



ZOOMERMEDIA

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ZOOMERMEDIA LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and six months ended February 28, 2022 and 2021

ZOOMERMEDIA LIMITED

Condensed Consolidated Interim Statements of Financial Position (Unaudited)

(expressed in Canadian dollars)	February 28, 2022	August 31, 2021
ASSETS		
Current assets		
Cash	\$ 7,628,896	\$ 16,675,352
Short-term investments (Note 5)	14,596,392	16,646,347
Trade and other receivables	8,823,911	7,875,768
Prepaid expenses	1,193,231	2,626,363
Income tax receivable	1,180,644	—
	<u>33,423,074</u>	<u>43,823,830</u>
Non-current assets		
Property and equipment (Note 6)	3,666,986	3,663,418
Right-of-use assets (Note 7)	20,788,364	21,473,295
Deferred tax assets	2,272,226	3,318,352
Intangible assets (Note 8)	28,143,629	13,137,870
Goodwill (Note 8)	2,768,738	2,768,738
Other non-current assets	437,348	437,348
	<u>54,977,301</u>	<u>45,269,029</u>
TOTAL ASSETS	<u>\$ 91,500,365</u>	<u>\$ 88,622,851</u>
LIABILITIES		
Current liabilities		
Trade and other payables	\$ 5,702,848	\$ 6,796,623
Current portion of contract liabilities (Note 9)	2,719,491	3,139,383
Income tax payable	—	620,899
Dividend payable	—	1,652,606
Current portion of lease liabilities (Note 7)	1,029,935	982,380
Program rights liabilities	2,113,221	1,697,094
	<u>11,565,495</u>	<u>14,888,985</u>
Non-current liabilities		
Contract liabilities (Note 9)	499,044	683,153
Deferred tax liabilities	89,040	89,040
Long-term lease liabilities (Note 7)	21,619,986	22,061,391
Promissory note (Note 4)	5,000,000	—
	<u>27,208,070</u>	<u>23,833,584</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	63,730,699	63,680,453
Contributed surplus	4,224,858	4,053,632
Deficit	(13,313,013)	(14,810,323)
	<u>54,642,544</u>	<u>52,923,762</u>
Non-controlling interest (Note 11)	<u>(1,915,744)</u>	<u>(2,023,480)</u>
Total equity	<u>52,726,800</u>	<u>50,900,282</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 91,500,365</u>	<u>\$ 88,622,851</u>
Commitments and contingent liabilities (Note 17)		

APPROVED ON BEHALF OF THE BOARD:

signed Director
Moses Znaimer

signed Director
Peter Palframan

ZOOMERMEDIA LIMITED

Condensed Consolidated Interim Statements of Income and Comprehensive Income

For the three and six months ended February 28, 2022 and 2021

(Unaudited)

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Revenue	\$ 12,687,430	\$ 12,129,873	\$ 26,764,029	\$ 25,357,168
Operating expenses (Note 12)	10,349,328	8,872,913	20,984,698	18,570,952
Depreciation (Note 6, 7)	609,471	574,500	1,221,603	1,173,056
Amortization of other intangible assets (Note 8)	415,373	259,094	658,743	522,215
Operating income	1,313,258	2,423,366	3,898,985	5,090,945
Interest income	(28,659)	(15,401)	(54,964)	(33,603)
Interest expense	339,541	324,667	655,583	652,530
Net interest expense	310,882	309,266	600,619	618,927
Unrealized gain on equity instruments	(655,812)	(73,953)	(611,886)	(329,237)
Gain on sale of equity instruments	(771,788)	—	(797,185)	—
	(1,427,600)	(73,953)	(1,409,071)	(329,237)
Net income before income taxes	2,429,976	2,188,053	4,707,437	4,801,255
Income tax expense	473,477	713,997	1,119,264	1,410,160
Net income and comprehensive income for the period	<u>\$ 1,956,499</u>	<u>\$ 1,474,056</u>	<u>\$ 3,588,173</u>	<u>\$ 3,391,095</u>
Net income and comprehensive income attributed to:				
Owners of the parent	\$ 1,901,772	\$ 1,376,119	\$ 3,480,437	\$ 3,293,158
Non-controlling interest (Note 11)	54,727	97,937	107,736	97,937
	<u>\$ 1,956,499</u>	<u>\$ 1,474,056</u>	<u>\$ 3,588,173</u>	<u>\$ 3,391,095</u>
Net income per share (basic and diluted) (Note 13)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of shares outstanding	<u>661,397,585</u>	<u>659,042,758</u>	<u>666,399,552</u>	<u>659,042,758</u>

ZOOMERMEDIA LIMITED

Condensed Consolidated Interim Statements of Cash Flows For the three and six months ended February 28, 2022 and 2021 (Unaudited)

