2021

Second Quarter Report

Fiscal 2021

For the six-month period ended September 30, 2020

STINGRAY

TABLE OF CONTENTS

Overview	2	Financial results for the periods ended September 30, 2020 and 2019	6
Key performance indicators	2	Business segment performance	9
Financial and business highlights	2	Liquidity and capital resources for the periods ended September 30, 2020 and 2019	14
Selected consolidated financial information	4	Unaudited interim consolidated financial statements	19
Supplemental information on Non-IFRS measures	5		

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 six-month periods ended September 30, 2020 and 2019, and with the most recent audited consolidated financial statements and MD&A for the year ended March 31, 2020. This MD&A reflects information available to the Corporation as at November 4, 2020. Additional information relating to the Corporation is also available on SEDAR at www.sedar.com. The auditors of the Corporation have not performed a review of the interim financial report for the three-month and six-month periods ended September 30, 2020 and 2019.

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, 2020 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.

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES

The Corporation believes that Adjusted EBITDA and Adjusted EBITDA margin are important measures when analyzing its operating profitability without being influenced by financing decisions, non-cash items and income taxes strategies. Comparison with peers is also easier as companies rarely have the same capital and financing structure. The Corporation believes that Adjusted Net income and Adjusted Net income per share are important measures as it demonstrates its core bottom-line profitability. The Corporation believes that Adjusted free cash flow and Adjusted free cash flow per share are important measures when assessing the amount of cash generated after accounting for capital expenditures and non-core charges. It demonstrates cash available to make business acquisitions, pay dividend and reduce debt. The Corporation believes that Net debt and Net debt to Pro Forma Adjusted EBITDA are important measures when analyzing the significance of debt on the Corporation's statement of financial position. Each of these 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.

OVERVIEW

Montreal-based Stingray Group Inc. (TSX: RAY.A; RAY.B) is a leading music, media, and technology company with over 1,200 employees worldwide. Stingray is a premium provider of curated direct-to-consumer and B2B services, including audio television channels, more than 100 radio stations, SVOD content, 4K UHD television channels, karaoke products, digital signage, in-store music, and music apps, which have been downloaded over 150 million times. Stingray reaches 400 million subscribers (or users) in 156 countries.

KEY PERFORMANCE INDICATORS(1)

For the three-month period ended September 30, 2020 ("Q2 2021"):

$64.3 M ▼ 16.0% from Q2 2020 Revenues	**$16.3 M** Or $0.22 per share Adjusted Net income	**$22.9 M** ▲ 21.9% from Q2 2020 Adjusted free cash flow Or $0.31 per share
$31.2 M ▲12.6% from Q2 2020 Adjusted EBITDA	**$11.9 M** Or $0.16 per share Net income	**$25.4 M** ▲ 34.1% from Q2 2020 Cash flow from operating activities Or $0.34 per share

FINANCIAL AND BUSINESS HIGHLIGHTS

Highlights of the second quarter ended September 30, 2020:

Compared to the quarter ended September 30, 2019 ("Q2 2020"):

- Revenues decreased 16.0% to $64.3 million from $76.6 million, primarily due to the impact of the COVID-19 pandemic on Radio revenues;
- Adjusted EBITDA(1) increased 12.6% to $31.2 million from $27.7 million. Adjusted EBITDA(1) by segment was $18.9 million or 48.2% of revenues for Broadcasting and Commercial Music, $13.1 million or 52.2% of revenues for Radio and $(0.9) million for Corporate;
- Net income was $11.9 million ($0.16 per share) compared with $5.2 million ($0.07 per share);
- Adjusted Net income(1) of $16.3 million ($0.22 per share) compared with $12.4 million ($0.16 per share);
- Cash flow from operating activities increased 34.1% to $25.4 million compared to $19.0 million;
- Adjusted free cash flow(1) increased 21.9% to $22.9 million, or $0.31 per share, compared to $18.8 million or $0.25 per share, and;
- Net debt to Pro Forma Adjusted EBITDA(1) ratio of 2.77x.

Note:
(1) Refer to "Supplemental information on Non-IFRS measures" on page 1 and 5.

Business Highlights:

- During the first six months of Fiscal 2021, global economies and financial markets were impacted by the coronavirus ("COVID-19") outbreak as it quickly spread around the world and on March 11, 2020, the World Health Organization declared it a global pandemic. Government authorities around the world have taken actions to slowdown the spread of COVID-19, including measures such as the closure of non-essential businesses and social distancing. The tangible impact on the Corporation started in the Radio segment towards the end Q4 2020, as many non-essential local businesses were forced to temporarily close leading to a decrease in advertising and related revenues. In the early days of the crisis, the decision was made by the Corporation's management to implement significant cost saving measures, which, combined with the Canadian Emergency Wage Subsidy (CEWS), helped to maintain a solid financial position. The Corporation's Radio segment, and Broadcast and Commercial Music segment, but to a lesser extent, have been impacted during the first quarter of 2021. In Q2 2021, although still impacted, the Corporation noticed progressive improvements in Radio advertising bookings as provinces begin lifting restrictions on social distancing. Management expects the situation to continue improving as local businesses resume their normal operations. The extent to which COVID-19 continues to impact the Corporation's business will depend on future developments, which are uncertain and cannot be predicted at this time. The Corporation's focus will be to continue to closely monitor its cash position and control its operating expenses while capitalizing on its growth opportunities.

- On November 4, 2020, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around December 15, 2020 to shareholders on record as of November 30, 2020.

- On October 9, 2020, the Corporation announced that it had successfully completed the increase and extension of its existing credit facilities, providing additional liquidity for operations and M&A activities with improved terms and conditions. The $420 million credit facilities consist of a $325.0 million revolving credit facility and a $75.0 million term loan, both maturing in October 2023, and the pre-existing $20 million term loan, maturing in May 2021. The renewed terms add incremental commitments up to $100 million upon request, subject to predetermined conditions. The pre-existing sub debt of $40 million maturing in October 2023 combined with the new credit facilities described above accounts for total flexibility of up to $560 million.

- On September 30, 2020, the Corporation announced that it had concluded a deal to provide in-store media solutions for America's favorite rotisserie chicken chain Boston Market. The agreement covers indoor and drive-thru digital signage, including cutting-edge digital menu boards for 344 restaurants across the United States. This new partnership seeks to provide exciting digital innovations to deliver an immersive in-store experience for both customers and employees.

- On September 30, 2020, the Corporation announced that it had signed an agreement with California-based Space Factory Media to represent Stingray products and services for in-store music, digital experiences and AI-driven consumer insights for brands and businesses. Brands today expect more from media experiences, and this new partnership seeks to provide a deeper, cross-platform offering with meaningful connections to consumers. The deal also includes an exclusive option for Stingray to acquire Space Factory Media at a pre-determined purchase price.

- On September 23, 2020, the Corporation announced that the Toronto Stock Exchange had approved its normal course issuer bid, authorizing Stingray to repurchase up to an aggregate 3,485,155 subordinate voting shares and variable subordinate voting shares (collectively, "Subordinate Shares"), representing approximately 10% of the public float of Subordinate Shares as at September 21, 2020. Shareholders may obtain a copy of the TSX Form 12, without charge, by contacting the Corporation.

- On August 4, 2020, 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 15, 2020 to shareholders on record as of August 31, 2020.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	3 months				6 months			
	Sept. 30, 2020 Q2 2021		Sept. 30, 2019 Q2 2020		Sept. 30, 2020 YTD 2021		Sept. 30, 2019 YTD 2020	
(in thousands of Canadian dollars, except per share amounts)	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**	**$**	**% of revenues**
Revenues	64,294	100.0 %	76,573	100.0 %	116,587	100.0 %	157,010	100.0 %
Operating expenses	34,669	54.0 %	49,953	65.2 %	62,963	54.0 %	100,254	63.8 %
Depreciation, amortization and write-off	9,577	14.9 %	10,343	13.5 %	19,100	16.4 %	20,655	13.1 %
Net finance expense (income)(1)	2,774	4.3 %	6,362	8.3 %	7,375	6.3 %	13,742	8.8 %
Change in fair value of investments	461	0.7 %	(188)	(0.2) %	1,353	1.2 %	145	0.1 %
Acquisition, legal, restructuring and other expenses (income)	271	0.4 %	2,440	3.2 %	(126)	(0.1) %	3,887	2.5 %
Income before income taxes	16,542	25.7 %	7,663	10.0 %	25,922	22.2 %	18,327	11.7 %
Income taxes	4,654	7.2 %	2,479	3.2 %	7,013	6.0 %	3,960	2.5 %
Net income	11,888	18.5 %	5,184	6.8 %	18,909	16.2 %	14,367	9.2 %
Adjusted EBITDA(2)	31,156	48.5 %	27,671	36.1 %	56,637	48.6 %	58,836	37.5 %
Adjusted Net income(2)	16,311	25.4 %	12,416	16.2 %	29,820	25.6 %	29,103	18.5 %
Cash flow from operating activities	25,406	39.5 %	18,952	24.8 %	63,399	54.4 %	45,250	28.8 %
Adjusted free cash flow(2)	22,861	35.6 %	18,756	24.5 %	40,906	35.1 %	39,343	25.1 %
Net debt(2)	328,145	–	353,746	–	328,145	–	353,746	–
Net debt to Pro Forma Adjusted EBITDA(2)(3)	2.77x	–	2.95x	–	2.77x	–	2.95x	–
Net income per share basic and diluted	0.16	–	0.07	–	0.26	–	0.19	–
Adjusted Net income per share basic(2)	0.22	–	0.16	–	0.41	–	0.38	–
Adjusted Net income per share diluted(2)	0.22	–	0.16	–	0.40	–	0.38	–
Cash flow from operating activities per share basic	0.35	–	0.25	–	0.86	–	0.59	–
Cash flow from operating activities per share diluted	0.34	–	0.25	–	0.86	–	0.59	–
Adjusted free cashflow per share basic(2)	0.31	–	0.25	–	0.56	–	0.52	–
Adjusted free cashflow per share diluted(2)	0.31	–	0.25	–	0.55	–	0.52	–
Revenues by segment								
Broadcasting and Commercial Music	39,169	60.9 %	38,742	50.6 %	75,116	64.4 %	76,089	48.5 %
Radio	25,125	39.1 %	37,831	49.4 %	41,471	35.6 %	80,921	51.5 %
Revenues	64,294	100.0 %	76,573	100.0 %	116,587	100.0 %	157,010	100.0 %
Revenues by geography								
Canada	39,710	61.8 %	52,723	68.9 %	67,767	58.1 %	108,830	69.3 %
United States	10,091	15.7 %	9,035	11.8 %	20,393	17.5 %	18,176	11.6 %
Other Countries	14,493	22.5 %	14,815	19.3 %	28,427	24.4 %	30,004	19.1 %
Revenues	64,294	100.0 %	76,573	100.0 %	116,587	100.0 %	157,010	100.0 %

Notes:

(1) Interest paid during the Q2 2021 was $2.9 million (Q2 2020; $4.5 million).

