ZOOMERMEDIA

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ZOOMERMEDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

August 31, 2023 and 2022

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BDO Canada LLP
222 Bay Street
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Independent Auditor's Report

To the Shareholders of ZoomerMedia Limited

Opinion

We have audited the consolidated financial statements of ZoomerMedia Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at August 31, 2023 and 2022, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at August 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business Combinations - Acquisitions of Buzz Connected Media Inc. and The Peak Media Collective Inc.

During the year ended August 31, 2023, the Group completed an acquisition of Buzz Connected Media Inc. for aggregated consideration of approximately $12 million. Additionally, the Group completed an acquisition of The Peak Media Collective Inc. for aggregated consideration of approximately $5 million.

The above mentioned business combinations were determined to be a key audit matter requiring special audit consideration given there are significant estimates and judgement over the measurement of the transaction price as well as the determination of the allocation of the transaction price to the acquired assets and liabilities based on their respective fair values.

Please refer to Notes 3(l), 3(t), 3(u) and 4 to the consolidated financial statements for details on the Company's business acquisitions during the year.

Our audit procedures included, but were not limited to, the following:

- We reviewed the Share Purchase Agreement ("SPA") for the acquisitions, assessed management's estimates of the measurement of the transaction price, including the fair value allocation to the assets and liabilities acquired in each acquisition.
- We utilized our valuation specialists to assist in the assessment of the reasonableness of management's valuation methodology as well as the significant assumptions used in the allocation to various individual identifiable intangible assets, including evaluating the estimates surrounding discount rates, forecast growth and terminal growth rates where applicable.
- We assessed management's assumptions about future cash flows in light of historical results and projected future economic market conditions, and considered the likelihood of reasonably possible movements in those key assumptions in the context of the scope and size of the acquisitions.

Impairment of Radio CGU

As discussed in Note 3 to the consolidated financial statements, impairment of long-lived and intangible assets is assessed when there may be indicators of impairment.

Impairment indicators were identified for the Radio CGU, and as such, management applied the fair value less cost to sell model ("FVLCS") using the income approach to assess the net recoverable amount of the Radio CGU. Based on the impairment test performed, the carrying amount of the Radio CGU was determined to be higher than the recoverable amount, and as a result, $350 thousand of impairment was recognized. Key assumptions used by management in the FVLCS model included the use of forecasts and discount rates. Please refer to Note 6 to the consolidated financial statements for additional details.

Auditing management's impairment test for the Radio CGU involved significant auditor attention because there is significant judgement required in determining the fair value of the CGU.

Our audit procedures included, but were not limited to, the following:

- Tested how management determined the recoverable amount of the Radio CGU, including:
  - Tested the appropriateness of the model and approach used.
  - Tested the underlying data used in recoverable amount calculation, including review of historical performance, review of comparable market data to evaluate the reasonability of management's inputs and estimate.
- Performed sensitivity analysis on significant assumptions to evaluate the changes in the net recoverable amount of the Radio CGU that would result from changes in the assumptions.
- Tested the disclosures on assumptions and the outcomes of the impairment testing, including the sensitivity analysis presented in the consolidated financial statements.
- Our audit approach involved the assistance of our internal valuation professionals.

Other Information

Management is responsible for the other information. The other information comprises the information, included in Management Discussion and Analysis for the year ended August 31, 2023 and 2022.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Braham Moondi.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
November 30, 2023

ZOOMERMEDIA LIMITED

Consolidated Statements of Financial Position as at

(expressed in Canadian dollars)	August 31, 2023	August 31, 2022
ASSETS		
Current assets		
Cash	$ 4,436,502	$ 11,067,126
Short-term investments (Note 5)	6,467,980	9,789,129
Trade and other receivables (Note 17)	11,724,443	9,024,013
Prepaid expenses	1,279,999	1,332,111
Income tax receivable	26,025	2,035,311
	23,934,949	33,247,690
Non-current assets		
Property and equipment (Note 6)	3,373,688	3,649,469
Right-of-use assets (Note 7)	19,291,261	20,012,861
Deferred tax assets (Note 11)	2,686,339	2,355,384
Intangible assets (Note 8)	26,864,288	19,844,513
Goodwill (Note 8)	27,074,031	12,905,409
Other non-current assets	580,017	437,348
TOTAL ASSETS	$ 103,804,573	$ 92,452,674
LIABILITIES		
Current liabilities		
Trade and other payables	$ 3,964,956	$ 4,789,422
Current portion of contract liabilities (Note 9)	2,897,608	3,505,051
Income tax payable	503,128	—
Current portion of lease liabilities (Note 7)	1,339,064	1,026,036
Program rights liabilities	3,889,715	2,149,210
	12,594,471	11,469,719
Non-current liabilities		
Contract liabilities (Note 9)	456,125	342,361
Deferred tax liabilities (Note 11)	3,628,937	1,751,166
Long-term lease liabilities (Note 7)	20,649,010	21,126,464
Loan payable and promissory notes (Notes 4, 10)	14,206,246	5,000,000
	51,534,789	39,689,710
EQUITY		
Equity attributable to owners of the parent		
Share capital (Note 12)	65,391,169	63,730,699
Contributed surplus	4,613,037	4,368,075
Deficit	(15,783,866)	(13,548,460)
	54,220,340	54,550,314
Non-controlling interest (Note 22)	(1,950,556)	(1,787,350)
Total equity	52,269,784	52,762,964
TOTAL LIABILITIES AND EQUITY	$ 103,804,573	$ 92,452,674

Commitments and contingent liabilities (Note 20)

APPROVED ON BEHALF OF THE BOARD:

signed	Director	*signed*	Director
Moses Znaimer		Peter Palframan	

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

ZOOMERMEDIA LIMITED

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the years ended August 31, 2023 and 2022

	Year ended August 31, 2023	Year ended August 31, 2022
Revenue	$ 63,352,782	$ 54,242,930
Operating expenses (Note 13)	56,321,028	44,899,081
Depreciation (Notes 6, 7)	2,718,196	2,405,185
Amortization of other intangible assets (Note 8)	2,014,851	1,459,146
Impairment of property and equipment (Note 6)	350,000	—
Operating income	1,948,707	5,479,518
Interest income	(137,323)	(129,710)
Interest expense	2,223,001	1,398,551
Net interest expense	2,085,678	1,268,841
Unrealized loss on equity instruments (Note 5)	95,500	406,994
Gain on sale of equity instruments (Note 5)	(275,420)	(973,903)
Loss on sale and write-off of property	1,719	—
	(178,201)	(566,909)
Net income before income taxes	41,230	4,777,586
Income tax expense (Note 11)	395,264	1,296,466
Net income (loss) and comprehensive income (loss) for the period	$ (354,034)	$ 3,481,120
Net income (loss) and comprehensive income (loss) attributed to:		
Owners of the parent	$ (190,828)	$ 3,244,990
Non-controlling interest (Note 22)	(163,206)	236,130
	$ (354,034)	$ 3,481,120
Net income (loss) per share (basic and diluted) (Note 14)	$ (0.00)	$ 0.00
Weighted average number of shares outstanding	681,112,394	661,376,561

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

ZOOMERMEDIA LIMITED

Consolidated Statements of Cash Flows
For the years ended August 31, 2023 and 2022

	Year ended August 31, 2023	Year ended August 31, 2022
Operating activities		
Net income (loss) for the period	$ (354,034)	$ 3,481,120
Add (deduct) non-cash items:		
Depreciation (Note 6)	858,457	824,516
Depreciation of right-of-use assets (Note 7)	1,859,739	1,580,669
Amortization of program rights (Note 8)	5,744,858	5,749,750
Amortization of other intangibles (Note 8)	2,014,851	1,459,146
Impairment of property and equipment (Note 6)	350,000	—
Stock-based compensation	267,272	340,505
Dividends accrued on short-term investments	(24,100)	(25,641)
Deferred income tax (recovery) expense (Note 11)	(487,408)	962,968
Unrealized loss on equity instruments (Note 5)	95,500	406,994
Change in other non-current assets	227,620	—
Interest expense on lease liabilities (Note 7)	1,270,114	1,246,468
Loss on sale of property	1,719	—
Gain on sale of equity instruments (Note 5)	(275,420)	(973,903)
Change in contract liabilities	(1,263,211)	(100,124)
Net change in non-cash working capital (Note 15)	190,189	(4,191,271)
	10,476,146	10,761,197
Purchase of program rights (Note 8)	(6,926,672)	(7,578,339)
Change in liabilities related to program rights	1,740,505	452,116
	(5,186,167)	(7,126,223)
	5,289,979	3,634,974
Investing activities		
Purchase of short-term investments	(2,728,178)	(13,019,838)
Proceeds from sale of short-term investments	6,229,247	20,568,965
Proceeds from sale of property, net (Note 6)	600	—
Additions to property and equipment (Note 6)	(874,220)	(805,112)
Purchase of other intangible assets (Note 8)	(118,180)	(67,200)
Acquisition of Fresh Daily, net of cash acquired (Note 4)	—	(10,050,492)
Acquisition of Buzz, net of cash acquired (Note 4)	(5,653,829)	—
Acquisition of Museland, net of cash acquired (Note 4)	(734,063)	—
Acquisition of The Peak, net of cash acquired (Note 4)	(3,499,723)	—
	(7,378,346)	(3,373,677)
Financing activities		
Issuance of shares under stock option plan	75,000	24,184
Repayment of lease liabilities (Note 7)	(2,572,679)	(2,257,974)
Payment of dividends	(2,044,578)	(3,635,733)
	(4,542,257)	(5,869,523)
Change in cash	(6,630,624)	(5,608,226)
Cash, beginning of period	11,067,126	16,675,352
Cash, end of period	$ 4,436,502	$ 11,067,126
Supplementary cash flow information:		
Equity instruments received (Note 5)	$ —	$ 125,000
Interest paid	2,223,001	1,398,551
Income taxes paid	753,838	2,992,005
Preferred shares issued on business combination (Note 4)	1,563,160	—

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

ZOOMERMEDIA LIMITED
Consolidated Statements of Changes in Equity
For the years ended August 31, 2023 and 2022

	Common Shares		Preference Shares		Contributed Surplus	Deficit	Non-controlling Interest	Total Shareholders' Equity
	#	$	#	$	$	$	$	$
Balance - September 1, 2021	273,163,297	24,892,540	387,879,129	38,787,913	4,053,632	(14,810,323)	(2,023,480)	50,900,282
Stock-based compensation	—	—	—	—	340,505	—	—	340,505
Exercise of stock options	483,667	50,246	—	—	(26,062)	—	—	24,184
Dividend declared	—	—	—	—	—	(1,983,127)	—	(1,983,127)
Net income and comprehensive income	—	—	—	—	—	3,244,990	236,130	3,481,120
Balance - August 31, 2022	273,646,964	24,942,786	387,879,129	38,787,913	4,368,075	(13,548,460)	(1,787,350)	52,762,964
Balance - September 1, 2022	273,646,964	24,942,786	387,879,129	38,787,913	4,368,075	(13,548,460)	(1,787,350)	52,762,964
Stock-based compensation	—	—	—	—	267,272	—	—	267,272
Exercise of stock options (Note 12)	1,500,000	97,310	—	—	(22,310)	—		75,000
Issuance of preference shares (Note 4)	—	—	20,000,000	1,563,160	—	—	—	1,563,160
Dividend declared (Note 12)	—	—	—	—	—	(2,044,578)	—	(2,044,578)
Net income (loss) and comprehensive income (loss)	—	—	—	—	—	(190,828)	(163,206)	(354,034)
Balance - August 31, 2023	275,146,964	25,040,096	407,879,129	40,351,073	4,613,037	(15,783,866)	(1,950,556)	52,269,784