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Operating activities				
Net income for the period	\$ 1,956,499	\$ 1,474,056	\$ 3,588,173	\$ 3,391,095
Add (deduct) non-cash items:				
Depreciation (Note 6)	214,604	182,159	432,446	369,130
Depreciation of right-of-use assets (Note 7)	394,867	392,341	789,157	803,926
Amortization of program rights (Note 8)	1,307,297	1,222,888	2,577,659	2,479,041
Amortization of other intangibles (Note 8)	415,373	259,094	658,743	522,215
Stock-based compensation	60,734	114,653	197,288	122,941
Interest accrued on short-term investments	(3,291)	66	(12,242)	(1,697)
Dividends accrued on short-term investments	(937)	—	(19,606)	—
Deferred income tax (recovery) expense	431,502	(20,812)	1,046,126	(298,972)
Unrealized gain on equity instruments (Note 5)	(655,812)	(73,953)	(611,886)	(329,237)
Change in other non-current assets	—	—	—	(2,000)
Interest expense on lease liabilities (Note 7)	313,514	324,666	629,556	652,051
Gain on sale of equity instruments (Note 5)	(771,788)	—	(797,185)	—
Change in contract liabilities	(152,472)	(391,719)	(729,001)	(1,224,674)
Net change in non-cash working capital (Note 14)	861,281	477,860	(2,077,989)	(1,939,595)
	4,371,371	3,961,299	5,671,239	4,544,224
Purchase of program rights (Note 8)	(849,260)	(679,877)	(3,497,616)	(1,894,087)
Change in liabilities related to program rights	(751,154)	(181,033)	416,127	103,371
	(1,600,414)	(860,910)	(3,081,489)	(1,790,716)
	2,770,957	3,100,389	2,589,750	2,753,508
Investing activities				
Purchase of short-term investments	(1,148,461)	(6,153,599)	(7,973,229)	(15,276,280)
Proceeds from sale of short-term investments	4,833,756	4,599,677	11,557,255	19,257,323
Additions to property and equipment (Note 6)	(222,201)	(123,234)	(430,559)	(355,767)
Purchase of other intangible assets (Note 8)	—	(4,283)	—	(341,023)
Acquisition of Freshdaily, net of cash acquired (Note 4)	(10,050,492)	—	(10,050,492)	—
	(6,587,398)	(1,681,439)	(6,897,025)	3,284,253
Financing activities				
Issuance of shares under stock option plan	15,850	—	24,184	—
Repayment of lease liabilities (Note 7)	(564,183)	(514,682)	(1,127,632)	(1,049,164)
Payment of dividends	(1,983,127)	—	(3,635,733)	—
	(2,531,460)	(514,682)	(4,739,181)	(1,049,164)
Change in cash	(6,347,901)	904,268	(9,046,456)	4,988,597
Cash, beginning of period	13,976,797	21,754,675	16,675,352	17,670,346
Cash, end of period	<u>\$ 7,628,896</u>	<u>\$ 22,658,943</u>	<u>\$ 7,628,896</u>	<u>\$ 22,658,943</u>
Supplementary cash flow information:				
Equity instruments received (Note 5)	\$ —	\$ —	\$ 125,000	\$ —
Interest paid	339,541	324,667	655,583	652,530
Income taxes paid	544,391	287,195	1,859,611	2,627,412

ZOOMERMEDIA LIMITED

Condensed Consolidated Interim Statements of Changes in Equity For the three and six months ended February 28, 2022 and 2021 (Unaudited)

	Common Shares		Preference Shares		Contributed Surplus	Deficit	Non-controlling Interest	Total Shareholders' Equity
	#	\$	#	\$	\$	\$	\$	\$
Balance - September 1, 2020	264,330,297	24,342,107	387,879,129	38,787,913	3,778,855	(16,686,566)	(2,228,220)	47,994,089
Stock-based compensation	—	—	—	—	122,941	—	—	122,941
Net income	—	—	—	—	—	3,293,158	97,937	3,391,095
Balance - February 28, 2021	<u>264,330,297</u>	<u>24,342,107</u>	<u>387,879,129</u>	<u>38,787,913</u>	<u>3,901,796</u>	<u>(13,393,408)</u>	<u>(2,130,283)</u>	<u>51,508,125</u>
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	—	—	—	—	197,288	—	—	197,288
Exercise of stock options	483,667	50,246	—	—	(26,062)	—	—	24,184
Dividends declared	—	—	—	—	—	(1,983,127)	—	(1,983,127)
Net income and comprehensive income	—	—	—	—	—	3,480,437	107,736	3,588,173
Balance - February 28, 2022	<u>273,646,964</u>	<u>24,942,786</u>	<u>387,879,129</u>	<u>38,787,913</u>	<u>4,224,858</u>	<u>(13,313,013)</u>	<u>(1,915,744)</u>	<u>52,726,800</u>

ZOOMERMEDIA LIMITED

Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021 (Unaudited)

1. NATURE OF OPERATIONS

ZoomerMedia Limited (the “**Company**” or “**ZoomerMedia**”) is a multimedia company that serves the 45plus “Zoomer” demographic through television, radio, magazine, internet, conferences and trade shows. 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 every two months and distributed across the City of Toronto. ZoomerMedia's online properties include www.EverythingZoomer.com, Canada’s leading provider of online content targeting the 45 plus age group, and the newly acquired www.blogto.com, which caters to the interest of the Greater Toronto Region (see Note 4 for further discussion). ZoomerMedia has trade show and conference divisions that produce the ZoomerShows, annual consumer shows directed to the Zoomer demographic and ideaCity, an annual Canadian conference also known as 'Canada's Premiere Meeting of the Minds'.