(2) Refer to "Forward-looking statements" and "Supplemental information on Non-IFRS measures" on page 1 and for reconciliations to the most directly comparable IFRS financial measure, refer to "Supplemental information on Non-IFRS measures" on page 5.

(3) Pro Forma Adjusted EBITDA is calculated as the Corporation's last twelve months Adjusted EBITDA ($115.9 million, Q2-2020; $108.5 million), plus synergies and pro forma Adjusted EBITDA for the months prior to the acquisitions which are not already reflected in the results ($2.5 million, Q2-2020; $8.2 million) . Refer to "Forward-looking statements" and "Supplemental information on Non-IFRS measures" on page 1 and for reconciliations of Adjusted EBITDA to the most directly comparable IFRS financial measure, refer to "Supplemental information on Non-IFRS measures" on page 5.

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES

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 Proforma Adjusted EBITDA are non-IFRS measures that the Corporation uses to assess its operating performance. See "Supplemental information on Non-IFRS Measures" on page 1.

The following tables show the reconciliation of Net income to Adjusted EBITDA and to Adjusted Net income:

(in thousands of Canadian dollars)	3 months Sept. 30, 2020 **Q2 2021**	3 months Sept. 30, 2019 **Q2 2020**	6 months Sept. 30, 2020 **YTD 2021**	6 months Sept. 30, 2019 **YTD 2020**
Net income	**11,888**	**5,184**	**18,909**	**14,367**
Net finance expense (income)	2,774	6,362	7,375	13,742
Change in fair value of investments	461	(188)	1,353	145
Income taxes	4,654	2,479	7,013	3,960
Depreciation and write-off of property and equipment	2,976	2,989	5,677	5,811
Depreciation of right-of-use assets	1,413	1,419	2,825	2,790
Amortization of intangible assets	5,188	5,935	10,598	12,054
Share-based compensation	219	257	385	505
Performance and deferred share unit expense	1,312	794	2,628	1,575
Acquisition, legal, restructuring and other expenses (income)	271	2,440	(126)	3,887
Adjusted EBITDA	**31,156**	**27,671**	**56,637**	**58,836**
Net finance expense (income), excluding mark-to-market losses (gains) on derivative financial instruments	(4,340)	(5,767)	(7,678)	(11,962)
Income taxes	(4,654)	(2,479)	(7,013)	(3,960)
Depreciation of property and equipment and write-off	(2,976)	(2,989)	(5,677)	(5,811)
Depreciation of right-of-use assets	(1,413)	(1,419)	(2,825)	(2,790)
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, CRTC Tangible benefits, mark-to-market losses (gains) on derivative financial instruments and acquisition, legal, restructuring and other expenses (income)	(1,462)	(2,601)	(3,624)	(5,210)
Adjusted Net income	**16,311**	**12,416**	**29,820**	**29,103**

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

(in thousands of Canadian dollars)	3 months Sept. 30, 2020 **Q2 2021**	3 months Sept. 30, 2019 **Q2 2020**	6 months Sept. 30, 2020 **YTD 2021**	6 months Sept. 30, 2019 **YTD 2020**
Cash flow from operating activities	**25,406**	**18,952**	**63,399**	**45,250**
Add / Less :				
Acquisition of property and equipment	(1,209)	(1,459)	(1,912)	(3,072)
Acquisition of intangible assets other than internally developed intangible assets	(212)	(292)	(470)	(811)
Addition to internally developed intangible assets	(1,671)	(1,559)	(3,223)	(3,082)
Interest paid	(2,912)	(4,493)	(6,599)	(9,473)
Repayment of lease liabilities	(1,443)	(1,303)	(2,657)	(2,398)
Net change in non-cash operating working capital items	6,530	6,143	(4,882)	8,271
Unrealized loss on foreign exchange	(1,899)	327	(2,624)	771
Acquisition, legal, restructuring and other expenses (income)	271	2,440	(126)	3,887
Adjusted free cash flow	**22,861**	**18,756**	**40,906**	**39,343**

The following table shows the calculation of Net debt:

(in thousands of Canadian dollars)	**September 30, 2020**	**March 31, 2020**	**September 30, 2019**
Credit facilities	299,361	324,123	312,541
Subordinated debt	39,690	39,640	49,589
Cash and cash equivalents	(10,906)	(2,512)	(8,384)
Net debt	**328,145**	**361,251**	**353,746**

FINANCIAL RESULTS FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

CONSOLIDATED PERFORMANCE

Revenues

Revenues are detailed as follows:

(in thousands of Canadian dollars)	3 months Q2 2021	3 months Q2 2020	3 months % Change	6 months YTD 2021	6 months YTD 2020	6 months % Change
Revenues by geography						
Canada	39,710	52,723	(24.7)	67,767	108,830	(37.7)
United States	10,091	9,035	11.7	20,393	18,176	12.2
Other Countries	14,493	14,815	(2.2)	28,427	30,004	(5.3)
Revenues	64,294	76,573	(16.0)	116,587	157,010	(25.7)

Global

Revenues in Q2 2021 decreased $12.3 million or 16.0% to $64.3 million, from $76.6 million for Q2 2020. The decrease was primarily due to the impact of the COVID-19 pandemic on Radio revenues and, to a lesser extent, on Broadcast and Commercial Music revenues, partially offset by the acquisition of Marketing Sensorial México (MSM) and Chatter Research Inc.

Cumulative revenues for Fiscal 2021 decreased $40.4 million or 25.7% to $116.6 million, from $157.0 million for cumulative Fiscal 2020. The decrease was primarily due to the impact of the COVID-19 pandemic on Radio revenues and, to a lesser extent, on Broadcast and Commercial Music revenues, and to a decrease in equipment and installation sales related to digital signage, partially offset by the acquisition of MSM and Chatter Research Inc and the increase in advertising revenues in the Broadcast and Commercial Music segment.

Canada

Revenues in Canada in Q2 2021 decreased $13.0 million or 24.7% to $39.7 million, from $52.7 million for Q2 2020. Cumulative revenues in Canada for Fiscal 2021 decreased $41.0 million or 37.7% to $67.8 million, from $108.8 million for cumulative Fiscal 2020. Both decreases were primarily due to the impact of the COVID-19 pandemic on Radio revenues and, to a lesser extent, on the Broadcast and Commercial Music revenues, and to a decrease in equipment and installation sales related to digital signage.

United States

Revenues in the United States in Q2 2021 increased $1.1 million or 11.7% to $10.1 million, from $9.0 million for Q2 2020. Cumulative revenues in the United States for Fiscal 2021 increased $2.2 million or 12.2% to $20.4 million, from $18.2 million for cumulative Fiscal 2020. Both increases were primarily due to organic growth in streaming subscriptions and in advertising revenues in the Broadcast and Commercial Music segment.

Other Countries

Revenues in Other countries in Q2 2021 decreased $0.3 million or 2.2% to $14.5 million, from $14.8 million for Q2 2020. The decrease was primarily due to the impact of the COVID-19 pandemic on revenues and to a decrease in subscriptions, partially offset by the acquisition of MSM.

Cumulative revenues in Other countries for Fiscal 2021 decreased $1.6 million or 5.3% to $28.4 million, from $30.0 million for cumulative Fiscal 2020. The decrease was primarily due to the impact of the COVID-19 pandemic on revenues, partially offset by the acquisition of MSM.

Operating Expenses

Operating expenses in Q2 2021 decreased $15.3 million or 30.6% to $34.7 million, from $50.0 million for Q2 2020. Cumulative operating expenses for Fiscal 2021 decreased $37.3 million or 37.2% to $63.0 million, from $100.3 million for cumulative Fiscal 2020. Both decreases were primarily related to the CEWS and other subsidies ($8.1 million for Q2 2021 and $18.0 million for cumulative Fiscal 2021), to reduced operating costs and to reduced variable expenses due to the impact of the COVID-19 pandemic on Radio revenues.

Adjusted EBITDA[1]

Adjusted EBITDA in Q2 2021 increased $3.5 million or 12.6% to $31.2 million from $27.7 million for Q2 2020. Adjusted EBITDA margin was 48.5% compared to 36.1% for Q2 2020. The increase in Adjusted EBITDA was primarily due to the CEWS and other subsidies and by reduced operating costs, partially offset by the COVID-19 pandemic on revenues.

Cumulative Adjusted EBITDA for Fiscal 2021 decreased $2.2 million or 3.7% to $56.6 million from $58.8 million for cumulative Fiscal 2020. Adjusted EBITDA margin was 48.6% compared to 37.5% for cumulative Fiscal 2020. The decrease in Adjusted EBITDA was primarily due to the impact of the COVID-19 pandemic on revenues, partially offset by the CEWS and other subsidies and by reduced operating costs.

Depreciation, amortization and write off

Depreciation, amortization and write off in Q2 2021 decreased $0.7 million or 7.4% to $9.6 million, from $10.3 million for Q2 2020. Cumulative depreciation, amortization and write off for Fiscal 2021 decreased $1.6 million or 7.5% to $19.1 million, from $20.7 million for cumulative Fiscal 2020. Both decreases were primarily due to less intangible assets to amortize compared to the prior period.

Net Finance Expense (Income)

Net finance expense in Q2 2021 decreased $3.6 million or 56.4% to $2.8 million, from $6.4 million for Q2 2020. The decrease was mainly related to a foreign exchange gain and to mark-to-market gains on derivative instruments, partially offset by the negative change in fair value of contingent considerations.

Cumulative net finance expense for Fiscal 2021 decreased $6.3 million or 46.3% to $7.4 million, from $13.7 million for cumulative Fiscal 2020. The decrease was mainly related to a foreign exchange gain, to mark-to-market gains on derivative instruments and to lower interest expense.

Change in fair value of investments

In Q2 2021, a loss on fair value of $0.5 million was recorded compared to a gain of $0.2 million for Q2 2020. For cumulative Fiscal 2021, a loss on fair value of $1.4 million was recorded compared to $0.1 million for cumulative Fiscal 2020. The variance is related to the translation of an investment denominated in U.S. dollars to Canadian dollars.