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

1. NATURE OF OPERATIONS

ZoomerMedia Limited (the "**Company**" or "**ZoomerMedia**") is a multimedia company that serves the diversified "Zoomer" demographic through television, radio, magazine, internet, conferences, trade shows and digital platforms for local news and culture. ZoomerMedia's television properties include; Vision TV, a multi-cultural, multi-faith, family friendly specialty television service; ONE TV, offering fitness, healthy living and entertainment programs; JoyTV in Vancouver, Victoria, Surrey and the Fraser Valley, and FAITH TV in Winnipeg, both devoted to broadcasting Christian and local programming; and TVL Channel 5, a linear television channel guide available to Rogers households in Ontario and New Brunswick. ZoomerMedia's radio properties include CFMZ-FM Toronto - The New Classical 96.3FM, CFMX-FM Cobourg - The New Classical 103.1FM, CFMO-FM Collingwood - The New Classical 102.9FM, Canada's only commercial classical music radio stations serving the Greater Toronto Area (GTA), eastern Ontario and Collingwood, CFZM-AM 740 Toronto and CFZM-FM 96.7FM Toronto - Zoomer Radio, Toronto's "Timeless Hits" station. ZoomerMedia also publishes ZOOMER Magazine, the Company's flagship magazine that caters to the 45 plus market, On The Bay Magazine, a regional lifestyle magazine published quarterly for the 20 towns and villages of Southern Georgian Bay, Ontario, as well as the Tonic Magazine (**"Tonic"**), a regional health and wellness magazine published five times annually and distributed across the City of Toronto. ZoomerMedia's digital properties include EverythingZoomer, Canada's leading provider of online content targeting the 45 plus age group, blogTO (see Note 4), which caters to the interest of the Greater Toronto Region, and the newly acquired DailyHive, the leading digital source for local news, culture, and what's happening in Western Canada (see Note 4), Ludwig-Van, Canada's leading and fastest growing digital voice for the latest classical, opera, chamber and choral music headlines (see Note 4), as well as The Peak, serving Canadian professionals and business leaders with the top business, finance and tech stories (see Note 4).

Effective September 1, 2021, MZ Media Inc., the legal entity holding all of the Company's radio properties, was amalgamated into ZoomerMedia Limited.

The Company is incorporated and domiciled in Canada and its registered office is located at 70 Jefferson Avenue, Toronto, Ontario, M6K 1Y4. The Company's shares are publicly traded on the TSX Venture Exchange under the symbol "ZUM".

These consolidated financial statements have been authorized for issue in accordance with a resolution from the Board of Directors on November 24, 2023.

2. BASIS OF PREPARATION

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**).

The preparation of these consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated financial statements are disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets that are measured at fair value.

(b) Basis of Consolidation

These consolidated financial statements consolidate the accounts of the Company and its subsidiaries, all of which are wholly owned as at August 31, 2023. Additionally, subsidiaries also include those entities (including structured entities) which the Company controls, and therefore, are included in the consolidated financial statements. For accounting purposes, control is established by an investor when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the President and Chief Executive Officer.

(d) Interests in Structured Entities and Other

JTM Amalco Inc. (**"JTM Amalco"**), JTM Hit Parade Inc. (**"JTM Hit Parade"**), JTM Unholy Inc. (**"JTM Unholy"**), JTM Hit Parade 3 Inc. **("JTM Hit Parade 3")**, JTM Healing Gardens Inc. **("JTM Healing Gardens")**, 2585882 Ontario Inc. (**"Kettle Bells Series"**), JTM Hit Parade 4 Inc. **("JTM Hit Parade 4"),** JTM Hit Parade 5 Inc. (**"JTM Hit Parade 5"),** JTM Healing Gardens 2 Inc. (**"JTM Healing Gardens 2"**), and JTM Hit Parade 6 Inc. (**"JTM Hit Parade 6")** are structured entities.

JTM Amalco was incorporated on May 1, 2021, JTM Hit Parade was incorporated on November 23, 2017, JTM Unholy was incorporated on July 17, 2018, JTM Hit Parade 3 was incorporated on November 28, 2018, JTM Healing Gardens was incorporated on September 17, 2019, Kettle Bells Series was incorporated on July 5, 2017, JTM Hit Parade 4 was incorporated on May 12, 2020, JTM Healing Gardens 2 was incorporated on November 2, 2021, JTM Hit Parade 5 was incorporated April 29, 2022, and JTM Hit Parade 6 was incorporated on April 5, 2023.

The Company concluded that it controls JTM Amalco, JTM Hit Parade, JTM Unholy, JTM Hit Parade 3, JTM Healing Gardens, Kettle Bells Series, JTM Hit Parade 4, JTM Hit Parade 5, JTM Healing Gardens 2, and JTM Hit Parade 6 (together **"the JTM entities"**) as the main activities of the JTM entities are the creation of television programming content for which the Company has exclusive Canadian rights. Additionally, the JTM entities are dependent on the Company for financial support, both in the form of program license fee payments as well as through the provision of production services, including equipment and personnel. The JTM entities also expect to receive funding from the Canada Media Fund and through Federal and Provincial tax credits. To the extent such amounts are not received, the JTM entities may not have the ability to pay the Company for the provision of production services.

As at August 31, 2023, cash of $811,373 and other current liabilities of $742,893 are included in the consolidated financial statements resulting from the consolidation of the JTM entities (August 31, 2022, cash of $412,579 and other current liabilities of $586,820).

Net income before income taxes for the year ended August 31, 2023 increased by $168,257 resulting from the consolidation of the JTM entities (2022 - net income before income taxes $226,779).

Canadian Association of Retired Persons ("**CARP**") is a national, non-partisan, not-for-profit membership organization with the mandate of promoting and protecting the interest, rights and quality of life for aging Canadians. Under the guidance of IFRS 10, *Consolidated Financial Statements*, the Company is deemed to have control of CARP as a subsidiary.

The significant judgments and assumptions made in this determination include ZoomerMedia's exposure and rights to CARP's variable returns and its ability to impact those returns. Although the advocacy activities of CARP remain primarily independent, ZoomerMedia holds agreements that give it the right to make decisions about the provision, selling and promotion of products or services to CARP members. ZoomerMedia is exposed to CARP's variable returns through its payment of various subsidies to CARP and through its affinity royalty revenue arrangements, subscription revenue of ZOOMER magazine and advertising revenue across all forms of its media. Additionally, ZoomerMedia has the ability to make decisions about the relevant activities of CARP, including how CARP builds its membership. Accordingly, CARP has been consolidated as a subsidiary in these consolidated financial statements (see Note 22).

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and highly liquid short-term investments with maturity terms of less than three months.

(f) Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income. The Company does not have any financial instruments classified as fair value through other comprehensive income.

The Company's financial liabilities are all classified as financial liabilities at amortized cost.

(i) Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's financial assets at amortized cost include trade and other receivables, and short-term investments, which comprise of low-yield government issued treasury bills and guaranteed investment certificates with maturities of less than one year, and are included in current assets due to their short-term nature. Financial assets at amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less a provision for impairment.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("**FVPL**") are recognized initially at cost and subsequently at fair value. Transaction costs, if any, are expensed in the consolidated statement of income (loss) and comprehensive income (loss), and gains and losses arising from changes in fair value are presented in the consolidated statement of income (loss) and comprehensive income (loss). Financial assets at FVPL are classified as current, except for the portion expected to be realized beyond twelve months of the consolidated balance sheet date, which is classified as non-current. The Company's financial assets at FVPL comprise of common shares of Canopy Growth Corporation and Heritage Cannabis Holdings Corporation and widely held shares of Canadian public companies, and are classified entirely as current (see Note 5).

(iii) Financial liabilities at amortized cost

Financial liabilities at amortized cost include trade and other payables, contract liabilities, loan payable and promissory notes, program rights liabilities, and lease liabilities. Trade payables are initially recognized at fair value, and subsequently measured at amortized cost using the effective interest method. Loan payable and promissory notes are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(g) Impairment of Financial Assets

At each reporting date, other than for financial assets at FVPL, the Company assesses each financial asset for indicators of impairment. If such evidence exists, the Company recognizes an impairment loss. Financial assets are considered to be impaired when based upon an expected loss model as prescribed by IFRS 9, *Financial Instruments* ("**IFRS 9**"), taking into account both historic and forward looking information, it is determined that the expected cash flows from receivables and/or contract assets may be lower than their stated values. Impairment provisions for trade and other receivables are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During the process of reviewing trade and other receivables for impairment, the probability of the non-payment of the amounts receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for trade and other receivables. For trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized in the consolidated statement of income (loss) and comprehensive income (loss). On confirmation that a certain trade or other receivable will not be collected, the gross carrying amount of the asset is written off against the associated provision.

(h) De-recognition of Financial Assets and Liabilities

De-recognition is applied for all or part of a financial asset when the contractual rights to the cash flows and benefits from the financial asset expire, the Company loses control of the assets, or the Company substantially transfers the significant risks and rewards of ownership associated with the asset. De-recognition is applied for all or part of a financial liability when the liability is extinguished due to cancellation, discharge or expiry of the obligation.

(i) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are recognized in earnings during the period in which they are incurred and are presented under operating expenses.

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced asset is derecognized.

Residual values, method of amortization and useful lives of assets are reviewed at least at each financial year-end and adjusted, if appropriate.

The major categories of property and equipment are depreciated on a straight-line basis based on the useful life of each component as follows:

Land	not depreciated
Building components:	
External structure	40 - 50 years
Interior upgrades	10 - 25 years
HVAC and building systems	18 - 25 years
Roof and parking lot	20 - 25 years
Broadcast equipment	5 - 20 years
Equipment and vehicles	5 - 10 years
Computer hardware	3 - 5 years
Leasehold improvements	Over the term of the lease

(j) Intangible Assets

Intangible assets, which include broadcast licenses, program rights, royalty stream rights, brand names, computer software, customer lists and non-compete arrangements, are recorded at cost less accumulated impairment and accumulated amortization. Intangible assets with a definite life are amortized over the estimated useful life of these assets, as described below. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Broadcast licenses have indefinite lives and are not subject to amortization and are tested for impairment on an annual basis as described below. Intangible assets are tested for impairment in accordance with the policy for impairment of non-financial assets as noted in (m) below. Intangible assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Broadcast Licenses

Broadcast licenses represent broadcasting rights and terms granted by the Canadian Radio-Television and Telecommunications Commission (the "**CRTC**") which were acquired as part of the acquisition of certain businesses. Broadcast licenses are recorded at cost and are not amortized as they are considered to have an indefinite life based on the Company's intent and ability to renew the licenses without significant cost and without material modification of the existing terms and conditions of the license. Instead, broadcast licenses are tested for impairment at least annually or earlier if indicators of impairment are present.

(ii) Program Rights

Program rights represent contract rights acquired from third parties to broadcast television programs and feature films. The assets and liabilities related to these rights are recorded when the license period has begun and all of the following conditions have been met: (i) the cost of the rights is known or reasonably determinable; (ii) the program material is accepted by the Company in accordance with the license agreement; and (iii) the material is available to the Company for airing.

Program rights also include the cost of television programs produced by the Company. The costs capitalized in respect of these programs includes production expenditures and other attributed costs that are expected to benefit future periods.