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 condensed consolidated interim financial statements have been authorized for issue in accordance with a resolution from the Board of Directors on April 27, 2022.

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**”).

These condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards (“**IAS**”) 34, *Interim Financial Reporting*. The disclosures contained in these unaudited condensed consolidated interim financial statements do not contain all requirements of IFRS for annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2021.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as described in the audited consolidated financial statements for the year ended August 31, 2021. 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) 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 Cash Generating Units ("CGUs"); the values associated with indefinite life intangible assets and goodwill; the valuation of business combinations or acquisitions; the estimated period of use of program rights, the estimated useful lives of non-financial assets with definite useful lives; and estimation uncertainties caused by COVID-19.

(b) 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**"), and JTM Hit Parade 4 Inc. ("**JTM Hit Parade 4**") are structured entities. Effective May 1, 2021, the Company amalgamated previously stand-alone entities JTM Classical Performance Inc., JTM Holiday Special Inc., JTM Holiday Special II Inc., JTM Classical Performance II Inc., JTM Libby's Story Inc., Gospel Song Productions Inc., and People Who Sing Together 2 Inc. into JTM Amalco to streamline the reporting function of all inactive 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, and JTM Hit Parade 4 was incorporated on May 12, 2020.

The Company concluded that it controls JTM Amalco, JTM Hit Parade, JTM Unholy, JTM Hit Parade 3, JTM Healing Gardens, Kettle Bells Series, and JTM Hit Parade 4 (together "**the JTM entities**") as the main activities of the JTM entities is the creation of television programming content for which the Company will have 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 February 28, 2022, cash of \$627,993 and other current liabilities of \$467,754 are included in the condensed consolidated interim financial statements resulting from the consolidation of the JTM entities (August 31, 2021, cash of \$683,999 and other current liabilities of \$538,951).

Net income before income taxes for the six months ended February 28, 2022 increased by \$54,093 resulting from the consolidation of the JTM entities (2021 - net income before income taxes decreased by \$21,020).

ZOOMERMEDIA LIMITED

Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021 (Unaudited)

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 an investee. 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 an investee in these condensed consolidated interim financial statements (see Note 10).

4. ACQUISITION OF FRESHDAILY INC.

On January 21, 2022, the Company acquired all of the issued and outstanding shares of Freshdaily Inc. (“Fresh”), 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 a regional audience that is unrivaled in terms of online and social media reach and engagement.

Total consideration given is as follows:

Cash proceeds	\$	10,000,000
Working capital adjustments (paid on closing)		72,441
Promissory note		5,000,000
	\$	<u>15,072,441</u>

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, *Business Combinations* (“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, and will be subsequently recorded at amortized cost as appropriate. Given the timing of the acquisition, the preliminary assessment of the net assets acquired is as follows:

Cash	\$	21,949
Trade and other receivables		801,943
Property and equipment, net		5,455
Trade and other payables		(390,299)
Income tax payable		(111,152)
		<u>327,896</u>
Acquired intangible assets		14,744,545
	\$	<u><u>15,072,441</u></u>

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 incurred in these condensed consolidated interim financial statements.

Subsequent to the acquisition date, Fresh contributed revenue and net income of \$304,045 and \$48,864 respectively, and has been included in the Company's Other operating segment.

ZOOMERMEDIA LIMITED

Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021

(Unaudited)

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 an exclusive brand license agreement entered into on October 2018. The fair value at the time of acquisition was \$1,000,000. As at February 28, 2022, the Canopy shares have a fair value of \$145,969 (August 31, 2021 - \$350,551).
- (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 February 28, 2022, these shares have a fair value of \$11,085,173 (August 31, 2021 - \$9,917,463).
- (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 February 28, 2022, the Heritage shares have a fair value of \$60,625 (August 31, 2021 - \$nil).
- (d) Government of Canada treasury bills of \$304,625 (August 31, 2021 - \$3,378,333).
- (e) Royal Bank of Canada guaranteed investment certificates of \$3,000,000 (August 31, 2021 - \$3,000,000).

On November 29, 2021, the Company received 900,000 common shares of Givex Information Technology Group Limited ("**Givex**"), a Canadian publicly traded corporation. The Company previously held 50,000 common shares of Guilliam Holdings Incorporated ("**Guilliam**"), a Canadian private corporation, which were written off in prior years. As part of a larger go public transaction, each Guilliam common share was converted into 18 common shares of Givex. In the second quarter of fiscal 2022, the Company disposed of all of its shares in Givex, and recorded a realized gain of \$685,560 for the six months ended February 28, 2022.

The Company records its investments in Canopy, Heritage, and other Canadian public company shares as financial assets at fair value through profit and loss, and recorded an unrealized gain of \$611,886 during the six months ended February 28, 2022 (2021 - unrealized gain of \$329,237). Including the Givex shares sold, the Company recorded a realized gain of \$797,185 during the six months ended February 28, 2022 (2021 - \$nil).