Acquisition, legal, restructuring and other expenses (income)

	3 months			6 months		
(in thousands of Canadian dollars)	Q2 2021	Q2 2020	% Change	YTD 2021	YTD 2020	% Change
Acquisition	248	405	(38.8)	530	466	13.7
Legal	244	1,672	(85.4)	(536)	3,026	(117.7)
Restructuring and other	(221)	363	(160.9)	(120)	395	(130.4)
Acquisition, legal, restructuring and other expenses (income)	271	2,440	(88.9)	(126)	3,887	(103.2)

In Q2 2021 and in cumulative Fiscal 2021, a gain on restructuring and other expenses was recorded due to the reversal of a provision for severances due to a change in estimates in the current quarter.

In cumulative Fiscal 2021, a gain on legal expenses was recorded due to the reversal of a provision for professional fees due to a change in estimates in the current quarter.

In Q2 2020 and in cumulative Fiscal 2020, legal expenses were higher due to a patent litigation with Music Choice, which was settled in Q4 2020.

Note:

(1) Refer to "Supplemental information on Non-IFRS measures" on page 1 and 5.

Income Taxes

The income taxes expense recognized in comprehensive income was $4.7 million for Q2 2021 compared to $2.5 million for Q2 2020. The effective tax rate for Q2 2021 was 28.1% compared to 32.3% for Q2 2020. The variance in the effective tax rate is mainly due to the relative importance of permanent differences compared to Net income before income taxes.

The income taxes expense recognized in comprehensive income was $7.0 million for cumulative Fiscal 2021 compared to $4.0 million for cumulative Fiscal 2020. The effective tax rate for cumulative Fiscal 2021 was 27.1% compared to 21.6% for cumulative Fiscal 2020. The variance in the effective tax rate is mainly due to the decrease in the Alberta corporate income tax rate enacted in Q1 2020, which reduced deferred tax liabilities.

Net income and net income per share

Net income in Q2 2021 was $11.9 million ($0.16 per share) compared to $5.2 million ($0.07 per share) for Q2 2020. The increase was mainly related to higher operating results, foreign exchange gain, positive change in mark-to-market on derivative instruments and lower legal expenses, partially offset by higher income taxes.

Cumulative Net income for Fiscal 2021 was $18.9 million ($0.26 per share) compared to $14.4 million ($0.19 per share) for cumulative Fiscal 2020. The increase was mainly explained by a foreign exchange gain, lower legal expenses and positive change in mark-to-market on derivative instruments, partially offset by higher income taxes and lower operating results.

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

Adjusted Net income in Q2 2021 was $16.3 million ($0.22 per share), compared to $12.4 million ($0.16 per share) for Q2 2020. The increase was mainly related to higher operating results and a foreign exchange gain, partially offset by higher income taxes and negative change in fair value of contingent considerations.

Cumulative Adjusted Net income for Fiscal 2021 was $29.8 million ($0.40 per share), compared to $29.1 million ($0.38 per share) for cumulative Fiscal 2020. The increase is mainly due to a foreign exchange gain and lower interest expense, partially offset by lower operating results and higher income taxes.

Note:

(1) Refer to “Supplemental information on Non-IFRS measures” on page 1 and 5.

BUSINESS SEGMENT PERFORMANCE

BROADCASTING AND COMMERCIAL MUSIC

	3 months			6 months		
(in thousands of Canadian dollars)	Q2 2021	Q2 2020	% Change	YTD 2021	YTD 2020	% Change
Revenues	39,169	38,742	1.1	75,116	76,089	(1.3)
Operating expenses	20,273	23,510	(13.8)	35,853	46,249	(22.5)
Adjusted EBITDA(1)	**18,896**	**15,232**	**24.1**	**39,263**	**29,840**	**31.6**
Adjusted EBITDA margin(1)	**48.2%**	**39.3%**	**22.7**	**52.3%**	**39.2%**	**33.3**

Revenues

In Q2 2021, Broadcasting and Commercial Music revenues increased 0.5 million or 1.1% to $39.2 million, from $38.7 million for Q2 2020. The increase was primarily due the acquisition of MSM and Chatter Research Inc and the increase in advertising revenues, partially offset by the impact of the COVID-19 pandemic on revenues.

Cumulative Broadcasting and Commercial Music revenues for Fiscal 2021 decreased $1.0 million or 1.3% to $75.1 million from $76.1 million for cumulative Fiscal 2020. The decrease was primarily due to the impact of the COVID-19 pandemic on revenues, to a decrease in equipment and installation sales related to digital signage, partially offset by the acquisition of MSM and Chatter Research Inc, the increase in advertising revenues and the positive impact of foreign exchange.

Adjusted EBITDA(1)

In Q2 2021, Broadcasting and Commercial Music Adjusted EBITDA increased $3.7 million or 24.1% to $18.9 million from $15.2 million for Q2 2020. Cumulative Broadcasting and Commercial Music Adjusted EBITDA for Fiscal 2021 increased $9.3 million or 31.6% to $39.2 million from $29.9 million for cumulative Fiscal 2020. Both increases were primarily due to the CEWS and to reduced operating costs, partially offset by the impact of the COVID-19 pandemic on revenues.

Note:
(1) Refer to “Supplemental information on Non-IFRS measures” on page 1 and 5.

Radio

(in thousands of Canadian dollars)	3 months Q2 2021	Q2 2020	% Change	6 months YTD 2021	YTD 2020	% Change
Revenues	25,125	37,831	(33.6)	41,471	80,921	(48.8)
Operating expenses	12,005	24,116	(50.2)	22,590	49,379	(54.3)
Adjusted EBITDA(1)	**13,120**	**13,715**	**(4.3)**	**18,881**	**31,542**	**(40.1)**
Adjusted EBITDA margin(1)	**52.2%**	**36.3%**	**44.0**	**45.5%**	**39.0%**	**16.8**

Revenues

Radio revenues are derived from the sale of advertising airtime, which is subject to the seasonal fluctuations of the Canadian radio industry. Accordingly, the first and third quarter results tend to be the strongest and the second and fourth quarter results tend to be the weakest in a fiscal year. However, for Fiscal 2021 Radio revenues are not expected to follow historical patterns due to the ongoing impact of the COVID-19 pandemic.

In Q2 2021, Radio revenues decreased $12.7 million or 33.6% to $25.1 million from $37.8 million for Q2 2020. Cumulative Radio revenues for Fiscal 2021 decreased $39.4 million or 48.8% to $41.5 million from $80.9 million for cumulative Fiscal 2020. The decreases were primarily due to the impact of the COVID-19 pandemic on revenues.

Adjusted EBITDA(1)

In Q2 2021, Radio Adjusted EBITDA decreased $0.6 million or 4.3% to $13.1 million from $13.7 million for Q2 2020. Cumulative Radio Adjusted EBITDA for Fiscal 2021 decreased $12.6 million or 40.1% to $18.9 million from $31.5 million for cumulative Fiscal 2020. Both decreases were primarily due to the impact of the COVID-19 pandemic on revenues, partially offset by the CEWS and other subsidies and by reduced operating costs.

Corporate

(in thousands of Canadian dollars)	3 months Q2 2021	Q2 2020	% Change	6 months YTD 2021	YTD 2020	% Change
Operating expenses	2,391	2,327	2.8	4,520	4,626	(2.3)
Adjust:						
Share-based compensation	(219)	(257)	(14.8)	(385)	(505)	(23.8)
Performance and deferred share unit expense	(1,312)	(794)	65.2	(2,628)	(1,575)	66.9
Adjusted EBITDA(1)	**(860)**	**(1,276)**	**(32.6)**	**(1,507)**	**(2,546)**	**(40.8)**

Adjusted EBITDA(1)

Corporate Adjusted EBITDA represented the head office operating expenses less the share-based compensation and performance and deferred share unit expense. The decrease in operating expenses is related to reduced operating costs. The increase in Performance and deferred share unit expense is due to the increase in the share price and to additional grants.

Note:
(1) Refer to “Supplemental information on Non-IFRS measures” on page 1 and 5.

Quarterly results

Revenues fluctuated over the last eight quarters from $70.8 million in Q3 2019 to $64.3 million in the Q2 2021. In Q3 2019, revenues in the Corporate segment derived from hotel operations, which was acquired through the acquisition of Newfoundland Capital Corporation Inc. (NCC), but disposed of in the same quarter. The increase in Q1 2020, decrease in Q2 2020 and increase in Q3 2020 are mainly due to normal business seasonality in the Radio segment. The decrease in Q4 2020 and Q1 2021 were due to the impact of the COVID-19 pandemic. The increase in Q2 2021 is due to progressive improvements in Radio advertising bookings as provinces begin lifting restrictions on social and economic activity and to the increase in equipment and installation sales related to digital signage.

Adjusted EBITDA[(1)] increased over the last eight quarters from $27.2 million in Q3 2019 to $31.2 million in Q2 2021. The increase was mainly attributable to the successful integration of acquisitions and organic growth including new contracts. The decrease in Q4 2019 was mainly due to normal business seasonality in the Radio segment and to the reversal of certain accrued liabilities, which positively contributed to the Adjusted EBITDA[(1)] of the Radio segment in Q3 2019. The increase in Q1 2020, decrease in Q2 2020 and increase in Q3 2020 were mainly due to normal business seasonality in the Radio segment. The decrease in Q4 2020 and Q1 2021 were mainly due to the impact of the COVID-19 pandemic on Radio revenues, which was partially offset by the CEWS and reduced operating costs in Q1 2021. The increase in Q2 2021 is due to progressive improvements in Radio advertising bookings as provinces begin lifting restrictions on social and economic activity, partially offset by higher operating costs and lower CEWS.

Net income (loss) fluctuated over the last eight quarters from a Net loss of $18.1 million in Q3 2019 to a Net income of $11.9 million in Q2 2021. In Q3 2019, the Net loss was due to the CRTC Tangible benefits expense related to the NCC acquisition, higher interest and acquisition expenses, partially offset by higher operating results. In Q4 2019, the increase was due to the absence of CRTC Tangible benefits expense, lower acquisition expenses and write-off of balance payable on acquisition, partially offset by higher income taxes and lower operating results. In Q1 2020, the increase was due to higher operating results, lower acquisition expenses and lower mark-to-market losses on derivative financial instruments, partially offset by the absence of write-off of balance payable on acquisition and positive change in fair value of contingent considerations. In Q2 2020, the decrease was due to lower operating results, higher income taxes and acquisition, legal, restructuring and other expenses, partially offset by lower mark-to-market losses on derivative financial instruments, positive change in fair value of contingent considerations and lower interest expense. In Q3 2020, the increase was due to mark-to-market gains on derivative financial instruments, positive change in fair value of investments, higher operating results and gain in foreign exchange, partially offset by higher legal expenses due to the settlement with Music Choice. In Q4 2020, the decrease was due to by mark-to-market losses on derivative financial instruments, foreign exchange loss, lower positive change in fair value of investments and lower operating results, partially offset by lower income taxes expense. In Q1 2021, the increase was due to lower mark-to-market losses on derivative financial instruments and a foreign exchange gain, partially offset by the impact of the COVID-19 pandemic on revenues, higher income taxes expense and negative change in fair value of investments. In Q2 2021, the increase was due to higher operating results and positive change in mark-to-market on derivative financial instruments, partially offset by higher income taxes and legal expenses.

