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (8.00% and 9.00% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (3.62% and 5.33% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (4.67% and 5.45% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (3.00% and 3.85% as at December 31, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, at the Corporation's option.

In addition, the Corporation incurs standby fees based on a financial covenant, on the unused portion of the credit facility (0.37% as at December 31, 2024 and 0.40% as at December 31, 2023). The credit facility is 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:

December 31, 2024	Total available	Drawn	Letter of credit	Net available
Committed credit facility				
Revolving facility	$ 500,000	$ 372,068	$ 750	$ 127,182
Less: unamortized deferred financing fees		(1,242)		
Balance, end of period		$ 370,826		
Current portion		$ —		
Non-current portion		$ 370,826		

March 31, 2024	Total available	Drawn	Letter of credit	Net available
Committed credit facilities				
Revolving facility	$ 375,000	$ 290,866	$ 775	$ 83,359
Term facility	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 December 31, 2024, and March 31, 2024, a letter of credit amounting to $750 and $775 reduced the availability on the revolving facility.

(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 nine-month periods ended December 31, 2024 and 2023:

	3 months		9 months	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Lease liabilities, beginning of period	$ 21,290	$ 23,493	$ 22,406	$ 25,710
Additions	15	—	1,388	1,232
Payment of lease liabilities, including related interest	(1,336)	(1,343)	(4,310)	(4,503)
Reassessment of the lease term	—	—	(2)	(666)
Disposal	(996)	—	(1,083)	(350)
Interest expense on lease liabilities (note 6)	311	346	969	1,081
Foreign exchange differences	20	8	(64)	—
Lease liabilities, end of period	$ 19,304	$ 22,504	$ 19,304	$ 22,504

Lease liabilities included in the interim consolidated statements of financial position	**December 31, 2024**	**March 31, 2024**
Current portion	$ 3,871	$ 4,200
Non-current portion	$ 15,433	$ 18,206
	$ 19,304	$ 22,406

The following table presents the maturity analysis of contractual undiscounted cashflows related to the lease liabilities of the Corporation as of December 31, 2024:

Less than one year	$ 2,504
One to five years	14,819
More than five years	7,352
Total undiscounted lease liabilities as at December 31, 2024	**$ 24,675**

11. OTHER LIABILITIES

	Note	December 31, 2024	March 31, 2024
CRTC tangible benefits		$ 4,157	$ 8,137
Contingent consideration		4,233	1,708
Balance payable on business acquisitions		587	330
Accrued pension benefit liability		2,459	2,628
Derivative financial instruments	14	9,029	912
Performance share unit payable		3,052	2,515
Other		1,550	1,580
		25,067	17,810
Current portion		(7,973)	(5,250)
		$ 17,094	$ 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
Nine-month period ended December 31, 2024			
Subordinate voting shares and variable subordinate voting shares			
As at March 31, 2024	50,816,066	$	276,556
Exercise of stock options	201,527		1,288
Class exchange from multiple voting shares to subordinate voting shares	5,000,000		350
Shares returned to treasury and cancelled	(7,549)		(39)
Repurchased and cancelled	(911,800)		(4,851)
Purchased and held in trust through employee share purchase plan	(23,224)		(198)
As at December 31, 2024	55,075,020	$	273,106
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 December 31, 2024	12,941,498		17,876
	68,016,518	$	290,982

Transactions for the nine-month period ended December 31, 2024

During the nine-month period ended December 31, 2024, 201,527 stock options were exercised and consequently, the Corporation issued 201,527 subordinate voting shares. The proceeds amounted to $1,015. An amount of $273 of contributed surplus related to those stock options was transferred to the subordinate voting shares' account balance.

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 was paid on December 13, 2024 to shareholders on record as of November 29, 2024.

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

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.