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 ranging from two to three months with an interest rate yield between 0.120% and 0.450% (August 31, 2021 - 0.113% and 0.450%). The Company uses the effective interest rate method in determining the amortized cost for these instruments.

ZOOMERMEDIA LIMITED**Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021**

(Unaudited)

6. PROPERTY AND EQUIPMENT

	Land & building	Broadcast equipment	Equipment & vehicles	Computer hardware	Leasehold improvements	Total
At August 31, 2021						
Cost	\$ 680,727	\$ 9,086,826	\$ 2,321,109	\$ 2,690,846	\$ 1,054,548	\$ 15,834,056
Accumulated depreciation	(136,453)	(7,368,278)	(2,149,959)	(2,095,338)	(420,610)	(12,170,638)
Net book value	<u>\$ 544,274</u>	<u>\$ 1,718,548</u>	<u>\$ 171,150</u>	<u>\$ 595,508</u>	<u>\$ 633,938</u>	<u>\$ 3,663,418</u>
Six months ended February 28, 2022						
Opening net book value	\$ 544,274	\$ 1,718,548	\$ 171,150	\$ 595,508	\$ 633,938	\$ 3,663,418
Additions	—	121,997	74,162	229,441	10,414	436,014
Depreciation for the period	(6,391)	(175,824)	(27,016)	(175,980)	(47,235)	(432,446)
Closing net book value	<u>\$ 537,883</u>	<u>\$ 1,664,721</u>	<u>\$ 218,296</u>	<u>\$ 648,969</u>	<u>\$ 597,117</u>	<u>\$ 3,666,986</u>
At February 28, 2022						
Cost	\$ 680,727	\$ 9,208,823	\$ 2,395,271	\$ 2,920,287	\$ 1,064,962	\$ 16,270,070
Accumulated depreciation	(142,844)	(7,544,102)	(2,176,975)	(2,271,318)	(467,845)	(12,603,084)
Net book value	<u>\$ 537,883</u>	<u>\$ 1,664,721</u>	<u>\$ 218,296</u>	<u>\$ 648,969</u>	<u>\$ 597,117</u>	<u>\$ 3,666,986</u>

ZOOMERMEDIA LIMITED**Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021**

(Unaudited)

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

The following table presents the right-of-use assets for the six months ended February 28, 2022:

	Right-of-use: Land & building	Right-of-use: Equipment & vehicles	Total
At August 31, 2021			
Cost	\$ 24,426,922	\$ 286,052	\$ 24,712,974
Accumulated depreciation	(3,084,968)	(154,711)	(3,239,679)
Net book value	<u>\$ 21,341,954</u>	<u>\$ 131,341</u>	<u>\$ 21,473,295</u>
Six months ended February 28, 2022			
Opening net book value	\$ 21,341,954	\$ 131,341	\$ 21,473,295
Lease modifications	104,226	—	104,226
Depreciation for the period	(748,341)	(40,816)	(789,157)
Closing net book value	<u>\$ 20,697,839</u>	<u>\$ 90,525</u>	<u>\$ 20,788,364</u>
At February 28, 2022			
Cost	\$ 24,531,148	\$ 286,052	\$ 24,817,200
Accumulated depreciation	(3,833,309)	(195,527)	(4,028,836)
Net book value	<u>\$ 20,697,839</u>	<u>\$ 90,525</u>	<u>\$ 20,788,364</u>

The following table presents the lease liabilities for the six months ended February 28, 2022:

	Right-of-use: Land & building	Right-of-use: Equipment & vehicles	Total
At August 31, 2021			
Current portion	\$ 897,877	\$ 84,503	\$ 982,380
Long-term portion	22,008,220	53,171	22,061,391
	<u>\$ 22,906,097</u>	<u>\$ 137,674</u>	<u>\$ 23,043,771</u>
Six months ended February 28, 2022			
Opening balance	\$ 22,906,097	\$ 137,674	\$ 23,043,771
Interest expense	626,456	3,100	629,556
Lease modifications	104,226	—	104,226
Lease payments	(1,082,839)	(44,793)	(1,127,632)
Closing balance	<u>\$ 22,553,940</u>	<u>\$ 95,981</u>	<u>\$ 22,649,921</u>
At February 28, 2022			
Current portion	\$ 950,800	\$ 79,135	\$ 1,029,935
Long-term portion	21,603,140	16,846	21,619,986
	<u>\$ 22,553,940</u>	<u>\$ 95,981</u>	<u>\$ 22,649,921</u>

ZOOMERMEDIA LIMITED**Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021**

(Unaudited)