Program rights costs are amortized over the contracted exhibition period as the programs are aired. Amortization of program rights is included in operating expenses and is disclosed separately in the consolidated statement of cash flows.

Program rights are carried at cost less accumulated amortization and accumulated impairment. If it is determined that program rights will not be aired and no future economic benefits are expected from the use or disposal of program rights, their carrying value is derecognized. Program rights planned to be used are reviewed and tested for impairment along with other long-lived assets in accordance with the impairment policies for non-financial assets described in (m) below.

(iii) Royalty Stream Rights

Royalty stream rights relate to marketing and licensing rights associated with the CARP name which has a contract term expiring December 31, 2099. The asset is recorded at cost less accumulated amortization and impairment and is amortized on a straight-line basis over the shorter of the economic life or the duration of the contract term, which for the Company is estimated to be 15 years.

(iv) Brand Names

Brand names acquired in connection with the acquisition of businesses are initially recorded at cost, being their fair value assessed in the purchase price allocation, less accumulated amortization and accumulated impairment. Brand names are amortized on a straight-line basis over an estimated useful life of 10 years which represents the period that future economic benefits attributable to the asset are expected to flow to the Company.

(v) Computer Software

Computer software is recorded at cost less accumulated amortization and is amortized over its estimated useful life of 3 years.

(vi) Customer Lists

Customer lists acquired in connection with business combinations are recorded at cost less accumulated amortization and are amortized over their estimated useful lives. The customer lists are recorded with a useful life of between 5 - 10 years.

(vii) Non-Compete Clause

Certain non-compete arrangements were recorded as part of the acquisition of On The Bay Magazine Inc, FreshDaily Inc, Buzz Connected Media Inc., Museland Media Inc., and The Peak Media Collective Inc. These non-compete clauses are recorded at cost, being their fair value assessed in the purchase price allocation, less accumulated amortization and are amortized over their estimated useful lives of 4 - 5 years.

(k) Leases

At inception and on each acquisition, the Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an asset for a period of time in exchange for consideration. The Company allocates the total consideration to each lease and non-lease component on the basis of their relative stand-alone prices.

The right-of-use asset and a lease liability are recognized at the lease commencement date. The right-of-use asset is initially measured at the present value of lease payments, adjusted for initial direct costs and incentives received. The right-of-use asset is depreciated over the lesser of the useful life of the asset or the lease term, and is assessed for impairment on an annual basis. The lease term includes the renewal option or early termination if it is reasonably certain to be exercised.

The lease liability is initially measured at the present value of lease payments to be made over the lease term, which include fixed payments and variable payments that depend on an index. The cost of an option that is reasonably certain to be exercised by the Company is included in the lease payments. In calculating the present value of lease payments, the Company uses the incremental borrowing rate as at commencement of the lease if the implicit rate is not readily available. The lease liability is increased to reflect the accretion of interest and reduced to reflect the lease payments made, and the carrying amount of the lease liability is remeasured for any lease modifications.

(l) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to each cash generating unit ("**CGU**") or group of CGUs that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortized, but rather tested for impairment annually or at any time if an indicator of impairment exists. See the policy for impairment of non-financial assets as noted in (m) below.

(m) Impairment of Non-Financial Assets

Property and equipment, right of use assets and intangible assets with definite lives, (which includes program rights, royalty stream rights, brand names, computer software, customer lists and non-compete clause), are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (typically at the CGU level). Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management).

Goodwill and indefinite life intangible assets are tested for impairment annually or at any time if an indicator of impairment exists. Management monitors goodwill for internal purposes based on its group of CGUs, which includes the Television group, as well as each of the recently acquired entities: FreshDaily, Buzz, Museland and Peak.

The Company evaluates impairment losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration and accordingly, goodwill is assessed for impairment together with the assets and liabilities of the CGU.

(n) Stock-based Compensation

The Company grants stock options to certain employees, directors and consultants providing services similar to those of employees. The options vest one-third in each of the three years following issuance. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period, based on the number of awards expected to vest, with a corresponding increase to contributed surplus. The number of awards expected to vest is reviewed at least annually, with any impact recognized immediately in compensation expense with a corresponding adjustment to contributed surplus.

The Company may also grant stock options to certain other key service providers in exchange for goods and services. These options are measured at the fair value of the goods or services received and are recognized when the goods or services are delivered.

(o) Provisions

Provisions for restructuring costs, legal claims and other matters are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

(p) Income Taxes

Income tax comprises of current and deferred tax. Income tax is recognized in the statement of income (loss) and comprehensive income (loss) except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are presented as non-current.

The Company participates in transactions for which the ultimate tax treatment is uncertain. The Company may record a provision from time to time in respect of uncertain tax positions that it believes appropriately reflects its risk. Such provisions are made using the best estimate of the amount expected to be incurred based on an assessment of all relevant factors. It is possible that at some future date, liabilities in excess of the Company's provisions could result from audits by, or litigation with, relevant taxation authorities. The Company believes that such additional liabilities would not have a material adverse impact on its financial condition taken as a whole.

(q) Revenue Recognition

The Company derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ("point in time" recognition) or "over time" as control of the performance obligation is transferred to the customer.

Advertising revenues, net of agency commissions, where applicable, are recognized when advertisements are aired on the Company's television and radio stations or posted on various websites, or when the magazine in which the advertisements are placed is published and distributed, and collection is reasonably assured.

Subscriber fee revenue from the Company's specialty television channels is recognized monthly based on subscriber levels.

Revenue from the sale of broadcast time, net of agency commissions, is recognized in the period in which the broadcast occurs.

Magazine subscription revenue is recognized upon delivery of each issue of the magazine over the term of the subscription period.

Royalty revenue comprises licensing fees from the CARP name, as well as royalties earned on the sale of products or services to CARP members by licensees. Royalty revenue attributable to the licensing of the CARP brand name is recognized over the term of the contract with the licensee. Royalty revenue from the sale of products or services is calculated as a percentage of the volume of business conducted by the licensee in a given period.

CARP membership revenue is recognized over the term of the membership.

Digital revenue comprises of online revenue that is primarily advertising revenue. Website revenue is recognized when the related services are provided to customers (impressions and clicks delivered). Revenue related to advertising and sponsorship exclusivity agreements is recognized over the term of the agreement. Included within digital revenue is advertising revenue earned from the placement of advertisements across blogTO's, DailyHive's, Ludwig-Van's, and The Peak's various media platforms, which include websites and newsletters, and is recognized in proportion to the fulfillment of advertisements. Cash received from customers in advance of satisfaction of the performance obligation is deferred in contract liabilities in the consolidated statement of financial position (Note 9).

Additionally, the Company, through its subsidiaries - FreshDaily and Buzz, has a licensing arrangement with Facebook and Teads for access to the blogTO and DailyHive content. Revenue from the licensing arrangement is noted to be a right to access license in line with relevant licensing revenues guidance within IFRS 15, and is recognized ratably over the term of the licensing arrangement.

Residual revenue from Google Adsense and Wired Carbon is recognized in proportion to the fulfillment of programmatic advertising revenue.

Show and conference revenue is primarily comprised of sponsorships, booth rentals and ticket sales and is recognized when the related service or product has been delivered.

Cash payments or customer advances received relating to services to be delivered in future periods are recorded as contract liabilities until all of the foregoing conditions of revenue recognition are met.

In the normal course of business, the Company enters into non-monetary transactions to exchange advertising for various products and services. Revenue is recognized on these barter transactions only when the services exchanged are dissimilar in nature and when the fair value of the advertising services provided by the Company can be reliably measured by reference to non-barter transactions that:

a) Involve advertising similar to the advertising in the barter transaction;
b) Occur frequently;
c) Represent a predominant number of transactions and amount when compared to all transactions to provide advertising that is similar to the advertising in the barter transaction;
d) Involve cash and/or another form of consideration that has a reliably measurable fair value; and
e) Do not involve the same counterparty as in the barter transaction.

(r) Government Grants and Subsidies

Government grants and subsidies are reflected as a reduction of the cost of the asset or reduction of the expense to which they relate and are recognized when there is reasonable assurance that the Company complies with the conditions for receipt of the government assistance and the grants will be received. Such amounts are recognized as applicable costs or expenses are incurred (see Notes 19 and 23).

(s) Net Income (Loss) per Share

Basic net income per share is calculated by dividing the net income for the period attributable to equity owners of the Company by the weighted average number of common shares and preference shares outstanding during the period.

The treasury stock method is used to calculate diluted net income per share. Diluted net income per share is similar to basic net income per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that stock options with an average market price for the period greater than their exercise price are exercised and the proceeds used to repurchase common shares. The diluted net income per share calculation excludes any potential conversion of options that would increase net income per share.

(t) Business Combinations

As required by IFRS 3, *Business Combinations* (**"IFRS 3"**), the Company is required to determine whether the acquisition of a business should be accounted for as a business combination or as an asset acquisition. Under IFRS 3, the components of a business must include inputs and processes applied to those inputs that have the ability to create outputs. Under IFRS 3, at the acquisition date, the acquirer shall classify or designate, as necessary, the identifiable assets acquired and the liabilities assumed. With respect to identifiable intangible assets, the relevant standard is IAS 38, *Intangible Assets* (**"IAS 38"**), where an intangible asset shall be measured initially at cost, and if an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. Fair value is considered a market-based measurement, as opposed to an entity-specific measurement. Underlying the definition of fair value is the presumption that it reflects an exit price received, by the owner of the asset or liability, in an orderly transaction between market participants at the measurement date. Transaction costs incurred, such as due diligence, legal and other professional fees are recognized in operating expenses as incurred. See Note 4 for further discussion.

(u) Significant Accounting Judgments and Estimation Uncertainties

Critical accounting judgments and estimates

The preparation of financial statements under IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates.

The key judgments, estimates and assumptions made in applying accounting policies which have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are: the determination of CGUs; the recoverable amounts associated with indefinite life intangible assets and goodwill; the estimated period of use of program rights; the estimated useful lives of non-financial assets with definite useful lives; the fair value of assets acquired and liabilities assumed on business combinations or acquisitions; and tax positions including uncertain tax positions.

4. BUSINESS COMBINATIONS

Acquistion of Buzz Connected Media Inc.

On September 12, 2022, the Company acquired all of the issued and outstanding shares of Buzz Connected Media Inc. ("**Buzz**"), owner and publisher of DailyHive, the dominant publisher across digital and social media platforms in Western Canada and one of Canada's most followed news brands. The acquisition establishes ZoomerMedia as a national digital publisher in terms of online reach and engagement.

Total consideration given is as follows:

Cash proceeds	$	6,000,000
ZoomerMedia preference shares (Note 12)		1,563,160
Promissory note (Note 10)		5,000,000
Working capital adjustments		586,367
Other considerations*		(783,081)
		12,366,446

*Other considerations include bank indebtedness, corporate credit cards and other transactions fees to be paid by the seller

As part of the acquisition, the Company issued 20,000,000 preference shares with an agreed upon face value of $3,000,000, or $0.15 per share. The shares were determined to have a fair value of $0.08 per share, or valued at $1,563,160 as at the date of acquisition.

The promissory note bears an interest rate of 6.4%, with interest accrued payable annually, and the principal amount maturing and payable in full on September 12, 2027.

ZoomerMedia also assumed the $2,400,000 loan payable to the Business Development Bank of Canada from Buzz as part of the acquisition. See Note 10 for further discussion.