Note:

(1) Refer to “Supplemental information on Non-IFRS measures” on page 1 and 5.

Summary of Consolidated Quarterly Results

(in thousands of Canadian dollars, except per share amounts)	3 months							
	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018
	FY2021	FY2021	FY2020	FY2020	FY2020	FY2020	FY2019	FY2019
Revenues by segment								
Broadcasting and Commercial Music	39,169	35,947	38,483	39,894	38,742	37,347	38,718	38,875
Radio	25,125	16,346	29,915	41,419	37,831	43,090	34,012	31,215
Corporate	-	-	-	-	-	-	-	682
Total revenues	**64,294**	**52,293**	**68,398**	**81,313**	**76,573**	**80,437**	**72,730**	**70,772**
Revenues by geography								
Canada	39,710	28,057	43,498	57,515	52,723	56,107	47,318	46,738
United States	10,091	10,302	10,236	9,575	9,035	9,141	9,351	8,834
Other countries	14,493	13,934	14,664	14,223	14,815	15,189	16,061	15,200
Total revenues	**64,294**	**52,293**	**68,398**	**81,313**	**76,573**	**80,437**	**72,730**	**70,772**
Adjusted EBITDA(1)	**31,156**	**25,481**	**28,217**	**31,033**	**27,671**	**31,165**	**22,407**	**27,219**
Net income (loss)	**11,888**	**7,021**	**(8,486)**	**8,089**	**5,184**	**9,183**	**3,942**	**(18,053)**
Net income (loss) per share basic and diluted	0.16	0.10	(0.11)	0.11	0.07	0.12	0.06	(0.26)
Adjusted Net income(1)	**16,311**	**13,509**	**10,095**	**16,710**	**12,416**	**16,687**	**14,725**	**12,396**
Adjusted Net income per share basic and diluted(1)	0.22	0.18	0.13	0.22	0.16	0.22	0.21	0.18
Cash flow from operations	**25,406**	**37,993**	**14,062**	**28,833**	**18,952**	**26,298**	**18,072**	**13,809**
Adjusted free Cash Flow(1)	**22,861**	**18,045**	**17,974**	**21,033**	**18,756**	**20,587**	**9,845**	**16,983**
Quarterly dividend	**0.075**	**0.075**	**0.075**	**0.075**	**0.070**	**0.070**	**0.065**	**0.065**

Note:

(2) Refer to “Forward-looking statements” and “Supplemental information on Non-IFRS measures” on page 1 and for reconciliations to the most directly comparable IFRS financial measure, refer to “Reconciliation of Quarterly Non-IFRS Measures” on page 5.

Reconciliation of Quarterly Non-IFRS Measures

	3 months							
(in thousands of Canadian dollars)	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018
	Fiscal 2021	Fiscal 2021	Fiscal 2020	Fiscal 2020	Fiscal 2020	Fiscal 2020	Fiscal 2019	Fiscal 2019
Net income (loss)	**11,888**	**7,021**	**(8,486)**	**8,089**	**5,184**	**9,183**	**3,942**	**(18,053)**
Net finance expense (income)	2,774	4,601	33,463	(4,383)	6,362	7,380	2,259	7,208
Change in fair value of investments	461	892	(1,914)	(4,781)	(188)	333	336	(840)
Income taxes	4,654	2,359	(4,165)	1,897	2,479	1,481	1,833	(6,117)
Depreciation and write-off of property and equipment	2,976	2,701	2,790	2,876	2,989	2,822	2,791	2,469
Depreciation of right-of-use assets	1,413	1,412	1,426	1,402	1,419	1,371	-	-
Amortization of intangible assets	5,188	5,410	5,659	5,494	5,935	6,119	7,187	6,401
Share-based compensation	219	166	258	238	257	248	297	263
Performance and deferred share unit expense	1,312	1,316	(1,507)	677	794	781	630	(147)
CRTC Tangible benefits	-	-	-	-	-	-	-	25,306
Acquisition, legal, restructuring and other expenses (income)	271	(397)	693	19,524	2,440	1,447	3,132	10,729
Adjusted EBITDA	**31,156**	**25,481**	**28,217**	**31,033**	**27,671**	**31,165**	**22,407**	**27,219**
Net finance expense (income), excluding mark-to-market losses (gains) on derivative financial instruments	(4,340)	(3,338)	(10,976)	(4,184)	(5,767)	(6,195)	739	(7,208)
Income taxes	(4,654)	(2,359)	4,165	(1,897)	(2,479)	(1,481)	(1,833)	6,117
Depreciation and write-off of property and equipment	(2,976)	(2,701)	(2,790)	(2,876)	(2,989)	(2,822)	(2,791)	(2,469)
Depreciation of right-of-use assets	(1,413)	(1,412)	(1,426)	(1,402)	(1,419)	(1,371)	-	-
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, CRTC Tangible benefits, mark-to-market losses (gains) on derivative financial instruments and acquisition, legal, restructuring and other expenses (income)	(1,462)	(2,162)	(7,095)	(3,964)	(2,601)	(2,609)	(3,797)	(11,263)
Adjusted Net income	**16,311**	**13,509**	**10,095**	**16,710**	**12,416**	**16,687**	**14,725**	**12,396**

	3 months							
(in thousands of Canadian dollars)	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018
	Fiscal 2021	Fiscal 2021	Fiscal 2020	Fiscal 2020	Fiscal 2020	Fiscal 2020	Fiscal 2019	Fiscal 2019
Cash flow from operating activities	**25,406**	**37,993**	**14,062**	**28,833**	**18,952**	**26,298**	**18,072**	**13,809**
Acquisition of property and equipment	(1,209)	(703)	(2,153)	(1,479)	(1,459)	(1,613)	(1,935)	(1,972)
Acquisition of intangible assets other than internally developed intangible assets	(212)	(258)	(463)	(495)	(292)	(519)	(669)	(1,272)
Addition to internally developed intangible assets	(1,671)	(1,552)	(1,534)	(1,286)	(1,559)	(1,523)	(1,742)	(1,827)
Interest paid	(2,912)	(3,687)	(3,819)	(4,150)	(4,493)	(4,980)	(4,441)	(4,649)
Repayment of lease liabilities	(1,443)	(1,214)	(1,180)	(1,295)	(1,303)	(1,095)	-	-
Net change in non-cash operating working capital items	6,530	(11,412)	7,262	(17,702)	6,143	2,127	(1,890)	1,180
Unrealized loss (gain) on foreign exchange	(1,899)	(725)	5,106	(917)	327	445	(682)	985
Acquisition, legal, restructuring and other expenses (income)	271	(397)	693	19,524	2,440	1,447	3,132	10,729
Adjusted free cash flow	**22,861**	**18,045**	**17,974**	**21,033**	**18,756**	**20,587**	**9,845**	**16,983**

LIQUIDITY AND CAPITAL RESOURCES
FOR THE PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

	3 months		6 months	
(in thousands of Canadian dollars)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating activities	25,406	18,952	63,399	45,250
Financing activities	(17,801)	(12,724)	(49,400)	(33,424)
Investing activities	(3,092)	(4,460)	(5,605)	(8,115)
Net change in cash	4,513	1,768	8,394	3,711
Cash – beginning of period	6,393	6,616	2,512	4,673
Cash – end of period	10,906	8,384	10,906	8,384
Adjusted free cash flow(1)	**22,861**	**18,756**	**40,906**	**39,343**

Operating activities

Cash flow generated from operating activities amounted to $25.4 million for Q2 2021 compared to $19.0 million for Q2 2020. The increase was mainly due to higher operating results, higher unrealized gain on foreign exchange and lower legal expenses.

Cash flow generated from operating activities amounted to $63.4 million for cumulative Fiscal 2021 compared to $45.3 million for cumulative Fiscal 2020. The increase was mainly due to the positive change in non-cash operating items, lower legal expenses and lower unrealized loss on foreign exchange, partially offset by lower operating results.

Financing Activities

Net cash flow used in financing activities amounted to $17.8 million for Q2 2021 compared to $12.7 million for Q2 2020. Net cash flow used in financing activities amounted to $49.4 million for cumulative Fiscal 2021 compared to $33.4 million for cumulative Fiscal 2020. Both increases were mainly attributable to higher repayment of the credit facilities, partially offset by lower repayment of other payable, less share repurchased and lower interest paid.

Investing Activities

Net cash flow used in investing activities amounted to $3.1 million for Q2 2021 compared to $4.5 million for Q2 2020. The decrease was primarily due to lower business acquisitions.

Net cash flow used in investing activities amounted to $5.6 million for cumulative Fiscal 2021 compared to $8.1 million for cumulative Fiscal 2020. The decrease was primarily due to lower business acquisitions and lower acquisition of property and equipment.

Adjusted free cash flow(1)

Adjusted free cash flow generated in Q2 2021 amounted to $22.9 million compared to $18.8 million for Q2 2020. The increase was mainly related to higher operating results and lower interest paid, partially offset by higher income taxes paid.

Adjusted free cash flow generated in cumulative Fiscal 2021 amounted to $40.9 million compared to $39.3 million for cumulative Fiscal 2020. The increase was mainly related to lower interest paid and lower acquisition of property and equipment, partially offset by lower operating results.

Note:
(1) Refer to “Supplemental information on Non-IFRS measures” on page 1 and 5.