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
At August 31, 2021								
Cost	\$ 22,620,517	\$ 13,639,874	\$ 12,650,072	\$ 1,126,740	\$ 1,285,521	\$ 550,000	\$ 51,872,724	\$ 8,731,879
Accumulated amortization	—	(8,684,605)	(11,537,374)	(823,674)	(1,154,424)	(314,260)	(22,514,337)	—
Accumulated impairment	(16,220,517)	—	—	—	—	—	(16,220,517)	(5,963,141)
Net book value	<u>\$ 6,400,000</u>	<u>\$ 4,955,269</u>	<u>\$ 1,112,698</u>	<u>\$ 303,066</u>	<u>\$ 131,097</u>	<u>\$ 235,740</u>	<u>\$ 13,137,870</u>	<u>\$ 2,768,738</u>
Six months ended February 28, 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	—	3,497,616	—	9,829,697	—	4,914,848	18,242,161	—
Amortization for the period	—	(2,577,659)	(421,668)	(102,847)	(28,573)	(105,655)	(3,236,402)	—
Closing net book value	<u>\$ 6,400,000</u>	<u>\$ 5,875,226</u>	<u>\$ 691,030</u>	<u>\$ 10,029,916</u>	<u>\$ 102,524</u>	<u>\$ 5,044,933</u>	<u>\$ 28,143,629</u>	<u>\$ 2,768,738</u>
At February 28, 2022								
Cost	\$ 22,620,517	\$ 12,339,304	\$ 12,650,072	\$ 10,956,437	\$ 1,285,521	\$ 5,464,848	\$ 65,316,699	\$ 8,731,879
Accumulated amortization	—	(6,464,078)	(11,959,042)	(926,521)	(1,182,997)	(419,915)	(20,952,553)	—
Accumulated impairment	(16,220,517)	—	—	—	—	—	(16,220,517)	(5,963,141)
Net book value	<u>\$ 6,400,000</u>	<u>\$ 5,875,226</u>	<u>\$ 691,030</u>	<u>\$ 10,029,916</u>	<u>\$ 102,524</u>	<u>\$ 5,044,933</u>	<u>\$ 28,143,629</u>	<u>\$ 2,768,738</u>

On September 1, 2020, the Company acquired the intellectual property of Tonic in exchange for \$336,740 in consideration, which consisted of a cash payout in the amount of \$203,575, a one-year promissory note valued at \$30,840, and contingent consideration in the amount of \$102,325. The contingent consideration relates to future earnings performance, and is payable over two years.

In accordance with the IFRS 3 amendments set forth by the IASB effective for annual reporting periods beginning on or after January 1, 2020, the acquisition of Tonic has been accounted for as an asset acquisition, as all of the acquired assets, which include all trademarks, rights, titles, interest, domain names, websites, copyright materials, archived materials and customer lists, are concentrated in a single identifiable asset.

Accordingly, the fair value of the total acquisition consideration has been attributed wholly to the intangible assets acquired, cumulatively regarded as the Tonic brand, and will be subsequently recorded at amortized cost as appropriate.

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(Unaudited)

9. CONTRACT LIABILITIES

	February 28, 2022	August 31, 2021
Magazine subscriptions revenue	\$ 1,469,416	\$ 1,581,353
Membership revenue	1,126,846	1,198,289
Royalty revenue	173,748	153,327
Canada Periodical Fund	142,758	571,031
Show and conference revenue	49,750	113,250
Advertising revenue	248,017	197,286
Production revenue	8,000	8,000
	<u>\$ 3,218,535</u>	<u>\$ 3,822,536</u>
Less: Current portion	(2,719,491)	(3,139,383)
	<u>\$ 499,044</u>	<u>\$ 683,153</u>

10. 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 February 28, 2022, the Company had 387,879,129 preference shares outstanding (August 31, 2021 – 387,879,129).

Unlimited number of common shares. As at February 28, 2022, the Company had 273,646,964 common shares outstanding (August 31, 2021 – 273,163,297).

(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 upon issuance and one-third in each of the following two years.

As at February 28, 2022, the Company had 20,483,333 stock options outstanding with a weighted exercise price of \$0.05 per share (August 31, 2021 - 20,967,000).

Movements in the number of stock options outstanding and their related weighted average exercise price are as follows:

	Six months ended February 28, 2022		Year ended August 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	20,967,000	\$ 0.05	16,800,000	\$ 0.05
Issued	—	—	15,200,000	0.05
Exercised	(483,667)	0.05	(8,833,000)	0.05
Cancelled	—	—	(1,600,000)	0.05
Expired	—	—	(600,000)	0.05
Balance, end of period	<u>20,483,333</u>	<u>\$ 0.05</u>	<u>20,967,000</u>	<u>\$ 0.05</u>

ZOOMERMEDIA LIMITED**Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021**

(Unaudited)

(c) Dividends

On November 24, 2021, the Company declared a dividend of \$0.003 per share on each outstanding common and preference share, amounting to a total of \$1,983,127. The dividend was paid on December 30, 2021 to shareholders on record as at December 15, 2021.

11. INVESTEE WITH NON-CONTROLLING INTEREST

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

Summarized Statement of Financial Position

	February 28, 2022	August 31, 2021
ASSETS		
Current assets		
Cash	\$ 59,347	\$ 75,865
Trade and other receivables	44,143	40,143
Prepaid expenses	67,674	44,890
	<u>171,164</u>	<u>160,898</u>
Non-current assets		
Property and equipment	12,231	13,589
Intangible assets	24,779	27,026
TOTAL ASSETS	<u>\$ 208,174</u>	<u>\$ 201,513</u>
LIABILITIES		
Current liabilities		
Trade and other payables	\$ 265,519	\$ 193,090
Due to controlling entity	731,552	833,614
Contract liabilities	1,008,055	1,003,844
	<u>2,005,126</u>	<u>2,030,548</u>
Non-current liabilities		
Contract liabilities	118,791	194,445
	<u>2,123,917</u>	<u>2,224,993</u>
EQUITY		
Deficit	<u>(1,915,743)</u>	<u>(2,023,480)</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 208,174</u>	<u>\$ 201,513</u>