The transaction has been accounted for as a business combination in accordance with IFRS 3. Accordingly, the fair value of the assets acquired and liabilities assumed have been recorded at their fair values as at the date of acquisition. The final assessment of the net assets acquired is as follows:

Cash	$	129,857
Trade and other receivables		1,695,762
Prepaid expenses		371,304
Property and equipment		38,233
Right-of-use assets		1,138,139
Other non-current assets		238,229
Bank indebtedness		(575,000)
Trade and other payables		(777,685)
Lease liabilities		(1,138,139)
Loan payable		(2,400,000)
Deferred revenue		(205,398)
Income tax payable		(88,086)
Deferred tax liabilities (on acquisition)		(1,501,361)
		(3,074,145)
Brand name		4,597,867
Non-compete clause		275,000
Customer list		665,000
Other intangible assets		83,133
Acquired intangible assets		5,621,000
Goodwill		9,819,591
	$	12,366,446

As for the fair value of $1,695,762 of acquired trade and other receivables, the total amount of contracts is $1,695,762 and the estimate of the contractual cash flow not expected to be collected at the acquisition date is $nil.

Goodwill reflects excess earning power expected from the collective human resources related to the future business development and its synergy with the existing businesses. Total amount of goodwill that is expected to be deductible for tax purposes is $nil.

The Company incurred transaction costs for due diligence, legal and other professional fees in the amount of $133,808 in relation to the acquisition. These amounts have been expensed as other operating expenses (Note 13) in the consolidated financial statements.

Subsequent to the acquisition date, Buzz contributed revenue and net income after tax of $8,407,293 and $893,804 respectively, which are included in the Company's Digital operating segment. The proforma impact of contributed revenue and net income after tax for the year ended August 31, 2023, had Buzz been acquired on September 1st, 2022 are $8,644,937 and $927,677 respectively.

Acquisition of The Peak Media Collective Inc.

On June 8, 2023, the Company acquired all of the issued and outstanding shares of The Peak Media Collective Inc. ("**Peak**"). Founded in 2020, Peak serves busy Canadian professionals and business leaders with the top global business, finance and tech stories of the day packaged in a smart and easily digestible format.

Total consideration given is as follows:

Cash proceeds	$	3,500,000
Working capital adjustments		13,153
Promissory note		1,406,246
	$	4,919,399

The promissory note bears an interest rate of 5%, with interest accrued payable annually, and the principal amount maturing and payable in full on December 8, 2026.

The transaction has been accounted for as a business combination in accordance with IFRS 3. Accordingly, the fair value of the assets acquired and liabilities assumed have been recorded at their fair values as at the date of acquisition. The final assessment of the net assets acquired is as follows:

Cash	$	13,429
Trade and other receivables		555,244
Prepaid expenses		4,569
Income tax receivable		9,892
Property and equipment		8,778
Other non-current assets		105,866
Trade and other payables		(84,532)
Deferred revenue		(537,411)
Deferred tax liabilities (on acquisition)		(421,445)
		(345,610)
Brand name		622,000
Non-compete clause		357,000
Customer list		686,000
Acquired intangible assets		1,665,000
Goodwill		3,600,009
	$	4,919,399

As for the fair value of $555,244 of acquired trade and other receivables, the total amount of contracts is $555,244 and the estimate of the contractual cash flow not expected to be collected at the acquisition date is $nil.

Goodwill reflects excess earning power expected from the collective human resources related to the future business development and its synergy with the existing businesses. Total amount of goodwill that is expected to be deductible for tax purposes is $nil.

The Company incurred transaction costs for due diligence, legal and other professional fees in the amount of $71,264 in relation to the acquisition. These amounts have been expensed as other operating expenses (Note 13) in the consolidated financial statements.

Subsequent to the acquisition, Peak contributed revenue and net loss after tax of $299,824 and $30,153 respectively, which are included in the Company's Digital operating segment. The proforma impact of contributed revenue and net loss after tax for the year ended August 31, 2023, had Peak been acquired on September 1st, 2022 are $1,302,805 and $131,023 respectively.

Acquisition of Museland Media Inc.

On June 12, 2023, the Company acquired all of the issued and outstanding shares of Museland Media Inc. ("**Museland**"), owner and publisher of Ludwig-Van, Canada's leading and fastest growing digital voice for the latest classical, opera, chamber and choral music headlines, reviews and features. The acquisition connects the Company to a wider audience of arts enthusiasts of all ages, and is an ideal complement to the New Classical FM.

Total consideration given is as follows:

Cash proceeds	$	700,000
Working capital adjustments		71,440
Promissory note		400,000
	$	1,171,440

The promissory note bears an interest rate of 5%, with interest accrued payable annually, and the principal amount maturing and payable in full three years following the date of acquisition.

The transaction has been accounted for as a business combination in accordance with IFRS 3. Accordingly, the fair value of the assets acquired and liabilities assumed have been recorded at their fair values as at the date of acquisition. The final assessment of the net assets acquired is as follows:

Cash	$	37,377
Trade and other receivables		45,964
Prepaid expenses		3,000
Property and equipment		13,764
Other non-current assets		26,194
Trade and other payables		(14,372)
Deferred revenue		(26,723)
Deferred tax liabilities (on acquisition)		(111,418)
		(26,214)
Brand name		215,208
Non-compete clause		108,624
Customer list		124,800
Acquired intangible assets		448,632
Goodwill		749,022
	$	1,171,440

As for the fair value of $45,964 of acquired trade and other receivables, the total amount of contracts is $45,964 and the estimate of the contractual cash flow not expected to be collected at the acquisition date is $nil.

Goodwill reflects excess earning power expected from the collective human resources related to the future business development and its synergy with the existing businesses. Total amount of goodwill that is expected to be deductible for tax purposes is $nil.

The Company incurred transaction costs for due diligence, legal and other professional fees in the amount of $55,291 in relation to the acquisition. These amounts have been expensed as operating expenses (Note 13) in the consolidated financial statements.

Subsequent to the acquisition, Museland contributed revenue and net loss after tax of $27,206 and $41,011 respectively, which are included in the Company's Digital operating segment. The proforma impact of contributed revenue and net loss after tax for the year ended August 31, 2023, had Museland been acquired on September 1st, 2022 are $124,128 and $187,122 respectively.

Acquisition of Freshdaily Inc.

On January 21, 2022, the Company acquired all of the issued and outstanding shares of Freshdaily Inc. (**"FreshDaily"**), owner and publisher of blogTO, the leading digital source for Greater Toronto Area news, culture, restaurant reviews, event listings, and all the best the GTA has to offer. The acquisition provides ZoomerMedia with an enhanced and expanded regional audience in terms of online and social media reach and engagement.

Total consideration given is as follows:

Cash proceeds	$	10,000,000
Working capital adjustments		72,442
Promissory note		5,000,000
	$	15,072,442

The promissory note bears an interest rate of 5%, with interest accrued payable monthly, and the principal amount maturing and payable in full three years following the date of acquisition.

The transaction has been accounted for as a business combination in accordance with IFRS 3. Accordingly, the fair value of the assets acquired and liabilities assumed have been recorded at their fair values as at the date of acquisition. The final assessment of the net assets acquired is as follows:

Cash	$	21,949
Trade and other receivables		801,944
Property and equipment		5,455
Trade and other payables		(390,299)
Income tax payable		(111,152)
Deferred tax liabilities (on acquisition)		(1,662,126)
		(1,334,229)
Non-compete clause		636,000
Brand names		4,248,000
Customer list		1,386,000
Acquired intangible assets		6,270,000
Goodwill		10,136,671
	$	15,072,442

As for the fair value of $801,944 of acquired trade and other receivables, the total amount of contracts is $801,944 and the estimate of the contractual cash flow not expected to be collected at the acquisition date is $nil.

Goodwill reflects excess earning power expected from the collective human resources related to the future business development and its synergy with the existing businesses. Total amount of goodwill that is expected to be deductible for tax purposes is $nil.

The Company incurred transaction costs for due diligence, legal and other professional fees in the amount of $56,660 in relation to the acquisition. These amounts have been expensed as other operating expenses line (Note 13) in the prior year results in the consolidated financial statements.

Subsequent to the acquisition date for the year ended August 31, 2022, FreshDaily contributed revenue and net income after tax of $2,768,573 and $659,215 respectively, which are included in the Company's Digital operating segment. The proforma impact of contributed revenue and net income after tax for the year ended August 31, 2022, had FreshDaily been acquired on September 1st, 2021 are $4,801,751 and $1,329,572 respectively.

For the year ended August 31, 2023, FreshDaily contributed revenue and net income after tax of $6,151,054 and $1,276,424 respectively, which are included in the Company's Digital operating segment.

5. SHORT-TERM INVESTMENTS

Short-term investments consist of:

(a) 16,147 common shares of Canopy Growth Corporation ("**Canopy**"), a Canadian publicly traded corporation. The Canopy shares were acquired via private placement as part of consideration given to the Company with respect to a two-year exclusive brand license agreement entered into on October 2018. The fair value at the time of acquisition was $1,000,000. As at August 31, 2023, the Canopy shares have a fair value of $12,110 (August 31, 2022 - $78,474).

(b) Various common shares of Canadian public companies over which the Company does not have control or significant influence. The portfolio is managed by Sionna Investments utilizing a focused Canadian dividend strategy. The fair value of these securities has been determined by reference to their quoted closing bid price as at each reporting date. At August 31, 2023, these shares have a fair value of $6,225,504 (August 31, 2022 - $9,030,098).

(c) 1,250,000 common shares of Heritage Cannabis Holdings Corporation ("**Heritage**"), a Canadian publicly traded corporation, acquired via private placement as part of consideration given to the Company in exchange for an exclusive brand licensing agreement entered into on September 2021. The fair value at the time of acquisition was $125,000. As at August 31, 2023, the Heritage shares have a fair value of $12,500 (August 31, 2022 - $38,125).

(d) Government of Canada treasury bills of $217,866 (August 31, 2022 - $342,432).

(e) Royal Bank of Canada guaranteed investment certificates of $nil (August 31, 2022 - $300,000).

The Company records its investments in Canopy, Heritage, and other Canadian public company shares as financial assets at FVPL, and recorded an unrealized loss of $95,500 during the year ended August 31, 2023 (August 31, 2022 - unrealized loss of $406,994). The Company recorded a realized gain of $275,420 during the year ended August 31, 2023 (August 31, 2022 - realized gain of $973,903).

The Company records its Government of Canada treasury bills and guaranteed investment certificates as financial assets at amortized cost. These investments have a maturity date of three months with an interest rate yield of 0.960% (August 31, 2022 - range from 0.824% to 1.440%). The Company uses the effective interest rate method in determining the amortized cost for these instruments.

