ZOOMERMEDIA LIMITED

Management's Discussion and Analysis

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

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") provides a review of the financial condition and operating performance of ZoomerMedia Limited for the six months ended February 28, 2022.

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This document contains forward-looking statements, which are qualified with reference to, and should be read in conjunction with the Cautionary Statement on Forward-Looking Statements section of this MD&A.

Unless the context otherwise requires, all references to "ZoomerMedia", "Company", "our", "us", and "we" refers to ZoomerMedia Limited and its subsidiaries. Additional information regarding the Company is available on SEDAR at www.sedar.com. This MD&A is dated April 28, 2022. All amounts herein are presented in Canadian dollars, unless otherwise stated.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements made in this report are 'forward-looking statements' which may include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words 'believe', 'anticipate', 'expect', 'estimate', 'project', 'will be', 'will continue', 'will likely result' or similar words or phrases. Forward-looking statements involve risks and uncertainties, which may cause actual results to differ materially from the forward-looking statements. The risks and uncertainties are detailed from time to time in filings by us with provincial securities commissions. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, the following:

- the risks inherent in magazine publishing generally;
- the risks inherent in the operation of Internet media properties generally;
- the risks inherent in the operation of television broadcast properties generally;
- the risks inherent in the operation of radio broadcast properties generally;
- the risks inherent in the operations of affinity partners with respect to royalty revenue;
- the risks inherent in the operation of consumer shows generally;
- the competition within the media industry for the baby boomer generation's business;
- the risks associated with governmental regulation of the publishing, internet, radio and television broadcasting businesses;
- the results of legal claims made by or against the Company;
- the dependence of the business on the continuing operation of its computer systems;
- the dependence of the business on key personnel; and
- the emergence of public health crisis and emergencies, such as COVID-19.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. We do not intend and do not assume any obligation to update these forward-looking statements.

OVERVIEW OF THE BUSINESS

ZoomerMedia Limited is a multimedia company that serves the 45plus "Zoomer" demographic through television, radio, magazine, internet, conferences and trade shows. Our 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. Our 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. We also publish ZOOMER Magazine, the largest paid circulation magazine in Canada for the mature market, On The Bay Magazine, a regional lifestyle magazine published quarterly for the 20 towns and villages of Southern Georgian Bay, Ontario, and Tonic Magazine, a regional health and wellness magazine published every two months and distributed across the City of Toronto. We are Canada's leading provider of online content targeting the 45plus age group through many properties, the key one being www.EverythingZoomer.com. We have 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'.

In the second quarter of fiscal 2022, ZoomerMedia closed an agreement to acquire all of the issued and outstanding shares of FreshDaily Inc. ("**Fresh**"), owner and publisher of blogTO, the leading digital source for Greater Toronto Region news, culture, restaurant reviews, event listings, and all the best the GTA has to offer. The operating results of Fresh subsequent to the date of acquisition have been included in our Other operating segment. Please refer to the section "ACQUISITION OF FRESH DAILY" for further discussion.

OVERVIEW OF CONSOLIDATED RESULTS

	Three months ended			Six months ended		
	February 28, 2022	**February 28, 2021**	**% Change**	**February 28, 2022**	**February 28, 2021**	**% Change**
Revenue	$ 12,687,430	$ 12,129,873	4.6%	$ 26,764,029	$ 25,357,168	5.5%
Operating expenses	10,349,328	8,872,913	(16.6)%	20,984,698	18,570,952	(13.0)%
Adjusted EBITDA[1]	**2,338,102**	**3,256,960**	**(28.2)%**	**5,779,331**	**6,786,216**	**(14.8)%**
Adjusted EBITDA %	*18.4%*	*26.9%*	*(8.5)%*	*21.6%*	*26.8%*	*(5.2)%*
Depreciation & Amortization	1,024,844	833,594	(22.9)%	1,880,346	1,695,271	(10.9)%
Operating income	**1,313,258**	**2,423,366**	**(45.8)%**	**3,898,985**	**5,090,945**	**(23.4)%**
Interest income	(28,659)	(15,401)		(54,964)	(33,603)	
Interest expense	339,541	324,667		655,583	652,530	
Unrealized gain on equity instruments	(655,812)	(73,953)		(611,886)	(329,237)	
Gain on sale of equity instruments	(771,788)	—		(797,185)	—	
Net income before income taxes	**2,429,976**	**2,188,053**	**11.1%**	**4,707,437**	**4,801,255**	**(2.0)%**
Income tax expense	473,477	713,997	33.7%	1,119,264	1,410,160	20.6%
Net income and comprehensive income for the period	**1,956,499**	**1,474,056**	**32.7%**	**3,588,173**	**3,391,095**	**5.8%**