ZOOMERMEDIA LIMITED**Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021**

(Unaudited)

Summarized Statements of Income and Comprehensive Income

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
REVENUE				
Membership fees	\$ 414,807	\$ 373,979	\$ 831,954	\$ 741,898
Subsidy from controlling entity	—	—	—	—
Sponsorship and other income	65,963	100,272	120,213	357,556
	<u>480,770</u>	<u>474,251</u>	<u>952,167</u>	<u>1,099,454</u>
OPERATING EXPENSES				
Employee benefits:				
Salaries and wages	122,434	114,833	208,864	266,735
Other employee costs	5,064	4,916	16,457	12,467
	<u>127,498</u>	<u>119,749</u>	<u>225,321</u>	<u>279,202</u>
Distribution and transmission costs	205,065	212,201	431,101	414,285
Other operating expenses	91,677	42,110	184,404	303,523
	<u>424,240</u>	<u>374,060</u>	<u>840,826</u>	<u>997,010</u>
Operating income	56,530	100,191	111,341	102,444
Depreciation	680	850	1,359	1,699
Amortization of other intangible assets	1,123	1,404	2,246	2,808
	<u>54,727</u>	<u>97,937</u>	<u>107,736</u>	<u>97,937</u>
Net income before income taxes	<u>54,727</u>	<u>97,937</u>	<u>107,736</u>	<u>97,937</u>
Income tax expense	—	—	—	—
Net income and comprehensive income for the year	<u>\$ 54,727</u>	<u>\$ 97,937</u>	<u>\$ 107,736</u>	<u>\$ 97,937</u>

12. OPERATING EXPENSES

Operating expenses of the Company for the six months ended February 28, 2022 and 2021 are as follows:

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Employee benefits:				
Salaries and wages	\$ 4,101,180	\$ 3,159,726	\$ 7,937,205	\$ 7,011,601
Other employee costs	1,385,021	1,280,624	2,766,404	2,468,272
Stock based compensation	60,734	114,653	197,288	122,941
	<u>\$ 5,546,935</u>	<u>\$ 4,555,003</u>	<u>10,900,897</u>	<u>9,602,814</u>
Amortization of program rights	1,307,297	1,222,888	2,577,659	2,479,041
Distribution and transmission costs	1,800,741	1,402,521	3,978,768	3,109,022
Other operating expenses	1,694,355	1,692,501	3,527,374	3,380,075
	<u>\$ 10,349,328</u>	<u>\$ 8,872,913</u>	<u>\$ 20,984,698</u>	<u>\$ 18,570,952</u>

ZOOMERMEDIA LIMITED**Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021**

(Unaudited)

13. 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 six months ended February 28, 2022 and 2021:

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Numerator for basic and diluted income per share:				
Net income	\$ 1,956,499	\$ 1,474,056	\$ 3,588,173	\$ 3,391,095
Adjusted numerator for income per share	\$ 1,956,499	\$ 1,474,056	\$ 3,588,173	\$ 3,391,095
Common shares	273,518,456	264,330,297	273,345,420	264,330,297
Preference shares	387,879,129	387,879,129	387,879,129	387,879,129
Denominator for income per share - weighted average	661,397,585	652,209,426	661,224,549	652,209,426
Effect of potential dilutive securities	5,175,003	6,833,332	5,175,003	6,833,332
Adjusted denominator for diluted income per share	666,572,588	659,042,758	666,399,552	659,042,758
Basic income per share	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Diluted income per share	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01

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 six months ended February 28, 2022 and 2021.

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(Unaudited)

14. NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital balances for the six months ended February 28, 2022 and 2021 consist of the following:

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Trade and other receivables	\$ 1,869,071	\$ 533,764	\$ (114,352)	\$ (276,887)
Prepaid expenses	(53,501)	(81,707)	1,433,132	(489,864)
Income tax assets	(614,070)	—	(1,291,796)	—
Trade and other payables	(340,219)	(436,161)	(1,484,074)	(268,914)
Income tax liabilities	—	447,614	(620,899)	(918,280)
Other liabilities	—	14,350	—	14,350
	<u>\$ 861,281</u>	<u>\$ 477,860</u>	<u>\$ (2,077,989)</u>	<u>\$ (1,939,595)</u>

15. RELATED PARTY TRANSACTIONS

The Company is controlled by Olympus Management Limited (“OML”), which owns 65.6% (2021 - 64.9%) 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 27.0% (2021 - 27.0%) of the Company’s equity through both common shares and preference shares. The remaining 7.4% (2021 - 8.1%) of the Company's equity is made up of common 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 six months ended February 28, 2022, the Company paid management fees of \$690,500 (2021 – \$690,500) and fees for ancillary services of \$87,908 (2021 – \$84,210) to OML, the majority shareholder of the Company, for the provision of executive management services, home office costs, contractor services and talent fees. At February 28, 2022, included in accounts payable and accrued liabilities is a payable to OML of \$nil (August 31, 2021 - \$48,178). At February 28, 2022, included in the condensed consolidated interim financial statements is a dividend payable to OML of \$nil (August 31, 2021 - \$639,763).