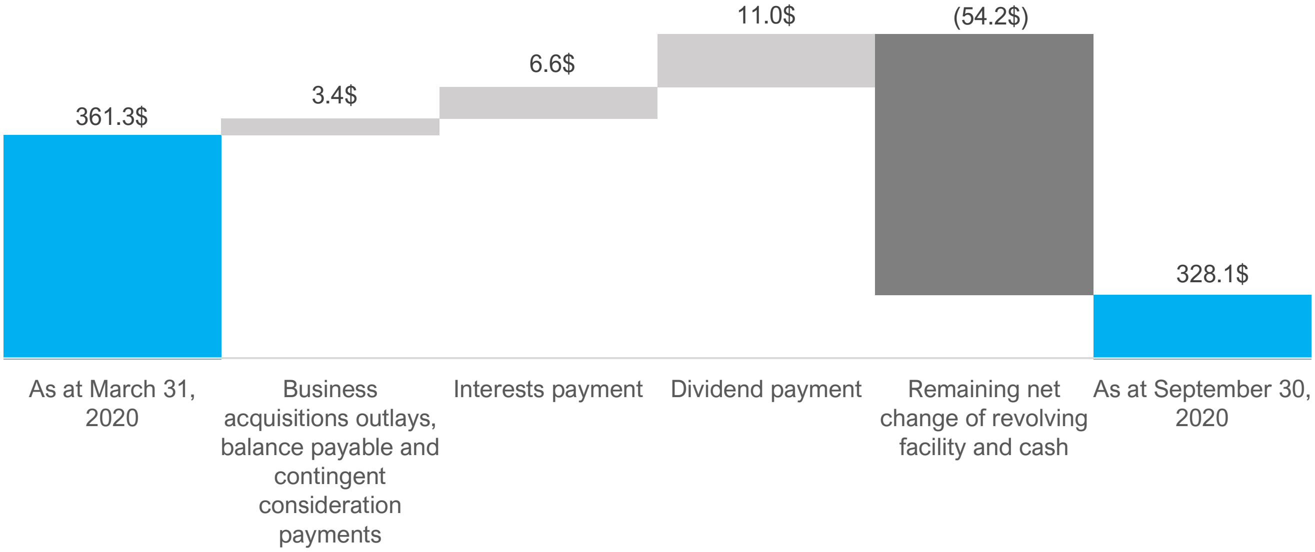
CONSOLIDATED FINANCIAL POSITION

The following table shows the main variances that have occurred in the consolidated financial position of the Corporation for the six-month period ending September 30, 2020:

(in thousands of Canadian dollars)	Sept. 30, 2020	March 31, 2020	Variance		Significant contributions
Trade and other receivables	63,546	73,216	(9,670)	▼	Timing of payments by clients and decrease in revenues due to the COVID-19 pandemic
Intangible assets	50,557	54,490	(3,933)	▼	Amortization of intangible assets, offset by additions through business acquisition and internally developed intangible assets additions
Goodwill	341,250	338,064	3,186	▲	Acquisition of Marketing Sensorial Mexico, partially offset by foreign exchange differences
Accounts payables and accrued liabilities	63,809	62,101	1,708	▲	Timing of payments to suppliers
Other liabilities	85,326	81,281	4,045	▲	Balance payable and contingent consideration payable on MSM acquisition, partially offset by a repayment of contingent consideration for the Yokee acquisition
Credit facility	299,361	324,123	(24,762)	▼	Refer to the graph on next page
Subordinated debt	39,690	39,640	50	▲	Amortization of deferred financing fees

The following table summarizes the impact on the Net debt that occurred in the six-month period ended September 30, 2020 including related ratios:

Movement in Net debt[(1)(2)]



$120.1	Pro Forma Adjusted EBITDA[(1)(2)(3)]	$118.4
3.01	Net debt to Pro Forma Adjusted EBITDA[(1)(2)]	2.77

Notes:
(1) In millions of Canadian dollars.
(2) Refer to “Supplemental information on Non-IFRS measures” on page 1 and 5.
(3) Pro Forma Adjusted EBITDA is calculated as the Corporation’s last twelve months Adjusted EBITDA ($115.9 million, Q4-2020; $118.1 million), plus synergies and pro forma Adjusted EBITDA for the months prior to the acquisitions which are not already reflected in the results ($2.5 million, Q4-2020; $2.0 million) . Refer to “Forward-looking statements” and “Supplemental information on Non-IFRS measures” on page 1 and for reconciliations of Adjusted EBITDA to the most directly comparable IFRS financial measure, refer to “Supplemental information on Non-IFRS measures” on page 5.

Music Choice Litigation

On February 3, 2020, the Corporation and Music Choice executed and exchanged a Settlement Agreement which puts definitive end to the parties' patent litigation in the United States and fully and finally settles all claims, counterclaims and defenses asserted in connection with that litigation. The settlement amount of US$13.3 million ($17.2 million at the date of the settlement), will be paid in two equal instalments; the first payment was made on the date of settlement and the second payment is to be made on or before February 15, 2021. The terms of the settlement do not impact the services currently offered by Stingray in the United States, which shall continue uninterrupted.

SOCAN and Re:Sound legal proceedings

From May 2, 2017 until May 10, 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. While the Objectors and the Collectives await the final determination of the Board on the proper quantum of the Tariff, in early 2018 the Board released a tentative ruling proposing that allocation of affiliation payments across the suite of Stingray services is reasonable and appropriate and asking the parties to propose favoured approaches to allocation. The parties have responded to the Board's request, with the Objectors proposing an allocation based on a "cost approach", as supported by independent, expert advice. The Copyright Board of Canada continues its consideration of the matter, and the Corporation anticipates a decision within approximately 12 months, based on past experience and the complexity of this proceeding.

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 licence and commitments for copyright royalties. There have been no material changes to these obligations since March 31, 2020.

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, 2020.

Off-Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

Issued and outstanding shares and outstanding stock options consisted of:

	October 31, 2020	September 30, 2020
Issued and outstanding shares:		
Subordinate voting shares	54,828,045	55,060,245
Subordinate voting shares held in trust through employee share purchase plan	(48,976)	(44,987)
Variable subordinate voting shares	562,640	560,440
Multiple voting shares	17,941,498	17,941,498
	73,283,207	73,517,196
Outstanding stock options:		
Stock options	3,229,950	3,229,950

The Corporation has a stock option plan to attract and retain employees, directors, officers and consultants. The plan provides for the granting of options to purchase subordinate voting shares. Under this plan,10% of all multiple voting shares, subordinate voting shares and variable subordinate voting shares issued and outstanding on a non-diluted basis is reserved for issuance. During the first six months of Fiscal 2021, 14,035 options were exercised, 21,008 options were forfeited, and 833,174 options were granted to eligible employees, subject to service vesting periods of 4 years.

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, 2020. The Corporation is not aware of any significant changes to the Corporation's risk factors from those disclosed at that time.

Risk Factors

For a detailed description of risk factors associated with the Corporation, please refer to the "Risk Factors" section of the Corporation's Annual Information Form dated June 3, 2020. 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 second quarter ended September 30, 2020, 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.

Subsequent Events

Dividend

On November 4, 2020, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around December 15, 2020 to shareholders on record as of November 30, 2020.

Additional Information

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

Consolidated Statements of Comprehensive Income

Three-month and six-month periods ended September 30, 2020 and 2019

(In thousands of Canadian dollars, except per share amounts) (Unaudited)	Note	3 months September 30, 2020	3 months September 30, 2019	6 months September 30, 2020	6 months September 30, 2019
Revenues	6	$ 64,294	$ 76,573	$ 116,587	$ 157,010
Operating expenses		34,669	49,953	62,963	100,254
Depreciation, amortization and write-off		9,577	10,343	19,100	20,655
Net finance expense (income)	7	2,774	6,362	7,375	13,742
Change in fair value of investments	15	461	(188)	1,353	145
Acquisition, legal, restructuring and other expenses (income)	8	271	2,440	(126)	3,887
Income before income taxes		16,542	7,663	25,922	18,327
Income taxes		4,654	2,479	7,013	3,960
Net income		$ 11,888	$ 5,184	$ 18,909	$ 14,367
Net income per share — Basic and Diluted		0.16	0.07	0.26	0.19
Weighted average number of shares — Basic		73,593,039	76,384,577	73,584,077	76,322,909
Weighted average number of shares — Diluted		73,773,113	76,685,548	73,791,135	76,539,496
Comprehensive income					
Net income		$ 11,888	$ 5,184	$ 18,909	$ 14,367
Other comprehensive loss					
Items that may be reclassified to profit and loss					
Exchange differences on translation of foreign operations		(72)	(266)	(780)	(2,069)
Total other comprehensive loss		(72)	(266)	(780)	(2,069)
Total comprehensive income		$ 11,816	$ 4,918	$ 18,129	$ 12,298

Net income is entirely attributable to Shareholders.

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

Consolidated Statements of Financial Position

September 30, 2020 and March 31, 2020

(In thousands of Canadian dollars) (Unaudited)	Note		September 30, 2020		March 31, 2020 Restated (note 4)
Assets					
Current assets					
Cash and cash equivalents		$	10,906	$	2,512
Trade and other receivables			63,546		73,216
Income taxes receivable			2,429		549
Inventories			3,586		3,336
Other current assets			8,855		10,110
			89,322		89,723
Non-current assets					
Property and equipment	9		44,428		45,732
Right-of-use assets on leases	9		28,223		29,460
Intangible assets, excluding broadcast licences	9		50,557		54,490
Broadcast licences	9		272,988		272,910
Goodwill	9		341,250		338,064
Investments			24,401		25,732
Other non-current assets			954		1,095
Deferred tax assets			5,246		10,682
Total assets		$	857,369	$	867,888
Liabilities and Equity					
Current liabilities					
Credit facility	10	$	34,736	$	15,000
Accounts payable and accrued liabilities			63,809		62,101
Deferred revenues			1,965		1,747
Current portion of lease liabilities	11		5,175		4,517
Current portion of other liabilities	12		30,403		16,672
Income taxes payable			6,500		4,850
			142,588		104,887
Non-current liabilities					
Credit facility	10		264,625		309,123
Subordinated debt			39,690		39,640
Lease liabilities	11		24,609		26,336
Other liabilities	12		54,923		64,609
Deferred tax liabilities			49,697		49,397
Total liabilities			576,132		593,992
Shareholders' equity					
Share capital	13		322,155		322,366
Contributed surplus			5,076		4,620
Deficit			(48,531)		(56,407)
Accumulated other comprehensive income			2,537		3,317
Total equity			281,237		273,896
Subsequent events (note 3)					
Total liabilities and equity		$	857,369	$	867,888