[1] Adjusted EBITDA is a Non-GAAP measure. Please refer to the section entitled "RECONCILIATION AND DEFINITION OF NON-IFRS MEASURES" of this MD&A

REVENUES

Consolidated revenues for the three and six months ended February 28, 2022 were $12.69 million and $26.76 million respectively, an increase of 4.6% and 5.5% compared to the same periods in the prior year. This was primarily attributed to the strong national advertising revenues in Radio and Television, higher Print subscriber growth, the inclusion of blogTO revenues, and dividend income recognized in the Corporate division. There is still much uncertainty surrounding the pandemic and its impact to public health guidelines, as evident by the January lockdown related to the spread of the Omicron variant, which has led to cancellations/deferral of advertising spend from local clients. This has dampened the second quarter results in Online and Shows + Conferences.

Further analysis of performance by segment is provided in the discussion of segmented results.

OPERATING EXPENSES

Consolidated operating expenses for the three and six months ended February 28, 2022 were $10.35 million and $20.98 million respectively, an increase of 16.6% and 13.0% compared to the same periods in the prior year. This was driven by higher sales costs correlated to advertising revenue growth, increased spending in content creation, marketing and other business development opportunities, and lower amounts received from Canada Emergency Wage Subsidy ("**CEWS**") as compared to the prior year.

Further analysis of expenses is provided in the discussion of segmented results.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the three and six months ended February 28, 2022 was $1.02 million and $1.88 million respectively, an increase of 22.9% and 10.9% compared to the same periods in the prior year. This was the result of higher amortization expense related to the acquired intangible assets from Fresh.

INTEREST INCOME AND INTEREST EXPENSE

For the three and six months ended February 28, 2022, interest income earned on short-term investments and deposits were $0.03 million and $0.05 million respectively.

For the three and six months ended February 28, 2022, interest expense due mainly to the accretion of lease liabilities were $0.34 million and $0.66 million respectively.

INCOME TAXES

For the three and six months ended February 28, 2022, income tax expense were $0.47 million and $1.12 million respectively, a decrease of 33.7% and 20.6% compared to the same periods in the prior year. This was primarily attributed to lower operating income in the current year and a higher share of net income attributed to capital gains.

NET INCOME AND COMPREHENSIVE INCOME

For the three months ended February 28, 2022, net income was $1.96 million, compared to $1.47 million in the prior year. For the six months ended February 28, 2022, net income was $3.59 million, compared to $3.39 million in the prior year. Included in net income is the realized gain on sale of equity instruments, offsetting lower operating income as compared to prior year.

TELEVISION

The television division operates Vision TV, ONE TV, TVL Channel 5, JoyTV in Vancouver and FAITH TV in Winnipeg. At the beginning of the fiscal year, the Company made a decision to streamline the ONE TV brand by eliminating the "Get Fit" slogan in order to reflect the newly added drama strips and movies. Bespoke exercise programming remains a pillar of the channel, while the entertainment content has served to broaden audience appeal and viewership.

	Three months ended			Six months ended		
	February 28, 2022	February 28, 2021	% Change	February 28, 2022	February 28, 2021	% Change
Revenue	**$ 7,864,677**	**$ 8,290,122**	**(5.1)%**	**$ 16,481,120**	**$ 16,387,217**	**0.6%**
Subscriber fees	2,187,529	2,982,174	(26.6)%	4,870,976	5,976,028	(18.5)%
Mosaic air time sales	2,593,844	2,507,806	3.4%	5,173,787	5,006,907	3.3%
Commercial advertising	2,442,165	2,162,716	12.9%	5,721,595	4,720,050	21.2%
Distribution, retransmission & other	641,139	637,426	0.6%	714,762	684,232	4.5%
Operating expenses	**3,986,403**	**3,495,219**	**(14.1)%**	**8,180,716**	**7,617,758**	**(7.4)%**
Segment Adjusted EBITDA	**3,878,274**	**4,794,903**	**(19.1)%**	**8,300,404**	**8,769,459**	**(5.3)%**
Adjusted EBITDA Margin	***49.3%***	*57.8%*		***50.4%***	*53.5%*	

For the three months ended February 28, 2022, total revenues from the Television division decreased by 5.1%, compared to the the prior year. This was the result of an adjustment to ONE TV's subscriber fees related to a retroactive implicit rate concession with one of the station's major BDU's stemming from a new agreement executed in prior years. This was partially offset by the continued growth in commercial advertising revenues across all stations, as well as an increase in mosaic air time sales.