6. PROPERTY AND EQUIPMENT

	Land & building	Broadcast equipment	Equipment & vehicles	Computer hardware	Leasehold improvements	Total
Year ended August 31, 2022						
Opening net book value	$ 544,274	$ 1,718,548	$ 171,150	$ 595,508	$ 633,938	$ 3,663,418
Additions	—	212,201	221,154	323,163	54,049	810,567
Accumulated depreciation	(12,783)	(280,310)	(66,243)	(368,478)	(96,702)	(824,516)
Closing period net book value	$ 531,491	$ 1,650,439	$ 326,061	$ 550,193	$ 591,285	$ 3,649,469
At August 31, 2022						
Cost	$ 680,727	$ 9,299,027	$ 2,542,263	$ 3,014,009	$ 1,108,597	$ 16,644,623
Accumulated depreciation	(149,236)	(7,648,588)	(2,216,202)	(2,463,816)	(517,312)	(12,995,154)
Net book value	$ 531,491	$ 1,650,439	$ 326,061	$ 550,193	$ 591,285	$ 3,649,469
Year ended August 31, 2023						
Opening net book value	$ 531,491	$ 1,650,439	$ 326,061	$ 550,193	$ 591,285	$ 3,649,469
Additions	—	89,017	291,570	471,638	82,770	934,995
Disposal	—	—	(2,319)	—	—	(2,319)
Depreciation for the period	(12,783)	(197,205)	(145,564)	(399,186)	(103,719)	(858,457)
Impairment for the period	(21,000)	(324,000)	(3,000)	(2,000)	—	(350,000)
Closing period net book value	$ 497,708	$ 1,218,251	$ 466,748	$ 620,645	$ 570,336	$ 3,373,688
At August 31, 2023						
Cost	$ 680,727	$ 9,388,044	$ 2,831,514	$ 3,485,647	$ 1,191,367	$ 17,577,299
Accumulated depreciation	(162,019)	(7,845,793)	(2,361,766)	(2,863,002)	(621,031)	(13,853,611)
Accumulated impairment	(21,000)	(324,000)	(3,000)	(2,000)	—	(350,000)
Net book value	$ 497,708	$ 1,218,251	$ 466,748	$ 620,645	$ 570,336	$ 3,373,688

Included in additions for the year ended August 31, 2023 is the net book value of property and equipment acquired from Buzz, Museland and Peak in the amount of $38,233, $13,764 and $8,778 respectively (see Note 4 for further discussion).

Impairment of property and equipment

For the year ended August 31, 2023, the Company recorded an impairment loss of $350,000 with respect to the carrying value of the Radio CGU property and equipment, and has been recognized in the calculation of operating income in these consolidated financial statements. No reversal of impairment loss was recognized in profit and loss and no impairment loss on revalued assets was recognized in other comprehensive income for the year ended August 31, 2023.

In assessing for impairment, management compared the recoverable amount of the Radio CGU property and equipment to their carrying values based on fair value less costs to sell calculations. This was determined by using the upcoming fiscal year budget approved by the Board of Directors, and forecasting cash flows beyond 1 year using estimated growth rates determined by management . The present value of the expected cash flows was determined by applying a discount rate reflecting current market assessments of the time value of money and risks specific to the Radio segment. Estimating future cash inflows and outflows to be derived from continuing operations of the CGU and from its ultimate disposal is categorized as level 3 within the fair value hierarchy.

Management concluded that the recoverable amount do not exceed the carrying value of the Radio CGU property and equipment by $350,000, and is the result of the revenue shortfall combined with the impact of discount and growth rates given current market conditions.

Key assumptions used in fair value less costs to sell calculations are as follows:

	August 31, 2023
	Radio
Growth rate - year 1	9.6%
Growth rate - years 2 to 5	0% to 9.3%
Discount rate	10.5%
Long-term growth rate	0%

The determination of recoverable amount is sensitive to the growth rate, discount rate and long-term growth rates used. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flow may differ, depending on economic conditions and other events.

Accordingly, it is reasonably possible that future changes in assumptions may impact future assessments of the recoverable amount, and that the Company would be required to further recognize an impairment loss or recognize a reversal of impairment loss.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company leases its office buildings located in Toronto, Ontario, Collingwood, Ontario, Vancouver, British Columbia and Surrey, British Columbia, as well as various equipment and vehicles.

The following table presents the right-of-use assets for the year ended August 31, 2023:

	Right-of-use: Land & building	Right-of-use: Equipment & vehicles	Total
At August 31, 2022			
Cost	$ 24,531,148	$ 302,061	$ 24,833,209
Accumulated depreciation	(4,582,225)	(238,123)	(4,820,348)
Net book value	$ 19,948,923	$ 63,938	$ 20,012,861
Year ended August 31, 2022			
Opening net book value	$ 21,341,954	$ 131,341	$ 21,473,295
Additions	—	16,009	16,009
Lease modifications	104,226	—	104,226
Depreciation for the period	(1,497,257)	(83,412)	(1,580,669)
Disposal	—	—	—
Closing period net book value	$ 19,948,923	$ 63,938	$ 20,012,861
Year ended August 31, 2023			
Opening net book value	$ 19,948,923	$ 63,938	$ 20,012,861
Additions	1,138,139	—	1,138,139
Depreciation for the period	(1,813,524)	(46,215)	(1,859,739)
Disposal	—	—	—
Closing period net book value	$ 19,273,538	$ 17,723	$ 19,291,261
At August 31, 2023			
Cost	$ 25,669,287	$ 302,061	$ 25,971,348
Accumulated depreciation	(6,395,749)	(284,338)	(6,680,087)
Net book value	$ 19,273,538	$ 17,723	$ 19,291,261

Additions for the year ended August 31, 2023 is the initial recognition of right-of-use asset on acquisition of Buzz related to the right to control the use of its office building located in Vancouver, British Columbia. The right-of-use asset is measured at the present value of remaining lease payments as at the date of acquisition, and is depreciated over the remaining lease term.

The following table presents the lease liabilities for the year ended August 31, 2023:

	Right-of-use: Land & building	Right-of-use: Equipment & vehicles	Total
At August 31, 2022			
Current portion	$ 977,163	$ 48,873	$ 1,026,036
Long-term portion	21,107,878	18,586	21,126,464
	$ 22,085,041	$ 67,459	$ 22,152,500
Year ended August 31, 2022			
Opening balance	$ 22,906,097	$ 137,674	$ 23,043,771
Additions	—	16,009	16,009
Interest expense	1,241,129	5,339	1,246,468
Lease modifications	104,226	—	104,226
Lease payments	(2,166,411)	(91,563)	(2,257,974)
Closing period balance	$ 22,085,041	$ 67,459	$ 22,152,500
Year ended August 31, 2023			
Opening balance	$ 22,085,041	$ 67,459	$ 22,152,500
Additions	1,138,139	—	1,138,139
Interest expense	1,268,379	1,735	1,270,114
Lease payments	(2,522,071)	(50,608)	(2,572,679)
Closing period balance	$ 21,969,488	$ 18,586	$ 21,988,074
At August 31, 2023			
Current portion	$ 1,324,230	$ 14,834	$ 1,339,064
Long-term portion	20,645,258	3,752	20,649,010
	$ 21,969,488	$ 18,586	$ 21,988,074

Included in additions for the year ended August 31, 2023 is the initial recognition of lease liabilities on acquisition of Buzz related to the use of its office building located in Vancouver, British Columbia. The lease liability is measured at the present value of remaining lease payments as at the date of acquisition discounted using an incremental borrowing rate of 7.70%.

8. INTANGIBLE ASSETS AND GOODWILL

Details of intangible assets and goodwill are as follows:

	Broadcast licenses	Program rights	Royalty stream rights	Brand names	Computer software	Customer list & non-compete clause	Total intangible assets	Goodwill
Year ended August 31, 2022								
Opening net book value	$ 6,400,000	$ 4,955,269	$ 1,112,698	$ 303,066	$ 131,097	$ 235,740	$ 13,137,870	$ 2,768,738
Additions	—	7,578,339	—	56,000	11,200	—	7,645,539	—
Acquired from business combinations	—	—	—	4,248,000	—	2,022,000	6,270,000	10,136,671
Amortization for the period	—	(5,749,750)	(843,336)	(283,244)	(55,691)	(276,875)	(7,208,896)	—
Closing net book value	$ 6,400,000	$ 6,783,858	$ 269,362	$ 4,323,822	$ 86,606	$ 1,980,865	$ 19,844,513	$ 12,905,409
At August 31, 2022								
Cost	$ 22,620,517	$ 11,323,888	$ 12,650,072	$ 5,430,740	$ 1,296,721	$ 2,572,000	$ 55,893,938	$ 18,868,550
Accumulated amortization	—	(4,540,030)	(12,380,710)	(1,106,918)	(1,210,115)	(591,135)	(19,828,908)	—
Accumulated impairment	(16,220,517)	—	—	—	—	—	(16,220,517)	(5,963,141)
Net book value	$ 6,400,000	$ 6,783,858	$ 269,362	$ 4,323,822	$ 86,606	$ 1,980,865	$ 19,844,513	$ 12,905,409
Year ended August 31, 2023								
Opening net book value	$ 6,400,000	$ 6,783,858	$ 269,362	$ 4,323,822	$ 86,606	$ 1,980,865	$ 19,844,513	$ 12,905,409
Additions	—	6,926,672	—	—	118,180	—	7,044,852	—
Acquired from business combinations (Note 4)	—	—	—	5,435,075	—	2,299,557	7,734,632	14,168,622
Amortization for the period	—	(5,744,858)	(269,362)	(928,021)	(59,561)	(757,907)	(7,759,709)	—
Closing period net book value	$ 6,400,000	$ 7,965,672	$ —	$ 8,830,876	$ 145,225	$ 3,522,515	$ 26,864,288	$ 27,074,031
At August 31, 2023								
Cost	$ 22,620,517	$ 15,556,351	$ 12,650,072	$ 10,865,815	$ 1,414,901	$ 4,871,557	$ 67,979,213	$ 33,037,172
Accumulated amortization	—	(7,590,679)	(12,650,072)	(2,034,939)	(1,269,676)	(1,349,042)	(24,894,408)	—
Accumulated impairment	(16,220,517)	—	—	—	—	—	(16,220,517)	(5,963,141)
Net book value	$ 6,400,000	$ 7,965,672	$ —	$ 8,830,876	$ 145,225	$ 3,522,515	$ 26,864,288	$ 27,074,031

Included in additions to intangible assets and goodwill for the year ended August 31, 2023 is the valuation assessment of acquired intangible assets from the purchase of Buzz, Museland and Peak, which consisted of brand names, non-compete clauses and customer lists (see Note 4 for further discussion).

Write-off of program rights

During the year ended August 31, 2023, fully amortized program rights with cost amounts totaling $2,694,209 were written off (2022 - $9,894,325). These fully amortized amounts were de-recognized due to either the contract term expiring in the year or all contractual runs being used.

Indefinite life intangibles and goodwill

The net carrying amount of indefinite life intangibles and goodwill are as follows:

	August 31, 2023	August 31, 2022
Broadcast licenses		
Television	6,400,000	6,400,000
Goodwill		
Television	2,768,738	2,768,738
FreshDaily	10,136,671	10,136,671
Buzz	9,819,591	—
Museland	749,022	—
Peak	3,600,009	—
	33,474,031	19,305,409

Goodwill and indefinite life intangible assets, such as broadcast licenses, are tested for impairment annually, on August 31, or when circumstances indicate the carrying value of the CGU may be impaired.

Broadcast licenses are recorded at the lowest level of CGU within the Television CGU, which includes Vision TV, ONE TV, JoyTV and FAITH TV. Goodwill recorded in the consolidated financial statements relates to the Television group CGU, as well as goodwill recognized on acquisitions of Fresh Daily, Daily Hive, Museland and Peak. The Company's assumptions used in testing goodwill and broadcast licenses for impairment are affected by current market conditions and expected revenue in each of the CGUs. In addition, while the Company continually monitors operating costs, these operating costs may not be lowered as quickly in response to declines in revenue. The Company also has significant competition in the television and digital markets in which it operates, which may impact its revenues and operating costs.

