



Management's discussion and analysis

Fiscal 2025

For the six-month period
ended September 30, 2024

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BASIS OF PREPARATION AND FORWARD-LOOKING STATEMENTS

The following is the Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Stingray Group Inc., ("Stingray" or "the Corporation"), and should be read in conjunction with the Corporation's unaudited interim consolidated financial statements and accompanying notes for three-month and six-month periods ended September 30, 2024 and 2023, and with the most recent audited consolidated financial statements and MD&A for the year ended March 31, 2024. This MD&A reflects information available to the Corporation as at November 5, 2024. Additional information relating to the Corporation is also available on SEDAR at www.sedar.com. The auditors of the Corporation have not performed a review of the interim financial report for the three-month and six-month periods ended September 30, 2024 and 2023.

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

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include but are not limited to the risk factors disclosed in the Annual Information Form for the year ended March 31, 2024 available on SEDAR.

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

OVERVIEW

Stingray (TSX: RAY.A; RAY.B), a global music, media, and technology company, is an industry leader in TV broadcasting, streaming, radio, business services, and advertising. Stingray provides an array of music, digital, and advertising services to enterprise brands worldwide, including audio and video channels, over 100 radio stations, subscription video-on-demand content, FAST channels, karaoke products and music apps, and in-car and on-board infotainment content. Stingray Business, a division of Stingray, provides commercial solutions in music, in-store advertising solutions, digital signage, and AI-driven consumer insights and feedback. Stingray Advertising is North America's largest retail audio advertising network, delivering digital audio messaging to more than 30,000 major retail locations. Stingray has over 1,000 employees worldwide and reaches 540 million consumers in 160 countries. For more information, visit www.stingray.com

KEY PERFORMANCE INDICATORS

For the three-month period ended September 30, 2024 ("Q2 2025"):

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

FINANCIAL AND BUSINESS HIGHLIGHTS

Highlights of the second quarter ended September 30, 2024:

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

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

Note:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Business Highlights:

- On November 5, 2024, the Corporation declared a dividend of \$0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around December 13, 2024 to shareholders on record as of November 29, 2024.
- On October 21, 2024, the Corporation announced the launch of eight new video channels — Stingray Naturescape, Stingray Holidayscapes, ZenLIFE by Stingray, Qello Concerts by Stingray, Stingray Classica, Stingray CMusic, Stingray DJAZZ, and Ultimate Trivia by Stingray — on the DTS AutoStage Video Service Powered by TiVo. This strategic expansion is set to transform in-car entertainment by offering a diverse array of premium content to a wide range of vehicles in the current product portfolio of the BMW Group, providing a cohesive and comprehensive solution that caters to the evolving needs of modern car owners, drivers, and passengers.
- On October 1, 2024, the Corporation announced the launch of the Stingray Karaoke app on VIZIO. Starting today, karaoke fans can access an extensive library of over 100,000 licensed songs directly through the Stingray Karaoke app available on millions of VIZIO Smart TVs.
- On September 25, 2024, the Corporation announced that the Toronto Stock Exchange (“TSX”) has approved the renewal of its normal course issuer bid (“NCIB”), authorizing Stingray to repurchase up to an aggregate 3,542,716 subordinate voting shares and variable subordinate voting shares (collectively, “Subordinate Shares”), representing approximately 10% of the “public float” (as defined in the TSX Company Manual) of Subordinate Shares as at September 13, 2024.
- On September 19, 2024, the Corporation announced the launch of two new free ad-supported TV channels, Stingray Naturescape and ZenLIFE, on Amazon Fire TV Channels. These channels are designed to bring tranquility and wellness into the homes of viewers worldwide, with additional videos also available on ad-supported video on demand (AVOD) on the platform.
- On September 17, 2024, the Corporation announced the launch of Stingray Karaoke in Ford Motor Company’s vehicles. Starting with the all-electric F-150® Lightning® and Mustang Mach-E and coming soon to vehicles with the Ford and Lincoln Digital Experience. This will be the first time karaoke is available for Ford owners to use and enjoy inside the vehicle while parked and on the go.
- On September 16, 2024, the Corporation announced the launch of Stingray Karaoke in NIO’s smart electric vehicles across European territories. This exciting new feature will be available in all NIO cars sold in Europe over the next two years, with each vehicle enjoying three years of complimentary karaoke service.
- On August 6, 2024, the Corporation declared a dividend of \$0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around September 13, 2024 to shareholders on record as of August 30, 2024.
- On July 17, 2024, the Corporation announced the launch of two free ad-supported TV channels, Qello Concerts by Stingray and ZenLIFE by Stingray, on Amazon Freevee.
- On July 9, 2024, the Corporation announced the acquisition of The Coda Collection, a premier music-focused streaming platform. This strategic move solidifies Stingray’s position as the leading provider of concert streaming on the world’s most popular platforms.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(in thousands of Canadian dollars, except per share amounts)	3 months				6 months			
	Sept. 30, 2024		Sept. 30, 2023		Sept. 30, 2024		Sept. 30, 2023	
	Q2 2025		Q2 2024		YTD 2025		YTD 2024	
	\$	% of revenues						
Revenues	93,585	100.0 %	82,493	100.0 %	182,655	100.0 %	161,485	100.0 %
Operating expenses	61,460	65.7 %	53,685	65.1 %	120,426	65.9 %	103,305	64.0 %
Depreciation, amortization and write-off	7,306	7.8 %	8,253	10.0 %	14,642	8.0 %	16,156	10.0 %
Net finance expense (income) ⁽¹⁾	12,162	13.0 %	5,582	6.8 %	21,261	11.6 %	9,988	6.2 %
Change in fair value of investments	29	0.0 %	(86)	(0.1) %	(13)	0.0 %	21	0.0 %
Share of results of investments in associates	1,827	2.0 %	1,011	1.2 %	3,879	2.1 %	1,011	0.6 %
Acquisition, legal, restructuring and other expenses	2,531	2.7 %	1,192	1.4 %	3,372	1.8 %	(1,708)	(1.1) %
Income before income taxes	8,270	8.8 %	12,856	15.6 %	19,088	10.6 %	32,712	20.4 %
Income taxes	2,457	2.6 %	3,467	4.2 %	5,980	3.4 %	9,205	5.7 %
Net income	5,813	6.2 %	9,389	11.4 %	13,108	7.2 %	23,507	14.6 %
Adjusted EBITDA⁽²⁾	33,994	36.3 %	29,518	35.8 %	65,064	35.6 %	57,784	35.8 %
Adjusted Net income⁽²⁾	16,729	17.9 %	14,554	17.6 %	30,662	16.8 %	26,447	16.4 %
Cash flow from operating activities	19,183	20.5 %	19,101	23.2 %	29,933	16.4 %	43,361	26.9 %
Adjusted free cash flow⁽²⁾⁽³⁾	21,103	22.5 %	14,567	17.7 %	36,565	20.0 %	33,024	20.5 %
Net debt⁽²⁾	367,490	–	390,462	–	367,490	–	390,462	–
Net debt to Pro Forma Adjusted EBITDA⁽²⁾	2.72x	–	3.19x	–	2.72x	–	3.19x	–
Net income per share basic and diluted	0.08	–	0.14	–	0.19	–	0.34	–
Adjusted Net income per share basic ⁽²⁾	0.24	–	0.21	–	0.45	–	0.38	–
Adjusted Net income per share diluted ⁽²⁾	0.24	–	0.21	–	0.44	–	0.38	–
Cash flow from operating activities per share basic ⁽²⁾	0.28	–	0.28	–	0.44	–	0.63	–
Cash flow from operating activities per share diluted ⁽²⁾	0.28	–	0.28	–	0.43	–	0.62	–
Adjusted free cashflow per share basic and diluted ⁽²⁾⁽³⁾	0.31	–	0.21	–	0.53	–	0.48	–
Revenues by segment								
Broadcasting and Commercial Music	60,895	65.1 %	49,815	60.4 %	117,740	64.5 %	97,003	60.1 %
Radio	32,690	34.9 %	32,678	39.6 %	64,915	35.5 %	64,482	39.9 %
Revenues	93,595	100.0 %	82,493	100.0 %	182,655	100.0 %	161,485	100.0 %
Revenues by geography								
Canada	48,942	52.3 %	48,429	58.8 %	97,956	53.6 %	95,710	59.2 %
United States	32,889	35.1 %	21,571	26.1 %	60,841	33.3 %	40,650	25.2 %
Other Countries	11,754	12.6 %	12,493	15.1 %	23,858	13.1 %	25,125	15.6 %
Revenues	93,585	100.0 %	82,493	100.0 %	182,655	100.0 %	161,485	100.0 %