For the six months ended February 28, 2022, total revenues from the Television division increased by 0.6%, compared to the prior year. Commercial advertising revenues in Vision TV and ONE TV has grown as a result of strong programming schedules. This partially offset subscriber revenue decline due to continuing market-wide cord-cutting, as well as the retroactive adjustment recognized in the second quarter.

For the three and six months ended February 28, 2022, operating expenses increased by 14.1% and 7.4% respectively, compared to the same periods in the prior year. This was driven by higher sales costs correlated to the increase in advertising revenues, as well as increased technical production and administrative spending.

RADIO

The radio division operates CFMZ-FM Toronto - The New Classical 96.3FM, CFMX-FM Cobourg - The New Classical 103.1FM, CFMO-FM Collingwood - The New Classical 102.9FM and CFZM-AM 740 Toronto and CFZM-FM 96.7FM Toronto - ZoomerRadio.

	Three months ended			Six months ended		
	February 28, 2022	February 28, 2021	% Change	February 28, 2022	February 28, 2021	% Change
Revenue	$ 1,879,748	$ 1,413,244	33.0%	$ 3,822,828	$ 3,131,843	22.1%
Operating expenses	1,802,211	1,415,756	(27.3)%	3,795,302	3,343,036	(13.5)%
Segment Adjusted EBITDA	77,537	(2,512)	3,186.7%	27,526	(211,193)	113.0%
Adjusted EBITDA Margin	*4.1%*	*(0.2)%*		*0.7%*	*(6.7)%*	

For the three and six months ended February 28, 2022, total revenues from the Radio division increased by 33.0% and 22.1% respectively, compared to the same periods in the prior year. The gradual reopening of the economy had a positive impact on Radio in the first quarter of fiscal 2022, as evident by the return of staple clients in the live events, hospitality and tourism sectors. The temporary lockdown in January resulting from the spread of the Omicron variant negatively impacted local commercial advertising revenue in the second quarter, partially offsetting the recovery in the previous quarter, while national advertising revenues for Classical FM remain strong, driven by increased audience ratings. Included in revenue for the three months ended February 28, 2022 is the recovery of previously unrecognized rental income in the amount of $0.20 million resulting from a shared transmission tower agreement in Cobourg.

Operating expenses for the three and six months ended February 28, 2022 increased by 27.3% and 13.5% respectively, compared to the same periods in the prior year. This was driven by higher sales costs and royalty tariffs correlated to the increase in revenues, as well as higher marketing spend and lower CEWS received in the current year.

PRINT

The Print operations consist of ZOOMER magazine and On The Bay magazine. In addition, the Company introduced Tonic magazine in September 2020 after acquiring its trademarks and all other intellectual property from an arms-length party.

	Three months ended			Six months ended		
	February 28 2022	February 28 2021	% Change	February 28 2022	February 28 2021	% Change
Revenue	**$ 780,198**	**$ 663,465**	**17.6%**	**$ 2,133,682**	**$ 2,006,125**	**6.4%**
ZOOMER magazine - Subscriber fees	296,612	271,506	9.2%	852,339	781,691	9.0%
ZOOMER magazine - Commercial advertising	305,153	261,865	16.5%	939,868	943,827	(0.4)%
Tonic magazine	14,683	17,806	(17.5)%	45,414	47,679	(4.8)%
On The Bay magazine	163,750	112,288	45.8%	296,061	232,928	27.1%
Operating expenses	**1,017,959**	**925,484**	**(10.0)%**	**2,318,874**	**1,946,958**	**(19.1)%**
ZOOMER magazine	775,914	708,216	(9.6)%	1,867,028	1,545,095	(20.8)%
Tonic magazine	37,037	48,701	24.0%	92,999	99,452	6.5%
On The Bay magazine	205,008	168,567	(21.6)%	358,847	302,411	(18.7)%
Segment Adjusted EBITDA	**(237,761)**	**(262,019)**	**(9.3)%**	**(185,192)**	**59,167**	**(413.0)%**
Adjusted EBITDA Margin	***(30.5)%***	*(39.5)%*		***(8.7)%***	*2.9%*	