(b) Transactions with entities controlled by a principal shareholder

During the six months ended February 28, 2022, the Company received royalty revenues from Northbridge of \$286,784 (2021 – \$356,275) and advertising revenues of \$127,627 (2021 – \$46,175). Included in accounts receivable at February 28, 2022 is a receivable from Northbridge of \$47,543 (August 31, 2021 – \$121,779). At February 28, 2022, included in the condensed consolidated interim financial statements is a dividend payable to Northbridge of \$nil (August 31, 2021 - \$329,935).

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

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16. 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 six months ended February 28, 2022.

The Company is not subject to externally imposed capital requirements.

17. COMMITMENTS AND CONTINGENT LIABILITIES

At February 28, 2022, 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 \$1,149,133 (August 31, 2021 - \$2,692,137).

18. SEGMENTED INFORMATION

Management has determined that during the year, the Company operated within five reportable business segments: Television, Radio, Print, Royalty and Other 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.

Other activities include the operation of a number of Canadian websites (EverythingZoomer.com, blogTO.com and others), and 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(b)). 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.

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	Six months ended February 28, 2022						
	<u>Television</u>	<u>Radio</u>	<u>Print</u>	<u>Membership & Royalty</u>	<u>Other</u>	<u>Corporate</u>	<u>Total</u>
Revenue	\$ 16,481,120	\$ 3,822,828	\$ 2,133,682	\$ 2,060,602	\$ 2,058,549	\$ 207,248	\$ 26,764,029
Operating expenses	8,180,716	3,795,302	2,318,874	1,017,998	2,878,129	2,793,679	20,984,698
Depreciation	110,998	112,043	488,860	1,359	461,846	46,497	1,221,603
Amortization	15,308	714	106,118	423,914	102,382	10,307	658,743
	<u>8,307,022</u>	<u>3,908,059</u>	<u>2,913,852</u>	<u>1,443,271</u>	<u>3,442,357</u>	<u>2,850,483</u>	<u>22,865,044</u>
Interest expense	—	989	—	—	669	653,925	655,583
Interest income	—	—	—	—	(29,551)	(25,413)	(54,964)
Unrealized gain on equity instruments	—	—	—	—	—	(611,886)	(611,886)
Gain on sale of equity instruments	—	—	—	—	—	(797,185)	(797,185)
Segmented income (loss)	<u>\$ 8,174,098</u>	<u>\$ (86,220)</u>	<u>\$ (780,170)</u>	<u>\$ 617,331</u>	<u>\$ (1,354,926)</u>	<u>\$ (1,862,676)</u>	<u>\$ 4,707,437</u>
Segmented assets	\$ 20,587,404	\$ 5,000,951	\$ 31,559,028	\$ 839,857	\$ 30,447,745	\$ 3,065,380	\$ 91,500,365
Additions - property and equipment	14,097	107,900	—	—	83,311	230,706	436,014
Additions - program rights	3,497,616	—	—	—	—	—	3,497,616
Additions - other intangible assets	—	—	—	—	14,744,545	—	14,744,545
	Six months ended February 28, 2021						
	<u>Television</u>	<u>Radio</u>	<u>Print</u>	<u>Membership & Royalty</u>	<u>Other</u>	<u>Corporate</u>	<u>Total</u>
Revenue	\$ 16,387,217	\$ 3,131,843	\$ 2,006,125	\$ 2,115,811	\$ 1,697,333	\$ 18,839	\$ 25,357,168
Operating expenses	7,617,758	3,343,036	1,946,958	1,040,633	2,405,042	2,217,525	18,570,952
Depreciation	129,555	102,798	510,928	1,699	423,377	4,699	1,173,056
Amortization	27,033	119	38,043	424,476	32,187	357	522,215
	<u>7,774,346</u>	<u>3,445,953</u>	<u>2,495,929</u>	<u>1,466,808</u>	<u>2,860,606</u>	<u>2,222,581</u>	<u>20,266,223</u>
Interest expense	141	658	—	—	474	651,257	652,530
Interest income	—	—	—	—	—	(33,603)	(33,603)
Unrealized gain on equity instruments	—	—	—	(329,237)	—	—	(329,237)
Segmented income (loss)	<u>\$ 8,612,730</u>	<u>\$ (314,768)</u>	<u>\$ (489,804)</u>	<u>\$ 978,240</u>	<u>\$ (1,163,747)</u>	<u>\$ (2,821,396)</u>	<u>\$ 4,801,255</u>
Segmented assets	\$ 21,912,200	\$ 4,599,049	\$ 31,163,907	\$ 1,651,578	\$ 26,367,015	\$ 292,652	\$ 85,986,401
Additions - property and equipment	11,054	225,648	—	—	30,621	88,444	355,767
Additions - program rights	1,875,787	—	—	—	18,300	—	1,894,087
Additions - other intangible assets	—	4,283	336,740	—	—	—	341,023