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 nine-month periods ended December 31, 2024 and December 31, 2023

		2024		2023
Subordinate voting shares repurchased for cancellation *(unit)*		911,800		499,900
Average price per share	$	7.5358	$	5.0345
Total repurchase cost	$	6,871	$	2,516
Repurchase resulting in a reduction of:				
Share capital	$	4,851	$	2,840
Retained earnings (deficit) [1]	$	2,020	$	(323)

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

13. SUPPLEMENTAL CASH FLOW INFORMATION

	3 months		9 months	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Trade and other receivables	$ (8,195)	$ (20,358)	$ (20,263)	$ (19,953)
Inventories	3,331	709	1,884	2,144
Other current assets	(1,586)	1,147	(259)	4,382
Other non-current assets	815	612	818	1,559
Accounts payable and accrued liabilities	5,272	5,746	(256)	(6,613)
Deferred revenues	317	2,968	(2,289)	1,316
Income taxes payable	(1,067)	(215)	(2,020)	(1,610)
Other liabilities	37	(109)	(1,372)	(4,869)
	$ (1,076)	$ (9,500)	$ (23,757)	$ (23,644)

(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 nine-month periods ended December 31, 2024 and 2023:

	3 months		9 months	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Additions to property and equipment	$ 21	$ 21	$ (482)	$ (220)
Additions to intangible assets, excluding broadcast licences and intangible assets acquired through business acquisitions	3,119	80	5,868	130
	$ 3,140	$ 101	$ 5,386	$ (90)

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 December 31, 2024	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 19,253				
Trade and other receivables	88,861				
Financial assets measured at fair value					
Investments	$ 1,854	$ 1,854	$ —	$ —	$ 1,854
Financial liabilities measured at amortized cost					
Credit facility	$ 370,826				
Accounts payable and accrued liabilities	74,599				
CRTC tangible benefits	4,157				
Accrued pension benefit liability	2,459				
Performance share unit payable	3,052				
Balance payable on business acquisitions	587	576	—	576	—
Financial liabilities measured at fair value					
Contingent consideration	$ 4,233	$ 4,233	$ —	$ —	$ 4,233
Derivative financial instruments	9,029	9,029	—	9,029	—

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
Nine-month period ended December 31, 2023		
Opening amount as at March 31, 2023	$ 1,845	$ 21,117
Additions	50	—
Change in fair value	(14)	389
Settlements	—	(19,973)
Balance at December 31, 2023	$ 1,881	$ 1,533
Nine-month period ended December 31, 2024		
Opening amount as at March 31, 2024	$ 2,014	$ 1,708
Additions through business acquisition	—	1,706
Disposals	(204)	—
Change in fair value, including foreign exchange differences	44	852
Settlements	—	(33)
Balance at December 31, 2024	$ 1,854	$ 4,233

There were no changes in the valuation techniques for the contingent consideration, investments, and investments in associates during the nine-month periods ended December 31, 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 table below summarizes the interest rate contracts effective as at December 31, 2024 and March 31, 2024:

Maturity	Currency	Fixed interest rate (when applicable)	Initial nominal value	Mark-to-market assets (liabilities) as at December 31, 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	(4,746)	(471)
September 29, 2028	CAD	3.93%	25,000	(1,047)	(214)
			$ 365,000	$ (5,793)	$ (753)

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

Maturity	Type	Contract exchange rate	Contractual amount	Mark-to-market assets (liabilities) as at December 31, 2024	Mark-to-market assets (liabilities) as at March 31, 2024
Foreign exchange forward contracts					
0 to 12 months	USD Sale	1.3182 – 1.3721	$ 24,000	$ (1,773)	$ (11)
13 to 24 months	USD Sale	1.3379 – 1.3635	24,000	(1,188)	(8)
			$ 48,000	$ (2,961)	$ (19)

Maturity	Type	Forward rate /Strike price	Barrier level	Contractual amount	Mark-to-market assets (liabilities) as at December 31, 2024	Mark-to-market assets (liabilities) as at March 31, 2024
Options						
0 to 12 months						
Ratio forward	USD Sale	1.4100	n/a	$ 3,750 to 4,500	$ (128)	$ —
Target forward	USD Sale	1.4800	n/a	500 to 12,000	(75)	—
Barrier and deliverable currency options	USD Sale	1.3705 to 1.3830	1.4150	2,000	(72)	—
				$ 500 to 12,000	$ (275)	$ —

15. SUBSEQUENT EVENT

Dividend

On February 4, 2025, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around March 14, 2025 to shareholders on record as of February 28, 2025.

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

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.

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

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.

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