Notes:

- (1) Interest paid during the Q2 2025 was \$6.4 million (Q2 2024; \$7.1 million). Interest paid for YTD Q2 2025 was \$12.3 million (YTD Q2 2024; \$12.7 million).
- (2) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.
- (3) A non-material adjustment was made to Q4 2024, Q3 2024 and Q2 2024 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from \$15.3 million (0.22 per share) to \$15.6 million (0.23 per share), Q3 2024; from \$32.7 million (0.47 per share) to \$32.1 million (0.47 per share) and Q2 2024; from \$15.6 million (0.22 per share) to \$14.6 million (0.21 per share).

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES

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

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

Adjusted EBITDA

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

Adjusted EBITDA margin

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

Adjusted free cash flow

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

Adjusted free cash flow per share

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

Cash flow from operating activities per share

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

Adjusted Net income

Adjusted Net income is a non-IFRS measure used by management to assess performance of the Corporation as it provides meaningful performance results and facilitates period-to-period comparisons. The Corporation believes Adjusted Net income is useful to investors because it helps identify underlying trends in our business that could otherwise be masked by certain write-offs, charges, income or recoveries that can vary from period to period. The Corporation believes that Adjusted Net

income is an important measure as it shows stable results which allows users of the financial statements to better assess the trend in the profitability of the business. It is calculated by excluding from the Net income unrealized gains or losses on derivative financial instruments, amortization from intangible assets, gains or losses from the change in fair value of investments, share-based compensation, performance and deferred share unit expense, acquisition, legal, restructuring and other expenses, including one time settlement and shared results in joint venture, as well as the tax impact of these adjustments. Refer to section “Non-IFRS measures reconciliations” of this MD&A for a reconciliation of this measure to the most directly comparable measure under IFRS.

Adjusted Net income per share

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

LTM Adjusted EBITDA

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

Pro Forma Adjusted EBITDA

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

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

Net debt

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

Net debt to Pro Forma Adjusted EBITDA ratio

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

NON-IFRS MEASURES RECONCILIATIONS

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

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

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

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

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

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

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

(in thousands of Canadian dollars)	September 30, 2024	September 30, 2023	March 31, 2024
Credit facilities	350,500	374,573	338,712
Subordinated debt	25,583	25,593	25,579
Cash and cash equivalents	(8,593)	(9,704)	(9,606)
Net debt	367,490	390,462	354,685
Net debt to Pro Forma Adjusted EBITDA	2.72	3.19	2.76

Note:

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

FINANCIAL RESULTS FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

CONSOLIDATED PERFORMANCE

Revenues

Revenues are detailed as follows:

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

Global

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

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

Canada

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

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

United States

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

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

Other Countries

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

Operating expenses

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

Adjusted EBITDA⁽¹⁾

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

Depreciation, amortization and write off

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

Net finance expense

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

Acquisition, legal, restructuring and other expenses

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

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

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

Note:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Income taxes

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

Net income and Net income per share

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

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

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

Adjusted Net income in Q2 2025 was \$16.7 million (\$0.24 per share), compared to \$14.6 million (\$0.21 per share) for Q2 2024. Cumulative Adjusted Net income for Fiscal 2025 was \$30.7 million (\$0.44 per share), compared to \$26.4 million (\$0.38 per share) for cumulative Fiscal 2024. Both increases were primarily due to higher operating results, partially offset by a foreign exchange loss.