For the three and six months ended February 28, 2022, total revenues from Print operations increased by 17.6% and 6.4% respectively, compared to the same periods in the prior year. This was mainly attributable to the increase in ZOOMER magazine subscriber revenue, and partial return of local client advertising revenues to On the Bay magazine as a result of the gradual reopening of the economy impacting the travel and hospitality sectors, key business segments for the magazine.

For the three and six months ended February 28, 2022, operating expenses increased by 10.0% and 19.1% respectively, compared to the same periods in the prior year. This was driven by more aggressive subscriber acquisition activities under a sustainable cost containment plan and lower Aid to Publisher grant received in the current fiscal year.

MEMBERSHIP & ROYALTY

ZoomerMedia owns the marketing rights to the Canadian Association for Retired Persons (CARP) and has access to their members. CARP is Canada's largest advocacy association for Canadians 45 plus. In addition, ZoomerMedia consolidates the operating results of CARP, which includes membership and educational revenue as well as the operating expenses of the not-for-profit operation. ZoomerMedia also incurs expenses in efforts to support the affinity partner relationships. In return, the Company earns royalty revenues from Affinity Partners for use of the CARP name. Please refer to the section "MATERIAL CONTRACTS" for further discussion of our relationship to CARP.

	Three months ended			Six months ended		
	February 28, 2022	February 28, 2021	% Change	February 28, 2022	February 28, 2021	% Change
Revenue	**$ 986,667**	**$ 861,683**	**14.5%**	**$ 2,060,602**	**$ 2,115,811**	**(2.6)%**
Membership and Other	480,770	474,252	1.4%	952,167	1,099,454	(13.4)%
Royalty	505,897	387,431	30.6%	1,108,435	1,016,357	9.1%
Operating expenses	**533,833**	**494,578**	**(7.9)%**	**1,017,998**	**1,040,633**	**2.2%**
Segment Adjusted EBITDA	**452,834**	**367,105**	**23.4%**	**1,042,604**	**1,075,178**	**(3.0)%**
Adjusted EBITDA Margin	***45.9%***	*42.6%*		***50.6%***	*50.8%*	

For the three months ended February 28, 2022, total revenues for the Membership & Royalty division increased by 14.5%, compared to the prior year. This was driven by revenues from new partnerships with Purpose Investments, Revera, Health Depot and Opticann formed in the first quarter of fiscal 2022. We continue to seek additional partners by offering integrated opportunities across ZoomerMedia's platforms, and increase value added support services.

For the six months ended February 28, 2022, total revenues for the Membership & Royalty division decreased by 2.6%, compared to the the prior year. This was driven by a decrease in educational grant revenues due to lower educational campaigns, partially offset by higher CARP membership revenues.

For the three months ended February 28, 2022, operating expenses increased by 7.9%, compared to the prior year. This was primarily attributable to $0.03 million in CEWS received in the second quarter of the prior fiscal year, as well as timing of administrative expenses in Royalty.

For the six months ended February 28, 2022, operating expenses decreased by 2.2%, compared to the prior year. This was mainly attributable to lower campaign expenses and other various cost containment strategies implemented to further increase operational efficiency.

OTHER

The Other division of the Company comprises the operation of a number of Canadian websites, the key ones being www.EverythingZoomer.com and more recently, www.blogTO.com. which was acquired in the second quarter of fiscal 2022. The Other division also includes the production of ZoomerShows and other trade and consumer shows directed to the 45plus age group, a television production and distribution company, and JTM Amalco Inc., JTM Hit Parade Inc., JTM Unholy Inc., JTM Hit Parade 3 Inc., JTM Healing Gardens Inc., 2585882 Ontario Inc., and JTM Hit Parade 4 Inc., structured entities that create television programming content exclusively for Vision TV and ONE TV.