In assessing goodwill and indefinite life intangible assets for impairment, the Company compared the aggregate recoverable amount of the assets included in the relevant CGUs to their respective carrying amounts. This impairment testing was performed at the lowest CGU level followed by the impairment testing of the group of CGUs into which the goodwill was allocated. The recoverable amount was determined based on the fair value less costs to sell of the CGUs. This amount was determined using the financial budget prepared by management and approved by the Board of Directors, which was adjusted for market participants' expectations over a one-year period. Cash flows for the years thereafter are extrapolated using the estimated annual growth rates reflecting management's best estimate of the growth of the related markets based on industry reports. Estimating future cash inflows and outflows to be derived from continuing operations of the CGU and from its ultimate disposal is categorized as level 3 within the fair value hierarchy. The key assumptions used to determine the recoverable amount for the different CGUs is discussed below with respect to the most recently completed impairment calculation as of August 31, 2023.

As at August 31, 2023, the Company's estimate of the recoverable amount for each of the CGUs exceeded its carrying value. Based on this excess, the Company determined that the goodwill and broadcast licenses of the Television CGU, FreshDaily CGU, Buzz CGU, Museland CGU and Peak CGU were not impaired.

Key assumptions used in recoverable amount calculations are as follows:

	August 31, 2023	August 31, 2022
	Television	Television
Growth rate - year 1	-6.1% to 6.5%	-11.9% to 7.3%
Growth rate - years 2 to 5	-2.8% to 0.9%	-2.8% to 0.9%
Discount rate	5.95%	5.95%
Long-term growth rate	0%	0%

	August 31, 2023	August 31, 2022
	FreshDaily	**FreshDaily**
Growth rate - year 1	30.1%	2.0% to 24.3%
Growth rate - years 2 to 5	18.8% to 22.5%	14.4% to 22.1%
Discount rate	5.95%	5.95%
Long-term growth rate	0%	0%

	August 31, 2023
	Buzz
Growth rate - year 1	86.6%
Growth rate - years 2 to 5	4.5% to 9.8%
Discount rate	5.95%
Long-term growth rate	0%

	August 31, 2023
	Peak
Growth rate - year 1	5.0% to 15.0%
Growth rate - years 2 to 5	5.0% to 15.0%
Discount rate	5.95%
Long-term growth rate	0%

The calculations of recoverable amount for the CGUs are most sensitive to the following assumptions:

- Growth rates
- Discount rates
- Long-term growth rates

Growth rates - Growth rates over the five-year period are a combination of management's estimate of annual growth for the next fiscal year based on historical growth rates achieved for the two or three proceeding years in combination with changes in planned business strategies, and the review of available market forecasts and data for growth rates for years two to five. Note that the Television growth rates represent the weighted average growth rates of each of the individual Television channel CGUs.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU regarding the time value of money and individual risks of the underlying assets.

Long-term growth rates - Cash flows beyond the five-year period are based largely on management's estimate of the ability of the CGU to grow in a mature market.

Sensitivity to changes in assumptions

The determination of recoverable amount is sensitive to the growth rate, discount rate and long-term growth rates used. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flow may differ, depending on economic conditions and other events.

Accordingly, it is reasonably possible that future changes in assumptions may negatively impact future assessments of the recoverable amount for any of the CGUs for which the broadcast license and goodwill are assigned to, and that the Company would be required to recognize impairment loss.

9. CONTRACT LIABILITIES

		August 31, 2023		August 31, 2022
Magazine subscriptions revenue	$	1,268,088	$	1,344,916
Membership revenue		930,798		1,084,581
Royalty revenue		77,144		197,085
Canada Periodical Fund		593,612		565,891
Shows and conferences revenue		8,000		104,399
Advertising revenue		468,091		542,540
Production revenue		8,000		8,000
	$	3,353,733	$	3,847,412
Less: Current portion		(2,897,608)		(3,505,051)
	$	456,125	$	342,361

For the year ended August 31, 2023, the Company recognized $3,185,099 in revenue related to contract liabilities outstanding as at August 31, 2022 (2022 - $2,169,605). See Note 3(q) for further discussion on revenue recognition policies.

10. LOAN PAYABLE AND PROMISSORY NOTES

As at August 31, 2023, the following promissory notes and loans payable are outstanding:

(a) $2,400,000 loan payable to Business Development Bank of Canada (**"BDC"**) assumed by ZoomerMedia as part of the acquisition of Buzz. The loan is secured by a general security agreement and the Company is in compliance with the required financial covenants. It bears interest at BDC's floating base rate plus 5.95%, which is accrued and payable monthly with the principal amount maturing and payable on April 15, 2027. Interest rate as at August 31, 2023 is 15.25%.

(b) $5,000,000 promissory note payable to the ex-principals of Buzz. The note bears an interest rate of 6.4%, with interest accrued payable annually and the principal amount maturing and payable on September 12, 2027.

(c) $5,000,000 promissory note payable to the ex-principal of FreshDaily. The note bears an interest rate of 5%, with interest accrued payable monthly and the principal amount maturing and payable on January 21, 2025 (August 31, 2022 - $5,000,000).

(d) $1,406,206 promissory note payable to the ex-principals of Peak. The note bears an interest rate of 5% with interest accrued and payable annually and the principal amount maturing and payable on December 8, 2026.

(e) $400,000 promissory note payable to the ex-principals of Museland. The note bears an interest rate of 5% with interest accrued and payable annually and the principal amount maturing and payable on June 12, 2026.

(f) $nil Royal Bank of Canada revolving demand facility of ZoomerMedia. The credit facility is secured by a general security agreement, and bears interest at RBC prime rate plus 1.3%, with interest accrued payable monthly.

11. INCOME TAXES

The components of income tax expense for the years ended August 31, 2023 and 2022 were as follows:

		2023		2022
Current tax expense:				
Current tax on net income for the period	$	882,672	$	333,498
Adjustments in respect of prior years		—		—
Total current tax expense	$	882,672	$	333,498
Deferred tax expense (recovery):				
Origination and reversal of temporary differences	$	(487,408)	$	962,968
Derecognition of deferred tax assets previously recognized		—		—
Total deferred tax expense (recovery)	$	(487,408)	$	962,968
Total income tax expense	$	395,264	$	1,296,466

Income tax expense varies from the amounts that would be computed by applying the statutory rate to income before income taxes as follows:

		2023		2022
Expected income tax expense	$	54,175	$	1,266,060
Stock-based compensation not deductible for income tax purposes		70,827		90,234
Permanent differences not deductible for income tax purposes		(693)		(115,392)
Unrealized gains on equity instruments		12,558		53,927
Recognition of previously unrecognized temporary differences		(34,431)		1,638
Recognition of previously unrecognized tax losses		(84,136)		—
Other adjustments in respect of prior years		376,964		—
Income tax expense	$	395,264	$	1,296,467

The weighted average applicable tax rate at August 31, 2023 and 2022 was 26.50%.

The analysis of deferred tax assets and deferred tax liabilities as at August 31, 2023 and 2022 is as follows:

	2023	2022
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	$ 2,648,914	$ 1,735,573
Deferred tax asset to be recovered within 12 months	37,425	619,811
	$ 2,686,339	$ 2,355,384
Deferred tax liabilities:		
Deferred tax liability to be recovered after more than 12 months	$ 3,628,937	$ 1,751,166
Deferred tax liability to be recovered within 12 months	—	—
	$ 3,628,937	$ 1,751,166

The movement of deferred income tax assets and liabilities during the year ended August 31, 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Goodwill and intangible assets	Tax losses	Property and equipment	Other	Unrecognized deferred tax assets	Total
At September 1, 2022	$ 3,044,715	$ 838,936	$ 762,216	$ 358,427	$ (2,648,910)	$ 2,355,384
Credit (charge) to income statement	(43,332)	534,079	196,274	(356,066)	—	330,955
At August 31, 2023	$ 3,001,383	$ 1,373,015	$ 958,490	$ 2,361	$ (2,648,910)	$ 2,686,339

Deferred tax liabilities	Goodwill and intangible assets	Provision and loans	Property and equipment	Other	Total
At September 1, 2022	$ 1,750,590	$ —	$ 576	$ —	$ 1,751,166
Charge (credit) to income statement	(156,453)	—	—	—	(156,453)
Acquired in business combination	2,063,068	—	(28,844)	—	2,034,224
At August 31, 2023	$ 3,657,205	$ —	$ (28,268)	$ —	$ 3,628,937

The movement of deferred income tax assets and liabilities during the year ended August 31, 2022, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Goodwill and intangible assets	Tax losses	Property and equipment	Other	Unrecognized deferred tax assets	Total
At September 1, 2021	$ 3,051,656	$ 2,019,359	$ 684,520	$ 211,727	$ (2,648,910)	$ 3,318,352
Credit (charge) to income statement	(6,941)	(1,180,423)	77,696	146,700	—	(962,968)
At August 31, 2022	$ 3,044,715	$ 838,936	$ 762,216	$ 358,427	$ (2,648,910)	$ 2,355,384

Deferred tax liabilities	Goodwill and intangible assets	Provision and loans	Property and equipment	Other	Total
At September 1, 2021	$ 89,040	$ —	$ —	$ —	$ 89,040
Charge (credit) to income statement	—	—	—	—	—
Acquired in business combination	1,661,550	—	576	—	1,662,126
At August 31, 2022	$ 1,750,590	$ —	$ 576	$ —	$ 1,751,166

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The unused tax losses relate to fiscal year 2017 and can be used within ten years.

12. SHARE CAPITAL

(a) Authorized

Unlimited preference shares may be issued in one or more series by the Board of Directors. Preference shares are non-voting, are convertible into common shares at the option of the holder on a one for one basis at any time and have rights to dividends. As at August 31, 2023, the Company had 407,879,129 outstanding preference shares valued at $40,351,073 (August 31, 2022 – 387,879,129 valued at $38,787,913).

During the first quarter of the current fiscal year, the Company issued 20,000,000 preference shares at a deemed price of $0.08 per share, or valued at $1,563,160 as part of the Buzz acquisition (see Note 4 for further discussion).

Unlimited authorized number of common shares. As at August 31, 2023, the Company had 275,146,964 common shares outstanding (August 31, 2022 – 273,646,964).

(b) Stock Options

The Company has a stock option plan for the benefit of employees and directors of the Company and certain key service providers to the Company. Under the plan the Company is authorized to issue stock options up to 10% of the shares issued and outstanding at the time of the grant.

The options vest one-third in each of the following three years.

As at August 31, 2023, the Company had 19,583,333 stock options outstanding with a weighted exercise price of $0.05 per share (August 31, 2022 - 25,483,333).