Note:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

BUSINESS SEGMENT PERFORMANCE

BROADCASTING AND COMMERCIAL MUSIC

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

Revenues

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

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

Adjusted EBITDA⁽¹⁾

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

RADIO

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

Revenues

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

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

Adjusted EBITDA⁽¹⁾

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

Note:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

CORPORATE

(in thousands of Canadian dollars)	3 months			6 months		
	Q2 2025	Q2 2024	% Change	YTD 2025	YTD 2024	% Change
Operating expenses	3,866	2,122	82.2	6,644	2,595	156.0
<i>Adjust:</i>						
Share-based compensation	(106)	(120)	(11.7)	(236)	(221)	6.8
Performance and deferred share unit expense	(1,763)	(590)	198.8	(2,599)	617	(521.2)
Adjusted EBITDA⁽¹⁾	(1,997)	(1,412)	41.4	(3,809)	(2,991)	27.4

Adjusted EBITDA⁽¹⁾

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

Note:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Quarterly results

Revenues fluctuated over the last eight quarters from \$89.2 million in the third quarter of Fiscal 2023 to \$93.6 million in the second quarter of Fiscal 2025. These fluctuations, largely driven by the cyclical nature of the Corporation's business, were also influenced by several other factors. The decrease in Q4 2023 was mainly due to normal business seasonality. The increase in Q1 2024 was mostly due to higher Radio revenues, mainly offset by the decrease in retail media advertising and In-store commercial revenues. The increase in Q2 2024 was largely due to an increase in retail media advertising revenues. The increase in Q3 2024 and decrease in Q4 2024 were mostly due to normal business seasonality. The increase in Q1 2025 was mostly due to higher Radio revenues, and to an increase in equipment and installation sales related to digital signage. The increase in Q2 2025 was mainly due to higher FAST channel revenues and to an increase in equipment and installation sales related to digital signage.

Adjusted EBITDA⁽¹⁾ fluctuated over the last eight quarters from \$34.5 million in the third quarter of Fiscal 2023 to \$34.0 million in the second quarter of Fiscal 2025. The decrease in Q4 2023 was mainly due to normal business seasonality. The increase in Q1 2024 was mostly due to a decrease in operating expenses due to cost-saving initiatives implemented. The increase in Q2 2024 was due to higher gross margin from higher revenues. The increase in Q3 2024 and the decrease in Q4 2024 were mainly due to normal business seasonality. The increase in Q1 2025 was due to higher gross margin from higher revenues. The increase in Q2 2025 was largely due to higher revenues.

Net income (loss) fluctuated over the last eight quarters from a Net income of \$12.9 million in the third quarter of Fiscal 2023 to a Net income of \$5.8 million in the second quarter of Fiscal 2025. The decrease in Q4 2023 was mainly due to lower operating results, to higher restructuring and other costs and to higher performance and deferred share unit expense, partially offset by lower income tax expense. In Q1 2024, the increase was mainly due to a one-time settlement gain on a trademark dispute, to lower restructuring and other costs, to a higher unrealized gain on derivative instruments and to a lower performance and deferred share unit expense, partially offset by higher income tax expense and gain related to the change in fair value of contingent consideration. In Q2 2024, the decrease was mainly due to a one-time settlement gain on a trademark dispute in comparative periods, partially offset by an unrealized gain on derivative financial instruments and by lower income tax expense. In Q3 2024, the decrease was mainly due to an unrealized loss on derivative financial instruments and to a foreign exchange loss, partially offset by higher operating results. In Q4 2024, the decrease was largely due to the impairment of goodwill in the Radio segment. In Q1 2025, the increase was largely due to the impairment of goodwill in the Radio segment in the previous quarter. In Q2 2025, the decrease was mainly due to a higher loss on the fair value of derivative financial instruments and to higher restructuring and other expenses, partially offset by higher operating results.