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

Approved by the Board of Directors,

(Signed) Eric Boyko, Director

(Signed) Pascal Tremblay, Director

Consolidated Statements of Changes in Equity

Six-month periods ended September 30, 2020 and 2019

(In thousands of Canadian dollars, except number of share capital) (Unaudited)	Share Capital				Accumulated other comprehensive income (loss)		
	Number	Amount	Contributed surplus	Deficit	Cumulative Translation Account	Defined Benefit Plans	Total shareholder's equity
Balance at March 31, 2019	76,237,903	$ 337,714	$ 4,344	$ (53,317)	$ (1,024)	$ (182)	$ 287,535
Issuance of shares upon exercise of options	250,000	1,419	(555)	—	—	—	864
Dividends	—	—	—	(5,345)	—	—	(5,345)
Repurchase and cancellation of shares	(254,864)	(1,449)	—	(453)	—	—	(1,902)
Share-based compensation	—	—	368	—	—	—	368
Employee share purchase plan	(27,652)	(191)	229	—	—	—	38
Net income	—	—	—	14,367	—	—	14,367
Other comprehensive loss	—	—	—	—	(2,069)	—	(2,069)
Balance at September 30, 2019	76,205,387	$ 337,493	$ 4,386	$ (44,748)	$ (3,093)	$ (182)	$ (293,856)
Balance at March 31, 2020	73,549,454	$ 322,366	$ 4,620	$ (56,407)	$ 3,891	$ (574)	$ 273,896
Issuance of shares upon exercise of options (note 13)	14,035	55	(23)	—	—	—	32
Dividends	—	—	—	(11,036)	—	—	(11,036)
Repurchase and cancellation of shares (note 13)	(20,000)	(114)	—	3	—	—	(111)
Share-based compensation	—	—	325	—	—	—	325
Employee share purchase plan (note 13)	(26,293)	(152)	154	—	—	—	2
Net income	—	—	—	18,909	—	—	18,909
Other comprehensive loss	—	—	—	—	(780)	—	(780)
Balance at September 30, 2020	73,517,196	$ 322,155	$ 5,076	$ (48,531)	$ 3,111	$ (574)	$ 281,237

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

Consolidated Statements of Cash Flows

Three-month and six-month periods ended September 30, 2020 and 2019

(In thousands of Canadian dollars) (Unaudited)	Note	3 months September 30, 2020	3 months September 30, 2019	6 months September 30, 2020	6 months September 30, 2019
Operating activities:					
Net income		$ 11,888	$ 5,184	$ 18,909	$ 14,367
Adjustments for:					
Depreciation, amortization and write-off		9,577	10,343	19,100	20,655
Share-based compensation, PSU and DSU expenses		1,531	1,051	3,013	2,080
Interest expense and standby fees	7	3,868	4,060	7,507	8,620
Mark-to-market (gains) losses on derivative financial instruments	7	(1,566)	595	(303)	1,780
Change in fair value of investments		461	(188)	1,353	145
Share of results of joint venture		(15)	2	(25)	(25)
Change in fair value of contingent consideration	7	1,098	244	582	268
Depreciation, amortization and accretion of other liabilities	7	816	698	1,609	1,407
Interest expense on lease liabilities	7,11	403	433	792	850
Income tax expense		4,654	2,479	7,013	3,960
Income taxes (paid) received		(779)	194	(1,033)	(586)
		31,936	25,095	58,517	53,521
Net change in non-cash operating items	14	(6,530)	(6,143)	4,882	(8,271)
		25,406	18,952	63,399	45,250
Financing activities:					
Increase (decrease) of credit facility		(4,493)	8,161	(25,408)	(855)
Payment of dividends		(5,518)	(5,345)	(11,036)	(10,301)
Share repurchases	13	(111)	(1,786)	(111)	(1,786)
Proceeds from the exercise of stock options		—	469	32	864
Shares purchased under the employee share purchase plan		(71)	(100)	(152)	(197)
Interest paid		(2,912)	(4,493)	(6,599)	(9,473)
Repayment of lease liabilities		(1,443)	(1,303)	(2,657)	(2,398)
Repayment of other liabilities		(3,253)	(8,327)	(3,469)	(9,278)
		(17,801)	(12,724)	(49,400)	(33,424)
Investing activities:					
Business acquisitions, net of cash acquired		—	(1,600)	—	(1,600)
Disposal of non-core assets		—	450	—	450
Acquisition of property and equipment		(1,209)	(1,459)	(1,912)	(3,072)
Acquisition of intangible assets other than internally developed intangible assets		(212)	(292)	(470)	(811)
Addition to internally developed intangible assets		(1,671)	(1,559)	(3,223)	(3,082)
		(3,092)	(4,460)	(5,605)	(8,115)
Increase in cash and cash equivalents		4,513	1,768	8,394	3,711
Cash and cash equivalents, beginning of period		6,393	6,616	2,512	4,673
Cash and cash equivalents, end of period		$ 10,906	$ 8,384	$ 10,906	$ 8,384

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

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

1. BUSINESS DESCRIPTION AND BASIS OF CONSOLIDATION

Stingray Group Inc. (the “Corporation”) is incorporated under the *Canada Business Corporations Act*. The Corporation is domiciled in Canada and its registered office is located at 730 Wellington, Montréal, Québec, H3C 1T4. The Corporation is a provider of multi-platform music services. It broadcasts high quality music and video content on a number of platforms including radio stations, premium television channels, digital TV, satellite TV, IPTV, the Internet, mobile devices and game consoles. A portion of the Corporation’s 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. However, for Fiscal 2021 Radio revenues are not expected to follow historical patterns due to the ongoing impact of the COVID-19 pandemic.

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, Think inside the box LLC, SBA Music PTY Ltd., Stingray Music, S.A. de C.V., DJ Matic NV and Stingray Radio Inc. and all these entities’ wholly-owned subsidiaries.

The auditors of the Corporation have not performed a review of the interim financial report for the three-month and six-month periods ended September 30, 2020.

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 six-month periods ended September 30, 2020:

- During the first six months of Fiscal 2021, global economies and financial markets were impacted by the coronavirus (“COVID-19”) outbreak as it quickly spread around the world and on March 11, 2020, the World Health Organization declared it a global pandemic. Government authorities around the world have taken actions to slowdown the spread of COVID-19, including measures such as the closure of non-essential businesses and social distancing. The tangible impact on the Corporation started in the Radio segment towards the end Q4 2020, as many non-essential local businesses were forced to temporarily close leading to a decrease in advertising and related revenues. In the early days of the crisis, the decision was made by the Corporation’s management to implement significant cost saving measures, which, combined with the Canadian Emergency Wage Subsidy (CEWS), helped to maintain a solid financial position. The Corporation’s Radio segment, and Broadcast and Commercial Music segment, but to a lesser extent, have been impacted during the first quarter of 2021. In Q2 2021, although still impacted, the Corporation noticed progressive improvements in Radio advertising bookings as provinces begin lifting restrictions on social distancing. Management expects the situation to continue improving as local businesses resume their normal operations. The extent to which COVID-19 continues to impact the Corporation’s business will depend on future developments, which are uncertain and cannot be predicted at this time. The Corporation’s focus will be to continue to closely monitor its cash position and control its operating expenses while capitalizing on its growth opportunities.
- On September 23, 2020, the Corporation announced that the Toronto Stock Exchange had approved its normal course issuer bid, authorizing Stingray to repurchase up to an aggregate 3,485,155 subordinate voting shares and variable subordinate voting shares (collectively, “Subordinate Shares”), representing approximately 10% of the public float of Subordinate Shares as at September 21, 2020. Shareholders may obtain a copy of the TSX Form 12, without charge, by contacting the Corporation. Refer to note 13 for more information.

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

3. SUBSEQUENT EVENTS

Credit facility

On October 6, 2020, the Corporation amended its existing $373,750 credit facility (the "Credit facility") by increasing the authorized amount up to $420,000.

The Credit facility consists of a $325,000 revolving credit facility and a $75,000 term loan, both maturing in October 2023, and includes the pre-existing $20,000 term loan, secured on May 29, 2020 and maturing in May 2021. With this amendment, the Corporation also has access to incremental financial commitments up to $100,000 upon request, subject to predetermined conditions.

The Credit facility bears interest at either (a) the bank's prime rate plus an applicable margin based on a financial covenant or (b) the banker's acceptance rate plus an applicable margin based on a financial covenant. In addition, the Corporation incurs standby fees, varying between 0.40% and 0.63% based on a financial covenant.

Dividend

On November 4, 2020, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around December 15, 2020 to shareholders on record as of November 30, 2020.

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

4. BUSINESS ACQUISITIONS

FISCAL 2021

Marketing Sensorial México

On May 6, 2020, the Corporation purchased all assets of Marketing Sensorial México, (“MSM”) for total consideration of MXN 127,759 ($7,433). MSM is a Mexican leader in point-of-sale marketing solutions. As a result of the acquisition, goodwill of $2,947 was recognized related to the operating synergies expected to be achieved from integrating the acquired business into the Corporation’s existing business. The intangible assets and 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 MXN 44,164 ($2,570) over the next two years ending in June 2022, based on the 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. Total consideration consists of an initial amount of MXN 90,000 ($5,234), which a first payment of MXN 30,300 ($1,873) was made on October 7, and contingent consideration.

The results of the business acquisition of MSM for the period ended September 30, 2020 are included in results since the date of the acquisition. Revenues recorded from the acquisition date to September 30, 2020 were $797 and net income was $205. Had the acquisition occurred at the beginning of the fiscal year, revenues related to this acquired business would have been approximately $956 and net income would have been $246.

		Preliminary
Assets acquired :		
Property and equipment		1,765
Intangible assets		2,721
Goodwill		2,947
Net assets acquired at fair value	$	7,433
Consideration given :		
Balance payable on business acquisition		5,236
Contingent consideration		2,197
	$	7,433

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)

FISCAL 2020

Chatter Research Inc.

On January 27, 2020, the Corporation purchased all of the outstanding shares of Chatter Research Inc. (thereafter "Chatter"), a Toronto-based leader in the design, development, and implementation of artificial intelligence driven real-time customer feedback solutions for retail and hospitality businesses, for total consideration of $9,493. As a result of the acquisition, goodwill of $4,948 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 $303, 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 $14,000 over the next three years ending in January 2023, based on the 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.

	Preliminary as of March 31, 2020	Adjustments	Revised
Assets acquired:			
Cash and cash equivalents	$ 168	$ —	$ 168
Trade and other receivables	303	—	303
Intangible assets	5,446	(400)	5,046
Goodwill	4,654	294	4,948
Deferred tax assets	587	—	587
	11,158	(106)	11,052
Liabilities assumed:			
Accounts payable and accrued liabilities	208	—	208
Deferred revenues	14	—	14
Deferred tax liabilities	1,443	(106)	1,337
	1,665	(106)	1,559
Net assets acquired at fair value	$ 9,493	$ —	$ 9,493
Consideration given:			
Cash	2,140	—	2,140
Contingent consideration	7,344	—	7,344
Working capital payable	9	—	9
	$ 9,493	$ —	$ 9,493

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)

Drumheller

On August 26, 2019, the Corporation purchased the assets of CHOO-FM, a radio station in Drumheller, Alberta, from Golden West Broadcasting Ltd., for total consideration of $1,640.

The Corporation finalized the assessment of the fair values of the assets acquired and liabilities assumed related to this acquisition and no adjustments to the preliminary assessment have been recorded in the statement of financial position.