Movements in the number of stock options outstanding and their related weighed average exercises for the year ended August 31, 2023 and year ended August 31, 2022 are as follows:

	Year ended August 31, 2023		Year ended August 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	25,483,333	$ 0.05	20,967,000	$ 0.05
Issued	500,000	0.05	5,000,000	0.05
Exercised	(1,500,000)	0.05	(483,667)	0.05
Cancelled	(1,300,000)	0.05	—	—
Expired	(3,600,000)	0.05	—	—
Balance, end of period	19,583,333	$ 0.05	25,483,333	$ 0.05

The fair value of options granted during the year ended August 31, 2023 and 2022 were estimated using the Black Scholes option pricing model based on the following assumptions:

	2023	2022
Risk-free interest rate	4.09 %	2.85 %
Expected dividend yield	26.67 %	0.00 %
Expected stock price volatility	68 %	127 %
Forfeiture rate	11.6 %	12.3 %
Expected life of stock options	3.95 years	3.9 years
Weighted-average grant date fair value of stock options	$0.005	$0.04

At August 31, 2023, the range of exercise prices, the weighted average exercise price and the weighted average contractual life of the outstanding stock options are as follows:

	Options Outstanding as at August 31, 2023			Options Exercisable as at August 31, 2023	
Exercise Price	**Number Outstanding**	**Weighted Average Remaining Life (years)**	**Weighted Average Exercise Price**	**Number Exercisable**	**Weighted Average Exercise Price**
$0.05	19,583,333	2.7	$ 0.05	10,916,661	$ 0.05

	Options Outstanding as at August 31, 2022			Options Exercisable as at August 31, 2022	
Exercise Price	**Number Outstanding**	**Weighted Average Remaining Life (years)**	**Weighted Average Exercise Price**	**Number Exercisable**	**Weighted Average Exercise Price**
$0.05	25,483,333	3.0	$ 0.05	10,350,006	$ 0.05

(c) Dividends

Pursuant to a resolution passed at the Board of Directors meeting on November 25, 2022, the Company declared a dividend of $0.0030 per share for each outstanding common and preferred share, amounting to a total of $2,044,578. The dividend was paid on January 9, 2023 to shareholders on record at the close of business on December 16, 2022. For the year ended August 31, 2022, the Company declared a dividend of $0.0030 per share, amounting to a total of $1,983,127. The dividend was paid on December 30, 2021 to shareholders on record as at December 10, 2021.

13. OPERATING EXPENSES

Operating expenses of the Company for the three and year ended August 31, 2023 and 2022 are as follows:

	Year ended August 31, 2023	Year ended August 31, 2022
Employee benefits:		
Salaries and wages	$ 24,383,505	$ 16,347,425
Other employee costs	6,532,424	5,735,765
Stock based compensation	267,272	340,505
	31,183,201	22,423,695
Amortization of program rights	5,744,858	5,749,750
Distribution and transmission costs	9,353,237	8,425,999
Other operating expenses	10,039,732	8,299,637
	$ 56,321,028	$ 44,899,081

Transactions costs of $133,808 related to Buzz acquisition, $55,291 related to Museland, and $71,264 related to Peak are included in other operating expenses for the year ended August 31, 2023 (August 31, 2022 - $56,660 transaction costs related to FreshDaily acquisition) (see Note 4 for further discussion).

14. BASIC AND DILUTED INCOME PER SHARE

The following table outlines the calculations of basic and diluted income per share attributed to owners of the parent for the year ended August 31, 2023 and 2022:

	Year ended August 31, 2023	August 31, 2022
Numerator for basic and diluted income per share:		
Net income (loss)	$ (190,828)	$ 3,244,990
Adjusted numerator for income (loss) per share	$ (190,828)	$ 3,244,990
Common shares - weighted average	273,836,005	273,497,432
Preference shares - weighted average	407,276,389	387,879,129
Denominator for income (loss) per share - weighted average	681,112,394	661,376,561
Net impact of potential dilutive securities	—	—
Adjusted denominator for diluted income (loss) per share	681,112,394	661,376,561
Basic income (loss) per share	**$ (0.00)**	**$ 0.00**
Diluted income (loss) per share	**$ (0.00)**	**$ 0.00**

The dilutive effect of outstanding stock options on income per share is based on the application of the treasury stock method. Under this method, the proceeds for the exercise of such securities are assumed to be used to purchase common shares of the Company. The effect of the potential exercise of stock options have been included in the calculation of diluted earnings per share for the year ended August 31, 2022. As the Company is in a net loss and comprehensive loss for the year ended August 31, 2023, the outstanding stock options are anti-dilutive in nature.

15. NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital balances for the year ended August 31, 2023 and 2022 consist of the following:

	Year ended August 31, 2023	Year ended August 31, 2022
Trade and other receivables	$ (379,360)	$ (320,661)
Prepaid expenses	430,985	1,294,252
Income tax assets	2,019,178	(2,146,463)
Trade and other payables	(2,295,656)	(2,397,500)
Income tax liabilities	415,042	(620,899)
	$ 190,189	$ (4,191,271)

16. RELATED PARTY TRANSACTIONS

The Company is controlled by Olympus Management Limited (**"OML"**), which owns 62.7% (August 31, 2022 - 64.7%) of the Company's equity through both common shares and preference shares. The President and Chief Executive Officer of the Company controls OML and is the ultimate controlling party of the Company. Fairfax Financial Holdings Limited (**"Fairfax"**), through its wholly owned subsidiary Northbridge Financial Corporation (**"Northbridge"**), holds 25.8% (August 31, 2022 - 26.6%) of the Company's equity through both common shares and preference shares. The remaining 11.5% (August 31, 2022 - 8.7%) of the Company's equity is made up of common shares and preference shares widely held.

The Company's related party transactions are summarized below. These transactions are in the normal course of operations.

a) Transactions with the principal shareholder

During the year ended August 31, 2023, the Company paid management fees of $1,477,670 (August 31, 2022 – $1,531,000) and fees for ancillary services of $238,303 (August 31, 2022 – $175,749) to OML, the majority shareholder of the Company, for the provision of executive management services, home office costs, contractor services and talent fees. At August 31, 2023, included in accounts receivable is a receivable from OML of $10,598 (August 31, 2022 - $3,607). At August 31, 2023, there is no outstanding dividend payable owing to OML (August 31, 2022 - $nil).

b) Transactions with entities controlled by a principal shareholder

During the year ended August 31, 2023, the Company received royalty revenues from Northbridge of $267,598 (August 31, 2022 – $882,821) and advertising revenues of $237,244 (August 31, 2022 – $262,301). Included in accounts receivable at August 31, 2023 is a receivable from Northbridge of $nil (August 31, 2022 – $282,785). At August 31, 2023, there is no outstanding dividend payable owing to Northbridge (August 31, 2022 - $nil).

A director of the Company is employed by a subsidiary of Fairfax.

c) Compensation of key management

	2023	2022
Salaries and short-term employee benefits	$ 2,909,036	$ 2,435,355
Stock based compensation	202,159	203,513
	$ 3,111,195	$ 2,638,868

17. FINANCIAL INSTRUMENTS AND FAIR VALUES

(a) Measurement categories and fair values

As described in Note 3(f), the Company's financial instruments are classified into three categories: financial assets at amortized cost, financial assets at FVPL, and financial liabilities at amortized cost.

Fair value is defined as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. The fair value of instruments that are quoted in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 - Significant unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.The following table shows the carrying values and fair values of financial assets carried at amortized and FVPL:

		August 31, 2023		August 31, 2022	
	Input level	Carrying value	Fair value	Carrying value	Fair value
Assets					
Amortized cost:					
Short-term investments - Government of Canada treasury bills	2	$ 217,866	$ 217,866	$ 342,432	$ 342,432
Short-term investments - Guaranteed investment certificates	2	—	—	300,000	300,000
Fair value through profit or loss:					
Short-term investments - Canopy shares	1	12,110	12,110	78,474	78,474
Short-term investments - Sionna investments	1	6,225,504	6,225,504	9,030,098	9,030,098
Short-term investments - Heritage shares	1	12,500	12,500	38,125	38,125
		$ 6,467,980	$ 6,467,980	$ 9,789,129	$ 9,789,129

The carrying values of trade and other receivables, trade and other payables, loan payable and promissory notes approximate their fair value due to their short-term nature. These financial instruments have been classified as level 2 within the fair value hierarchy.

(b) Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 17. It also manages liquidity risk by monitoring actual and projected cash flows, taking into account the Company's revenues and receipts and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves the Company's annual operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on acquisitions and other major investments.

The Company has expended cash on upgrading its television and radio broadcast equipment and IT infrastructure, and will continue to invest in new programming, expend funds on subscriber acquisition initiatives to increase subscribers to the magazine and invest in capital infrastructure in the radio and television production divisions. The Company has an accumulated deficit of $15,783,869 as at August 31, 2023. Cash flows from operating activities were $5,289,979 during the fiscal year ended August 31, 2023 (2022 - $3,634,974). Cash used for investing activities was $7,378,346 (2022 - $3,373,677). During the fiscal year, cash used for financing activities was $4,542,257 (2022 - cash used for financing activities of $5,869,523). At August 31, 2023, excluding current deferred revenue, the Company had working capital of $14,238,086 (August 31, 2022 - $25,283,022).

While some of the Company's costs are variable based on the revenue generated, a significant portion of the costs, including programming and other long-term commitments are fixed, and may not be reduced quickly. Some of these factors are beyond the Company's control and may impact the future cash flows from operating activities.

Management's current cash flow projections reflect positive cash flow from operations for the next twelve months.

The following table reflects the Company's undiscounted cash flows for its financial liabilities at August 31, 2023:

	1 year	2-3 years	4-5 years	Beyond 5 years	Total
Trade and other payables	$ 3,964,956	$ —	$ —	$ —	$ 3,964,956
Program rights liabilities	3,889,715	—	—	—	3,889,715
Loan and promissory notes	—	5,517,945	9,295,000	—	14,812,945
Leases	2,530,144	4,845,726	4,827,469	18,350,571	30,553,910
	$ 10,384,815	$ 10,363,671	$ 14,122,469	$ 18,350,571	$ 53,221,526

The following table reflects the Company's undiscounted cash flows for its financial liabilities at August 31, 2022:

	1 year	2-3 years	4-5 years	Beyond 5 years	Total
Trade and other payables	$ 4,789,425	$ —	$ —	$ —	4,789,425
Program rights liabilities	2,149,210	—	—	—	2,149,210
Promissory note	—	5,000,000	—	—	5,000,000
Leases	2,167,380	4,261,784	4,561,022	20,693,197	31,683,383
	$ 9,106,015	$ 9,261,784	$ 4,561,022	$ 20,693,197	$ 43,622,018

The Company also has significant contractual obligations in the form of program rights commitments (see Note 20).

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's credit risk is attributable to cash and cash equivalents, short-term investments and accounts receivable.

The Company's cash consist of deposits with major commercial banks as per its practice of protecting its capital rather than maximizing investment yield through additional risk.

Short-term investments include low-yield government issue treasury bills with maturities of less than one year and are considered highly liquid with minimal credit risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of trade accounts receivables. The Company's trade accounts receivable are disclosed net of provision for expected credit losses. Credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions, which could impair the customers' ability to satisfy their obligations to the Company along with other factors which are built into the Company's assessment of the provision for expected credit losses. In order to reduce the exposure to this risk, the Company has credit procedures in place whereby analyses are performed to control the granting of credit to any new or high risk customers.

As per Note 3(g), during the process of reviewing trade and other amounts receivable for impairment, the probability of the non-payment of the amounts receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for trade and other amounts receivable. The factors that are considered in determining if collection is unlikely include the aging of the balance owing, the customer's financial condition and history of collections, whether the customer is in bankruptcy, under administration or the payments are in dispute, and general business conditions.

At August 31, 2023, the Company had amounts receivable of $12,404,664 (August 31, 2022 - $10,132,886) gross of provision for expected credit losses of $680,221 (August 31, 2022 - $1,108,873), which adequately reflects the Company's credit risk. The Company's amounts receivable are primarily from Canadian customers.