Note:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

Summary of Consolidated Quarterly Results

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

Notes:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.
- (2) A non-material adjustment was made to Q4 2024, Q3 2024, Q2 2024, Q4 2023 and Q3 2023 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from \$15.3 million (0.22 per share) to \$15.6 million (0.23 per share), Q3 2024; from \$32.7 million (0.47 per share) to \$32.1 million (0.47 per share), Q2 2024; from \$15.6 million (0.22 per share) to \$14.6 million (0.21 per share), Q4 2023; from \$14.9 million (0.21 per share) to \$14.6 million (0.21 per share), and Q3 2023; from \$18.1 million (0.27 per share) to \$18.2 million (0.27 per share).

Reconciliation of Quarterly Non-IFRS Measures

Adjusted EBITDA, Pro Forma Adjusted EBITDA, LTM Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income, Adjusted Net income per share, Adjusted free cash flow, Adjusted free cash flow per share, Net debt and Net debt to Pro Forma Adjusted EBITDA ratio are non-IFRS measures that the Corporation uses to assess its financial performance. Refer to “Supplemental information on Non-IFRS Measures” on page 6.

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

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

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

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

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

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

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

Note:

- (1) A non-material adjustment was made to Q4 2024, Q3 2024, Q2 2024, Q4 2023 and Q3 2023 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from \$15.3 million (0.22 per share) to \$15.6 million (0.23 per share), Q3 2024; from \$32.7 million (0.47 per share) to \$32.1 million (0.47 per share), Q2 2024; from \$15.6 million (0.22 per share) to \$14.6 million (0.21 per share), Q4 2023; from \$14.9 million (0.21 per share) to \$14.6 million (0.21 per share), and Q3 2023; from \$18.1 million (0.27 per share) to \$18.2 million (0.27 per share).

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

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

Operating Activities

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

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

Financing Activities

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

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

Investing Activities

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

Adjusted free cash flow⁽¹⁾

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

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

Notes:

- (1) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.
- (2) A non-material adjustment was made to Q4 2024, Q3 2024 and Q2 2024 adjusted free cash flow figures. This adjustment was necessary due to an element being double counted in the initial calculation. The effect on the adjusted free cash flow previously recorded in Q4 2024; from \$15.3 million (0.22 per share) to \$15.6 million (0.23 per share), Q3 2024; from \$32.7 million (0.47 per share) to \$32.1 million (0.47 per share) and Q2 2024; from \$15.6 million (0.22 per share) to \$14.6 million (0.21 per share). Adjusted free cash flow per share are for basic and diluted shares.