		Final
Assets acquired:		
Trade and other receivables		70
Property and equipment		400
Broadcasting licences		1,200
		1,670
Liabilities assumed:		
Accounts payable and accrued liabilities		30
Net assets acquired at fair value	$	1,640
Consideration given:		
Cash		1,600
Working capital payable		40
	$	1,640

5. 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 segment's financial results are reviewed by the Chief operating decision maker ("CDOM") to make decisions about resources to be allocated to the segment and asses its performance based on adjusted EBITDA, and for which distinct financial information is available. Adjusted EBITDA excludes from income (loss) before income taxes the following expenses: share-based compensation, performance and deferred share unit expense, depreciation, amortization and write-off, net finance expense (income), change in fair value of investments and acquisition, legal, restructuring and other expenses (income). There are no inter-segment revenues for the periods.

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

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

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

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

The following tables present financial information by segment for the three-month and six-month periods ended September 30, 2020 and 2019.

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	**Q2 2021**	**Q2 2020**
Three-month periods								
Revenues	$ 39,169	$ 38,742	$ 25,125	$ 37,831	$ —	$ —	**$ 64,294**	**$ 76,573**
Operating expenses (excluding Share-based compensation and PSU and DSU expenses)	20,273	23,510	12,005	24,116	860	1,276	**33,138**	**48,902**
Adjusted EBITDA	$ 18,896	$ 15,232	$ 13,120	$ 13,715	(860)	(1,276)	**31,156**	**27,671**
Share-based compensation					219	257	**219**	**257**
PSU and DSU expenses					1,312	794	**1,312**	**794**
Depreciation, amortization and write-off					9,577	10,343	**9,577**	**10,343**
Net finance expense (income)					2,774	6,362	**2,774**	**6,362**
Change in fair value of investments					461	(188)	**461**	**(188)**
Acquisition, legal, restructuring and other expenses (income)					$ 271	$ 2,440	**271**	**2,440**
Income before income taxes							**16,542**	**7,663**
Income taxes							**4,654**	**2,479**
Net income							**$ 11,888**	**$ 5,184**

	Broadcasting and commercial music		Radio		Corporate and eliminations		**Consolidated**	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	**Q2 2021**	**Q2 2020**
Six-month periods								
Revenues	$ 75,116	$ 76,089	$ 41,471	$ 80,921	$ —	$ —	**$ 116,587**	**$ 157,010**
Operating expenses (excluding Share-based compensation and PSU and DSU expenses)	35,853	46,249	22,590	49,379	1,507	2,546	**59,950**	**98,174**
Adjusted EBITDA	$ 39,263	$ 29,840	$ 18,881	$ 31,542	(1,507)	(2,546)	**56,637**	**58,836**
Share-based compensation					385	505	**385**	**505**
PSU and DSU expenses					2,628	1,575	**2,628**	**1,575**
Depreciation, amortization and write-off					19,100	20,655	**19,100**	**20,655**
Net finance expense (income)					7,375	13,742	**7,375**	**13,742**
Change in fair value of investments					1,353	145	**1,353**	**145**
Acquisition, legal, restructuring and other expenses (income)					$ (126)	$ 3,887	**(126)**	**3,887**
Income before income taxes							**25,922**	**18,327**
Income taxes							**7,013**	**3,960**
Net income							**$ 18,909**	**$ 14,367**

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

	Broadcasting and commercial music		Radio		Corporate and eliminations(1)		**Consolidated**	
	Sept. 30, 2020	March 31, 2020	Sept. 30, 2020	March 31, 2020	Sept. 30, 2020	March 31, 2020	Sept. 30, 2020	March 31, 2020
Total assets	$ 231,805	$ 245,894	$ 604,269	$ 599,346	$ 21,295	$ 22,648	**$ 857,369**	**$ 867,888**
Total liabilities	$ 99,345	$ 87,906	$ 119,341	$ 123,625	$ 357,446	$ 382,461	**$ 576,132**	**$ 593,992**

(1) Total liabilities include operating liabilities, the Credit facility and the Subordinated debt. Total assets include the investment in AppDirect.

	Broadcasting and commercial music		Radio		**Consolidated**	
Three-month periods	Q2 2021	Q2 2020	Q2 2021	Q2 2020	**Q2 2021**	**Q2 2020**
Acquisition of property and equipment	$ 1,030	$ 798	$ 252	$ 1,372	**$ 1,282**	**$ 2,170**
Addition to right-of-use assets on leases	$ —	$ —	$ 1,393	$ 335	**$ 1,393**	**$ 335**
Acquisition of intangible assets	$ 2,258	$ 1,897	$ —	$ —	**$ 2,258**	**$ 1,897**
Acquisition of broadcast licences	$ —	$ —	$ 78	$ 1,200	**$ 78**	**$ 1,200**

	Broadcasting and commercial music		Radio		**Consolidated**	
Six-month periods	Q2 2021	Q2 2020	Q2 2021	Q2 2020	**Q2 2021**	**Q2 2020**
Acquisition of property and equipment	$ 4,112	$ 1,703	$ 397	$ 2,132	**$ 4,509**	**$ 3,835**
Addition to right-of-use assets on leases	$ 394	$ 886	$ 1,405	$ 383	**$ 1,799**	**$ 1,269**
Acquisition of intangible assets	$ 6,690	$ 3,939	$ —	$ —	**$ 6,690**	**$ 3,939**
Acquisition of broadcast licences	$ —	$ —	$ 78	$ 1,200	**$ 78**	**$ 1,200**
Goodwill recorded on business acquisitions	$ 2,947	$ —	$ —	$ —	**$ 2,947**	**$ —**

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

Approximately 77% of the Corporation's non-current assets are located in Canada.

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

6. REVENUES

DISAGGREGATION OF REVENUES

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

	Reportable segments[3]					
Three-month periods	**Q2 2021**	**Q2 2020**	**Q2 2021**	**Q2 2020**	**Q2 2021**	**Q2 2020**
	Broadcasting and commercial music		Radio		**Total revenues**	
Geography						
Canada	$ 14,585	14,892	$ 25,125	37,831	$ **39,710**	**52,723**
United States	10,091	9,035	—	—	**10,091**	**9,035**
Other countries	14,493	14,815	—	—	**14,493**	**14,815**
	39,169	38,742	25,125	37,831	**64,294**	**76,573**
Products						
Subscriptions [1]	33,921	33,496	—	—	**33,921**	**33,496**
Equipment and labor [2]	4,107	5,051	—	—	**4,107**	**5,051**
Advertising [2]	1,141	195	25,125	37,831	**26,266**	**38,026**
	$ 39,169	38,742	$ 25,125	37,831	$ **64,294**	**76,573**

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

	Reportable segments[3]					
Six-month periods	**Q2 2021**	**Q2 2020**	**Q2 2021**	**Q2 2020**	**Q2 2021**	**Q2 2020**
	Broadcasting and commercial music		Radio		**Total revenues**	
Geography						
Canada	$ 26,296	27,909	$ 41,471	80,921	$ **67,767**	**108,830**
United States	20,393	18,176	—	—	**20,393**	**18,176**
Other countries	28,427	30,004	—	—	**28,427**	**30,004**
	75,116	76,089	41,471	80,921	**116,587**	**157,010**
Products						
Subscriptions [1]	66,814	67,870	—	—	**66,814**	**67,870**
Equipment and labor [2]	6,336	7,609	—	—	**6,336**	**7,609**
Advertising [2]	1,966	610	41,471	80,921	**43,437**	**81,531**
	$ 75,116	76,089	$ 41,471	80,921	$ **116,587**	**157,010**

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

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

7. NET FINANCE EXPENSE (INCOME)

	3 months		6 months	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest expense and standby fees	$ 3,868	$ 4,060	$ 7,507	$ 8,620
Mark-to-market (gains) losses on derivative financial instruments	(1,566)	595	(303)	1,780
Change in fair value of contingent consideration	1,098	244	582	268
Depreciation, amortization and accretion of other liabilities	816	698	1,609	1,407
Interest expense on lease liabilities	403	433	792	850
Foreign exchange (gain) loss	(1,845)	332	(2,812)	817
	$ 2,774	$ 6,362	$ 7,375	$ 13,742

8. ACQUISITION, LEGAL, RESTRUCTURING AND OTHER EXPENSES (INCOME)

	3 months		6 months	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Acquisition	$ 248	$ 405	$ 530	$ 466
Legal	244	1,672	(536)	3,026
Restructuring and other	(221)	363	(120)	395
	$ 271	$ 2,440	$ (126)	$ 3,887

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

9. 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, 2020					
Net book amount as at March 31, 2019	$ 50,326	$ —	$ 64,395	$ 271,710	$ 331,332
Additions resulting from adoption of IFRS 16	—	33,411	—	—	—
Additions	7,158	1,708	7,694	—	—
Additions through business acquisitions	400	—	5,046	1,200	4,948
Disposals and write-off	(1,030)	—	—	—	—
Depreciation of property and equipment	(10,866)	—	—	—	—
Depreciation of right-of-use assets on leases	—	(5,618)	—	—	—
Amortization of intangible assets	—	—	(23,207)	—	—
Foreign exchange differences	(256)	(41)	562	—	1,784
Net book amount as at March 31, 2020	$ 45,732	$ 29,460	$ 54,490	$ 272,910	$ 338,064
Six-month period ended September 30, 2020					
Net book amount as at March 31, 2020	$ 45,732	$ 29,460	$ 54,490	$ 272,910	$ 338,064
Additions	2,744	1,799	3,969	78	—
Additions through business acquisition	1,765	—	2,721	—	2,947
Disposals and write-off	(548)	(224)	—	—	—
Depreciation of property and equipment	(5,368)	—	—	—	—
Depreciation of right-of-use assets on leases	—	(2,856)	—	—	—
Amortization of intangible assets	—	—	(10,598)	—	—
Foreign exchange differences	103	44	(25)	—	239
Net book amount as at September 30, 2020	$ 44,428	$ 28,223	$ 50,557	$ 272,988	$ 341,250

10. CREDIT FACILITY

The table below is a summary of the credit facility at September 30, 2020:

	Total available	Drawn	Letters of credit	Net available
Committed credit facilities				
Revolving facility	$ 230,000	$ 156,901	$ 9,816	$ 63,283
Term facility	143,750	143,750	—	—
Total committed credit facilities	$ 373,750	$ 300,651	$ 9,816	$ 63,283
Less: unamortized deferred financing fees		(1,290)		
Balance, end of period		$ 299,361		
Current portion		$ 34,736		
Non-current portion		$ 264,625		

As at September 30, 2020, letters of credit amounting to $9,816 (2019 – $750) reduced the availability on the revolving facility.