The aging of accounts receivable past due is as follows:

	August 31, 2023	August 31, 2022
Trade accounts receivable		
Current	$ 4,668,371	$ 3,066,819
30 - 90 days past due date	3,637,147	2,647,761
Over 90 days past due date	1,398,131	1,362,455
	$ 9,703,649	$ 7,077,035
Other receivables	2,701,015	3,055,851
	$ 12,404,664	$ 10,132,886
Less: Provision for expected credit losses	(680,221)	(1,108,873)
	$ 11,724,443	$ 9,024,013

The Company believes that its provision for expected credit losses is sufficient to reflect the related credit risk based on the history of collections. The activity of the allowance for doubtful accounts for the years ended August 31, 2023 and 2022 is as follows:

	2023	2022
Provision for expected credit losses - beginning of year	$ (1,108,873)	$ (481,803)
Recovery (provision) for expected credit losses	355,661	(739,026)
Write-off of bad debts	72,991	111,956
Provision for expected credit losses - end of year	$ (680,221)	$ (1,108,873)

(d) Market and price risk

(i) Market risk

All of the Company's operations take place within Canada serving the Canadian market. Market risk concerns the potential loss associated with a general market decline in which the Company operates. Market risk is driven by changes in demand, price and costs of the advertising market. The Company is responsible for developing and marketing its brand names in the Canadian market and is impacted by changes in price and demand; therefore the Company is exposed to market risk.

(ii) Price risk

There is limited exposure to foreign currency denominated assets or liabilities. Other price risk represents the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market interest rates and price risk associated with equity investments. Majority of the Company's short-term and long-term liabilities have fixed interest rates, thereby minimizing the exposure to cash flow interest rate risk.

18. CAPITAL MANAGEMENT

The Company considers its capital structure as the aggregate of shareholders' equity. The Company manages its capital structure and makes adjustments to it in order to have funds available to support the business activities which the Board of Directors intends to pursue in addition to maximizing the return to shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the year ended August 31, 2023.

The Company is not subject to externally imposed capital requirements.

19. GOVERNMENT ASSISTANCE AND SUBSIDIES

The Company receives an annual grant from the Canada Periodical Fund administered by the Department of Canadian Heritage. This grant is recognized as a reduction of operating expenses as each issue of the magazine is published. The annual grant received for the current fiscal year is $890,418 (2022 - $848,836).

In addition, the Company received various COVID-19 emergency relief measures in the form of Canada Emergency Wage Subsidy, Canada Emergency Rent Subsidy, Canadian Heritage COVID Emergency Relief Fund, and special measures grant from the Canada Periodical Fund (see Note 23). These subsidies are recognized as a reduction of operating expenses in the following periods:

	Year ended August 31, 2024	Year ended August 31, 2023	Year ended August 31, 2022	Year ended August 31, 2021	Total
Canada Periodical Fund					
Government fiscal year 2024 - annual grant	$ 593,612	$ 296,806	$ —	$ —	$ 890,418
Government fiscal year 2023 - annual grant	—	565,891	282,945	—	848,836
Government fiscal year 2022 - annual grant	—	—	571,031	285,515	856,546
Government fiscal year 2021 - annual grant	—	—	—	823,309	823,309
Government fiscal year 2021 - special measures	—	—	—	36,603	36,603
Canada Emergency Wage Subsidy	—	—	161,165	1,135,336	1,296,501
Canada Emergency Rent Subsidy	—	—	163,260	123,377	286,637
Canadian Heritage COVID Emergency Relief Fund	—	—	—	—	—
Qualified Canadian Journalism Organization (QCJO) labour tax credit	—	691,615	—	—	691,615
	$ 593,612	$ 1,554,312	$ 1,178,401	$ 2,404,140	$ 5,730,465

At August 31, 2023, $593,612 of the annual grant for the current fiscal year remains in contract liabilities (August 31, 2022 - $565,891).

20. COMMITMENTS AND CONTINGENT LIABILITIES

At August 31, 2023, the Company has entered into various agreements for the right to broadcast certain television programs in the future. The acquisition of these broadcast rights is contingent on the actual delivery of the productions. Management estimates that these arrangements will result in future program expenditures of approximately $2,187,233 (August 31, 2022 - $1,780,689).

21. SEGMENTED INFORMATION

Management has determined that during the year, the Company operated within the following reportable business segments: Television, Radio, Print, Royalty, Digital, Other and Corporate operations. These business segments reflect the management structure of the Company and the way in which management reviews business performance. The Company evaluates the performance of its operating segments primarily based on segment income (loss), as presented below.

The Television segment consists of the Company's specialty and conventional television stations (Vision TV, ONE TV, Joy TV in Vancouver, FAITH TV in Winnipeg, and TVL Channel 5) and generates revenues from subscriber fees, the sale of broadcast time and advertising. The Radio segment consists of the Company's four radio stations and generates revenues primarily from the sale of advertising. The Print segment publishes ZOOMER magazine, On The Bay magazine and Tonic, and generates revenue from advertising, and subscriptions. The Membership & Royalty segment includes the operating activities of CARP as well as membership and marketing services to CARP, earning revenue from membership fees and royalties. The Digital segment consists of the operations of the recently acquired digital companies, FreshDaily, Buzz, Museland and Peak, as well as the operation of EverythingZoomer and other digital platforms. The Digital segment primarily generates revenue from the sale of advertising.

Other activities include the production of ZoomerShows, and other trade and consumer shows directed to the 45plus age group. Also included are a television production and distribution company and the JTM entities (see Note 3(d)). Other activities generate revenue from advertising, production and distribution services, sponsorship, booth rentals and ticket sales.

Corporate results primarily represent the incremental cost of corporate overhead in excess of the amount allocated to the segments, and also includes expenses relating to the operation of the Company's commercial property located in Toronto.

	Year ended August 31, 2023							
	Television	**Radio**	**Print**	**Membership & Royalty**	**Digital**	**Other**	**Corporate**	**Total**
Revenue	$ 29,824,126	$ 6,935,499	$ 4,001,591	$ 3,778,704	$ 17,591,738	$ 821,242	$ 399,882	63,352,782
Operating expenses	16,188,734	8,470,605	5,138,670	2,739,336	13,539,075	3,044,832	7,199,776	56,321,028
Depreciation	100,084	206,053	944,499	2,174	1,116,614	234,167	114,605	2,718,196
Amortization	16,540	1,435	76,079	272,956	1,638,254	5,023	4,564	2,014,851
Impairment of property and equipment	—	350,000	—	—		—	—	350,000
	16,305,358	9,028,093	6,159,248	3,014,466	16,293,943	3,284,022	7,318,945	61,404,075
Interest expense	—	2,133	1,642	—	439,955	634	1,778,637	2,223,001
Interest income	—	—	—	—	—	(44,555)	(92,768)	(137,323)
Unrealized loss on equity instruments	—	—	—	—	723	—	94,777	95,500
(Gain) loss on sale of property	(600)	—	—	—	2,319	—	—	1,719
Gain on sale of equity instruments	—	—	—	—	—	—	(275,420)	(275,420)
Segmented income (loss)	$ 13,519,368	$ (2,094,727)	$ (2,159,299)	$ 764,238	$ 854,798	$ (2,418,859)	$ (8,424,289)	$ 41,230
Segmented assets	$ 23,987,680	$ 3,608,211	$ 14,716,914	$ 84,042	$ 55,316,920	$ 3,937,372	$ 2,153,434	103,804,573
Additions - property and equipment	94,665	47,047	2,174	—	89,203	217,547	484,359	934,995
Additions - program rights	6,926,672	—	—	—	—	—	—	6,926,672
Additions - other intangible assets	30,417	131	—	—	7,734,632	—	87,632	7,852,812

	Year ended August 31, 2022 (restated)							
	Television	**Radio**	**Print**	**Membership & Royalty**	**Digital**	**Other**	**Corporate**	**Total**
Revenue	$ 31,879,977	$ 7,079,369	$ 4,205,708	$ 4,453,161	$ 5,494,332	$ 670,571	$ 459,812	54,242,930
Operating expenses	16,173,583	8,056,623	4,830,081	2,009,712	4,927,747	2,187,843	6,713,492	44,899,081
Depreciation	153,782	223,171	799,156	2,718	1,021,780	119,458	85,120	2,405,185
Amortization	30,615	1,428	551,078	7,979	785,292	22,503	60,251	1,459,146
	16,357,980	8,281,222	6,180,315	2,020,409	6,734,819	2,329,804	6,858,863	48,763,412
Non-cash interest expense	—	—	—	—	—	—	—	—
Interest expense	—	2,392	—	—	—	1,229	1,394,930	1,398,551
Interest income	—	—	—	—	—	(72,509)	(57,201)	(129,710)
Unrealized loss on equity instruments	—	—	—	—	—	—	406,994	406,994
Gain on sale of equity instruments	—	—	—	—	—	—	(973,903)	(973,903)
Segmented income (loss)	$ 15,521,997	$ (1,204,245)	$ (1,974,607)	$ 2,432,752	$ (1,240,487)	$ (1,587,953)	$ (7,169,871)	$ 4,777,586
Segmented assets	$ 21,226,480	$ 4,915,448	$ 25,591,933	$ 407,108	$ 34,941,907	$ 2,571,826	$ 2,797,972	92,452,674
Additions - property and equipment	50,131	191,192	1,465	—	—	215,420	352,359	810,567
Additions - program rights	7,578,339	—	—	—	—	—	—	7,578,339
Additions - other intangible assets	—	—	56,000	—	6,270,000	—	11,200	6,337,200

22. INVESTEE WITH NON-CONTROLLING INTEREST

CARP is recorded as a subsidiary of the Company in these consolidated financial statements, although the Company has no equity interest in CARP (see Note 3 (d)). The non-controlling interest of CARP comprises its membership base, which holds the deficit. The following financial information of CARP as a subsidiary is presented below. This information is based on amounts before elimination of balances and transactions between ZoomerMedia and its subsidiaries.

Summarized Statement of Financial Position

	August 31, 2023	August 31, 2022
ASSETS		
Current assets		
Cash	$ 7,255	$ 69,842
Trade and other receivables	15,000	—
Prepaid expenses	41,406	48,312
	63,661	118,154
Non-current assets		
Property, equipment and intangible assets	27,636	33,404
TOTAL ASSETS	$ 91,297	$ 151,558
LIABILITIES		
Current liabilities		
Trade and other payables	$ 136,956	$ 73,010
Due to controlling entity	974,099	781,317
Contract liabilities	798,549	977,880
	1,909,604	1,832,207
Non-current liabilities		
Contract liabilities	132,249	106,701
	2,041,853	1,938,908
EQUITY		
Deficit	(1,950,556)	(1,787,350)
TOTAL LIABILITIES AND EQUITY	$ 91,297	$ 151,558

Summarized Statements of Income and Comprehensive Income

	Year ended	
	August 31, 2023	**August 31, 2022**
REVENUE		
Membership fees	$ 1,515,646	$ 1,649,559
Sponsorship and other income	199,727	226,177
	1,715,373	1,875,736
OPERATING EXPENSES		
Employee benefits:		
Salaries and wages	584,768	361,208
Other employee costs	37,056	29,407
	621,824	390,615
Distribution and transmission costs	897,093	869,920
Other operating expenses	353,894	371,860
	1,872,811	1,632,395
Operating income (loss)	(157,438)	243,341
Depreciation	2,174	2,718
Amortization of other intangible assets	3,594	4,493
Net income (loss) before income taxes	(163,206)	236,130
Income tax expense	—	—
Net income (loss) and comprehensive income (loss) for the year	$ (163,206)	$ 236,130

23. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2023, on September 1, 2023, the Company acquired TitusOne Inc. (**"Titus One"**), a digital marketing agency. The aggregate purchase price for Titus One is $1,420,000, comprising of $100,000 cash and $1,320,000 promissory note. The Company is currently in the process of finalizing the purchase price accounting for this transaction and expects to complete the preliminary allocation of the purchase consideration acquired and liabilities assumed in fiscal 2024.