CONSOLIDATED FINANCIAL POSITION AND CAPITAL RESOURCES

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

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

Capital Resources

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

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

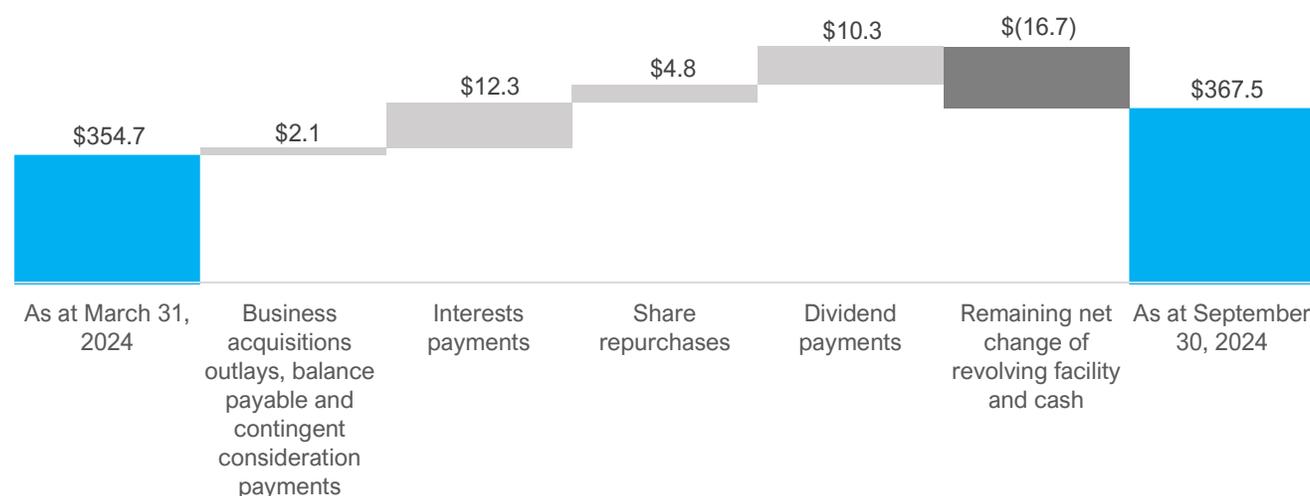
The Corporation is required to make consecutive quarterly capital repayments of 2.50% of the initial drawdown of the term loan. The remaining capital balance will be payable on maturity date, on October 15, 2027.

The credit facilities bear interest at (a) the bank's prime rate (6.45% and 7.20% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or US base rate if denominated in US dollars (9.00% and 9.25% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (b) CORRA (4.62% and 5.73% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (c) SOFR (5.35% and 5.43% as at September 30, 2024 and 2023, respectively) plus an applicable margin based on a financial covenant, or (d) EURIBOR (3.59% and 3.63% as at September 30, 2024 and 2023, respectively) at the Corporation's option. In addition, the Corporation incurs standby fees based on a financial covenant, on the unused portion of the credit facilities (0.37% as at September 30, 2024 and 0.40% as at September 30, 2023).

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

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

Movement in Net debt⁽¹⁾⁽²⁾



Notes:

(1) In millions of Canadian dollars

(2) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on page 6 for more information on each non-IFRS measure and for reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures Reconciliations" on page 8 and "Reconciliation of Quarterly Non-IFRS Measures" on page 17.

SOCAN and Re:Sound legal proceedings

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

Contractual Obligations

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

Transactions Between Related Parties

The key management personnel of the Corporation are the Chief Executive Officer, Chief Financial Officer and certain other key employees of the Corporation. There have been no material changes to the nature or importance of the transactions between related parties since March 31, 2024.

Off-Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

Issued and outstanding shares and outstanding stock options consisted of:

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

The Corporation has a stock option plan to attract and retain employees, directors, officers and consultants. The plan provides for the granting of options to purchase subordinate voting shares. Under this plan, 10% of all multiple voting shares, subordinate voting shares and variable subordinate voting shares issued and outstanding on a non-diluted basis is reserved for issuance. During the first six months of Fiscal 2025, 146,627 options were exercised, no options were cancelled nor granted to eligible employees.

Financial Risk Factors

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

Risk Factors

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

Future Accounting Changes

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

Evaluation of Disclosure Controls and Procedures

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

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

As at September 30, 2024, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Corporation’s DC&P. Based on this evaluation, the CEO and the CFO concluded that the Corporation’s DC&P were appropriately designed and were operating effectively as at September 30, 2024.

As at September 30, 2024, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of the ICFR based on the 2013 COSO Framework. Based on this evaluation, they have concluded that the Corporation’s ICFR were effective as at September 30, 2024.

There have been no changes in the Corporation’s internal control over financial reporting that occurred during the period that have materially affected, or are likely to materially affect, the Corporation’s ICFR.

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

Subsequent Events

Dividend

On November 5, 2024, the Corporation declared a dividend of \$0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around December 13, 2024, to shareholders on record as of November 29, 2024.

Additional Information

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

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