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

On May 29, 2020, the Corporation secured an additional term loan of $20,000, with a maturity date of May 29, 2021.

The Corporation is required to make consecutive quarterly capital repayments of 2.50% of the initial drawdown amount of $150,000 of its term facility. Additionally, the Corporation must make an annual capital repayment, equivalent to 50% of the excess cash flow, defined in the credit facility agreement, if a certain financial covenant target is not met. The remaining capital balance will be payable on maturity date, on October 25, 2021.

Minimum capital repayments to be made by the Corporation on the term facility in the forthcoming years are as follows:

		Capital repayments
2021		35,000
2022		108,750
	$	143,750

11. LEASE LIABILITIES

The following table presents a summary of the activity related to the lease liabilities of the Corporation for the three-month and six-month periods ended September 30, 2020:

	3 months				6 months			
		September 30, 2020		September 30, 2019		September 30, 2020		September 30, 2019
Lease liabilities, beginning of period	**$**	**29,820**	**$**	**33,852**	**$**	**30,853**	**$**	**—**
Additions resulting from adoption of IFRS 16		—		—		—		34,048
Additions		1,393		110		1,799		1,044
Payment of lease liabilities, including related interest		(1,846)		(1,511)		(3,449)		(3,024)
Reassessment of the lease term		(8)		—		(256)		—
Interest expense on lease liabilities (note 7)		403		433		792		850
Foreign exchange differences		22		(42)		45		(76)
Lease liabilities, end of period	**$**	**29,784**	**$**	**32,842**	**$**	**29,784**	**$**	**32,842**

Lease liabilities included in the Interim Consolidated Statements of Financial Position as at September 30, 2020 and March 31, 2020		**September 30, 2020**		**March 31, 2020**
Current portion	$	5,175	$	4,517
Non-current portion	$	24,609	$	26,336
	$	**29,784**	**$**	**30,853**

The following table presents the maturity analysis of contractual undiscounted cashflows related to the lease liabilities of the Corporation as of September 30, 2020:

Less than one year	$	6,373
One to five years		17,717
More than five years		12,499
Total undiscounted lease liabilities as at September 30, 2020	**$**	**36,589**

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

12. OTHER LIABILITIES

	Note	September 30, 2020	March 31, 2020
CRTC tangible benefits		$ 27,379	$ 26,694
Settlement payable		8,933	9,316
Contingent consideration		17,310	17,831
Balance payable on business acquisitions		5,848	784
Accrued pension benefit liability		5,882	6,139
Derivative financial instruments	15	18,395	18,698
Other		1,579	1,819
		85,326	81,281
Current portion		(30,403)	(16,672)
		$ 54,923	$ 64,609

13. 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, 2020		
Subordinate voting shares and variable subordinate voting shares		
As at March 31, 2019	58,296,405	$ 319,488
Exercise of stock options	275,000	1,517
Repurchased and cancelled	(2,957,799)	(16,823)
Purchased and held in trust through employee share purchase plan	(5,650)	(42)
As at March 31, 2020	55,607,956	$ 304,140
Multiple voting shares		
As at March 31, 2019 and 2020	17,941,498	18,226
	73,549,454	$ 322,366

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

Six-month period ended September 30, 2020			
Subordinate voting shares and variable subordinate voting shares			
As at March 31, 2020	55,607,956	$	304,140
Exercise of stock options	14,035		55
Repurchased through share repurchase program and cancelled	(20,000)		(114)
Purchased and held in trust through employee share purchase plan	(26,293)		(152)
As at September 30, 2020	55,575,698	$	303,929
Multiple voting shares			
As at March 31, 2020 and September 30, 2020	17,941,498		18,226
	73,517,196	$	322,155

Transactions for the six-month period ended September 30, 2020

During the period, 14,035 stock options were exercised and consequently, the Corporation issued 14,035 subordinate voting shares. The proceeds amounted to $32. An amount of $23 of contributed surplus related to those stock options was transferred to the subordinate voting shares' account balance.

On August 4, 2020, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend of $5,518 was paid on September 14, 2020.

On May 20, 2020, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend of $5,518 was paid on June 15, 2020.

Share repurchase program

On September 23, 2020, the Toronto Stock Exchange (the "TSX") approved the implementation of a share repurchase program, which took effect on September 29, 2020. This program allows the Corporation to repurchase up to an aggregate 3,485,155 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 21, 2020. In accordance with TSX requirements, the Corporation is entitled to purchase, on any trading day, up to a total of 32,265 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 24, 2021.

The following table summarizes the Corporation's share repurchase activities during the three period ended September 30, 2020:

Subordinate voting shares repurchased for cancellation *(unit)*		20,000
Average price per share	$	5.5537
Total repurchase cost	$	111
Repurchase resulting in a reduction of:		
Share capital	$	114
Retained earnings [(1)]	$	(3)

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

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

14. SUPPLEMENTAL CASH FLOW INFORMATION

	3 months		6 months	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Trade and other receivables	$ 378	$ 3,265	$ 9,087	$ (2,381)
Inventories	497	(1,428)	(302)	(1,138)
Other current assets	(484)	1,615	1,134	1,869
Other non-current assets	59	(1,533)	141	(1,737)
Accounts payable and accrued liabilities	(4,416)	(6,865)	(2,173)	(1,988)
Deferred revenues	76	(479)	190	(552)
Income taxes payable	(2,224)	(310)	(2,006)	(587)
Other liabilities	(416)	(408)	(1,189)	(1,757)
	$ (6,530)	$ (6,143)	$ 4,882	$ (8,271)

15. 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, 2020. 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 revolving facility approximates its carrying value as it bears interest at prime or banker’s acceptance rates plus a credit spread, which approximate current rates that could be obtained for debts with similar terms and credit risk. The 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.

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

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

As at September 30, 2020	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 10,906				
Trade and other receivables	62,222				
Financial assets measured at fair value					
Investments	$ 22,195	$ 22,195	$ —	$ —	$ 22,195
Financial liabilities measured at amortized cost					
Credit facility	$ 299,361				
Subordinated debt	39,690				
Accounts payable and accrued liabilities	62,130				
CRTC tangible benefits and post-employment benefit obligations	33,261				
Balance payable on business acquisitions	5,848				
Settlement payable	8,933				
Financial liabilities measured at fair value					
Contingent consideration	$ 17,310	$ 17,310	$ —	$ —	$ 17,310
Derivative financial instruments	18,395	18,395	—	18,395	—

As at March 31, 2020	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,512				
Trade and other receivables	68,620				
Financial assets measured at fair value					
Investments	$ 23,548	$ 23,548	$ —	$ —	$ 23,548
Financial liabilities measured at amortized cost					
Credit facility	$ 324,123				
Subordinated debt	39,640				
Accounts payable and accrued liabilities	58,085				
CRTC tangible benefits and post-employment benefit obligations	32,833				
Balance payable on business acquisitions	784				
Settlement payable	9,316				
Financial liabilities measured at fair value					
Contingent consideration	$ 17,831	$ 17,831	$ —	$ —	$ 17,831
Derivative financial instruments	18,698	18,698	—	18,698	—

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

Fair value measurement (Level 3):

	Investments	Contingent consideration
Six-month period ended September 30, 2019		
Opening amount as at March 31, 2019	$ 16,998	$ 12,430
Change in fair value	(145)	100
Settlements	—	(3,459)
Closing amount as at September 30, 2019	$ 16,853	$ 9,071
Six-month period September 30, 2020		
Opening amount as at March 31, 2020	$ 23,548	$ 17,831
Additions through business acquisition	—	2,197
Change in fair value	(1,353)	582
Settlements	—	(3,300)
Closing amount as at September 30, 2020	$ 22,195	$ 17,310

There were no changes in the valuation techniques for the contingent consideration and investments during the six-month periods ended September 30, 2020 and 2019.

DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation use derivative financial instruments to manage its interest rate risk on its credit facility. These include interest rate swaps and swaptions.

The table below summarize the interest rate contracts effective as at September 30, 2020:

Maturity	Currency	Fixed interest rate (when applicable)	Initial nominal value	Mark-to-market liabilities as at September 30, 2020
Swaps				
October 25, 2024	CAD	0.81%	$ 50,000	$ 2,221
October 25, 2024	CAD	1.33%	50,000	1,208
October 25, 2024	CAD	2.19%	50,000	890
October 25, 2024	CAD	2.29%	50,000	2,982
August 29, 2029	CAD	1.73%	40,000	2,285
August 31, 2029	CAD	1.73%	60,000	3,343
			300,000	12,929
Swaptions				
October 25, 2024	CAD	—	100,000	2,680
October 25, 2024	CAD	—	100,000	3,501
			$ 200,000	$ 6,181
				$ 19,110

The Corporation also use derivative financial instruments to manage its currency risk. The table below summarize the foreign exchange forward contracts effective as at September 30, 2020:

Maturity	Type	Contract exchange rate	Contractual amount	Mark-to-market assets as at September 30, 2020
0 to 12 months	USD Sale	1.3909	$ 12,000	$ (715)

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

INVESTMENTS

The Corporation has two equity instruments in private entities:

AppDirect

The fair value of the equity instrument in a private entity, AppDirect, was estimated using the market approach.

For the three-month and six-month periods ended September 30, 2020 and 2019, the fair value has been measured by using the equity price from the latest external significant equity financing transaction, minus a liquidity discount of 15% (2019 – 25%). During the three-month period ended December 31, 2019, the Corporation revaluated the fair value of its investment. The fair value was measured by using the latest external equity transaction, minus a liquidity discount of 15%. The liquidity discount was used to reflect the marketability of the asset. Since Q3 2020, there has been no change in the discount. In measuring fair value, management used the best information available in the circumstances and also an approach that it believes market participants would use. The only change in the fair value of this instrument during the six-month period was the impact of the foreign exchange as there were no external equity financing transactions or no other indicators of significant changes that could affect the fair value of the investment.

The equity instrument in a private entity is classified as a financial asset at fair value through profit and loss.

The fair value of the investment as at September 30, 2020 was $21,295 (March 31, 2020 – $22,648).

Nextologies

The fair value of the equity instrument in a private entity, Nextologies, was estimated using a market comparison technique. The valuation model is based on market multiples derived from quoted price of companies comparable to the investment and the expected EBITDA on the investment.

The equity instrument in a private entity is classified as a financial asset at fair value through profit and loss.

The fair value of the investment as at September 30, 2020 and March 31, 2020 was $900.

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 12). The change in fair value is recognized in net finance expense (income) (Note 7).

(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 International Financial Reporting 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, 2020.

The interim consolidated financial statements were authorized for issue by the Board of Directors on November 4, 2020.

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, 2020.

c) **Functional and presentation currency:**

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

stingray.com