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	Three months ended February 28, 2022						
	<u>Television</u>	<u>Radio</u>	<u>Print</u>	<u>Membership & Royalty</u>	<u>Other</u>	<u>Corporate</u>	<u>Total</u>
Revenue	\$ 7,864,677	\$ 1,879,748	\$ 780,198	\$ 986,667	\$ 1,065,927	\$ 110,213	\$ 12,687,430
Operating expenses	3,986,403	1,802,211	1,017,959	533,833	1,522,177	1,486,745	10,349,328
Depreciation	48,140	56,379	213,579	680	263,578	27,115	609,471
Amortization	7,654	357	93,153	211,957	92,874	9,378	415,373
	<u>4,042,197</u>	<u>1,858,947</u>	<u>1,324,691</u>	<u>746,470</u>	<u>1,878,629</u>	<u>1,523,238</u>	<u>11,374,172</u>
Interest expense	—	678	—	—	317	338,546	339,541
Interest income	—	—	—	—	(16,776)	(11,883)	(28,659)
Unrealized gain on equity instruments	—	—	—	(43,926)	—	(611,886)	(655,812)
Gain on sale of equity instruments	—	—	—	—	—	(771,788)	(771,788)
Segmented income (loss)	<u>\$ 3,822,480</u>	<u>\$ 20,123</u>	<u>\$ (544,493)</u>	<u>\$ 284,123</u>	<u>\$ (796,243)</u>	<u>\$ (356,014)</u>	<u>\$ 2,429,976</u>
Segmented assets	\$ 20,587,404	\$ 5,000,951	\$ 31,559,028	\$ 839,857	\$ 30,447,745	\$ 3,065,380	\$ 91,500,365
Additions - property and equipment	—	71,870	—	—	61,974	93,812	227,656
Additions - program rights	849,260	—	—	—	—	—	849,260
Additions - other intangible assets	—	—	—	—	14,744,545	—	14,744,545

	Three months ended February 28, 2021						
	<u>Television</u>	<u>Radio</u>	<u>Print</u>	<u>Membership & Royalty</u>	<u>Other</u>	<u>Corporate</u>	<u>Total</u>
Revenue	\$ 8,290,122	\$ 1,413,244	\$ 663,465	\$ 861,683	\$ 890,927	\$ 10,432	\$ 12,129,873
Operating expenses	3,495,219	1,415,756	925,484	494,578	1,300,590	1,241,286	8,872,913
Depreciation	55,072	49,586	216,286	850	249,817	2,889	574,500
Amortization	13,516	119	14,789	212,238	18,220	212	259,094
	<u>3,563,807</u>	<u>1,465,461</u>	<u>1,156,559</u>	<u>707,666</u>	<u>1,568,627</u>	<u>1,244,387</u>	<u>9,706,507</u>
Interest expense	—	296	—	—	228	324,143	324,667
Interest income	—	—	—	—	—	(15,401)	(15,401)
Unrealized gain on equity instruments	—	—	—	(73,953)	—	—	(73,953)
Segmented income (loss)	<u>\$ 4,726,315</u>	<u>\$ (52,513)</u>	<u>\$ (493,094)</u>	<u>\$ 227,970</u>	<u>\$ (677,928)</u>	<u>\$ (1,542,697)</u>	<u>\$ 2,188,053</u>
Segmented assets	\$ 21,912,200	\$ 4,599,049	\$ 31,163,907	\$ 1,651,578	\$ 26,367,015	\$ 292,652	\$ 85,986,401
Additions - property and equipment	1,686	86,358	—	—	—	35,190	123,234
Additions - program rights	661,577	—	—	—	18,300	—	679,877
Additions - other intangible assets	—	4,283	—	—	—	—	4,283

ZOOMERMEDIA LIMITED

Notes to Condensed Consolidated Interim Financial Statements – February 28, 2022 and 2021

(Unaudited)

19. COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as ("COVID-19"), has caused significant disruptions to governments, businesses, economies and financial markets around the world since its emergence in March 2020. As at the date of these financial statements, the medium and long-term impact of COVID-19 are still uncertain, including its duration, the emergence of variants, the long-term effectiveness of vaccines, the adverse impact to global supply chains, and further measures that could be implemented by governments and central banks.

The widespread progress in vaccination statuses and the gradual reopening of the economy have had a positive impact on the Company for the six months ended February 28, 2022. Commercial advertising revenue from local clients in the live events, hospitality and tourism sectors have shown signs of recovery, although revenues have yet to recover from its pre-pandemic levels. There is still much uncertainty surrounding the variants and its impact to public health guidelines, as evident by the most recent lockdown in January related to the spread of the Omicron variant, which led to cancellations and deferral of advertising spend from local clients, impacting the results in the second quarter of fiscal 2022. The Company has continued to enact a number of measures to respond to the impact of COVID-19 on business operations, including exploring new revenue streams, and a continued focus on reducing non-critical expenses. For the six months ended February 28, 2022, the Company received \$161,165 in Canada Emergency Wage Subsidy ("CEWS") (2021 - \$765,486) and \$163,260 in Canada Emergency Rent Subsidy ("CERS") (2021 - \$nil).