	Three months ended			Six months ended		
	February 28, 2022	**February 28, 2021**	**% Change**	**February 28, 2022**	**February 28, 2021**	**% Change**
Revenue	**$ 1,065,927**	**$ 890,927**	**19.6%**	**$ 2,058,549**	**$ 1,697,333**	**21.3%**
EverythingZoomer.com	611,362	814,082	(24.9)%	1,466,197	1,551,049	(5.5)%
blogTO.com	304,045	—	100.0%	304,045	—	100.0%
ZoomerShows	50,160	73,769	(32.0)%	138,160	73,769	100.0%
Production and Other	100,360	3,076	3,162.7%	150,147	72,515	107.1%
Operating expenses	**1,522,177**	**1,300,590**	**(17.0)%**	**2,878,129**	**2,405,042**	**(19.7)%**
Segment Adjusted EBITDA	**(456,250)**	**(409,663)**	**(11.4)%**	**(819,580)**	**(707,709)**	**(15.8)%**
Adjusted EBITDA Margin	***(42.8)%***	*(46.0)%*		***(39.8)%***	*(41.7)%*	

For the three and six months ended February 28, 2022, Other revenues increased by 19.6% and 21.3% respectively, compared to the same periods in the prior year. This was due to the timing of production deliveries and the inclusion of blogTO revenues subsequent to acquisition, partially offsetting lower second quarter EverythingZoomer advertising revenues as a result of deferrals and cancellations brought on by the temporary COVID lockdown in January.

For the three and the six months ended February 28, 2022, operating expenses increased by 17.0% and 19.7% respectively, compared to the same periods in the prior year. This was driven by higher editorial costs, the inclusion of blogTO expenses, and increased spending in content production and other digital support costs.

CORPORATE

Corporate revenues represent dividend income and other sundry amounts received. Corporate expenses represent the incremental cost of corporate overhead in excess of the amount allocated to the other operating divisions. Corporate overhead comprises administration and support functions including marketing and audience development, finance and information technology costs that are not directly attributable to the other segments of ZoomerMedia, as well as the facilities cost for the company head office at 30, 64 and 70 Jefferson Avenue, Toronto.

	Three months ended			Six months ended		
	February 28, 2022	February 28, 2021	% Change	February 28, 2022	February 28, 2021	% Change
Revenue	$ 110,213	$ 10,432	100.0%	$ 207,248	$ 18,839	1,000.1%
Operating expenses	1,486,745	1,241,286	(19.8)%	2,793,679	2,217,525	(26.0)%
Segment Adjusted EBITDA	(1,376,532)	(1,230,854)	(11.8)%	(2,586,431)	(2,198,686)	(17.6)%

For the three and six months ended February 28, 2022, Corporate revenues were $0.11 million and $0.21 million respectively, which consisted primarily of dividend income received from various Canadian publicly traded companies as a result of the Company's investment portfolio.

For the three and six months ended February 28, 2022, operating expenses related to corporate overhead increased by 19.8% and 26.0% respectively, compared to the same periods in the prior year. This was mainly attributable to higher business development on productions and websites, an increase in stock-based compensation expense as a result of issuance of 15.2 million stock options in November 2021, and lower CEWS received as compared to the prior year.

ACQUISITION OF FRESH DAILY

On January 21, 2022, the Company acquired all of the issued and outstanding shares of Fresh Daily Inc., owner and publisher of blogTO, the leading digital source for local Toronto news, culture, restaurant reviews, event listings, and all the best the city has to offer. The acquisition provides the ZoomerMedia a local 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
		15,072,441

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.

A preliminary assessment of the assets acquired and liabilities assumed as at the date of acquisition 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)
		327,896
Acquired intangible assets		14,744,545
		15,072,441

The assets acquired and liabilities assumed have been recorded at fair value as part of the preliminary assessment of the purchase equation, and will be subsequently recorded at the amortized cost as appropriate.

The Company incurred transaction costs for due diligence, legal and other professional fees in the amount of $0.06 million in relation to the acquisition. These amounts have been expensed as incurred in the condensed consolidated interim financial statements.

Subsequent to the acquisition date, Fresh contributed revenue and net income of $0.30 million and $0.49 million respectively.

QUARTERLY RESULTS OF OPERATIONS

The following table sets out certain unaudited quarterly results for the previous eight quarters. The information contained herein is drawn from the condensed consolidated interim financial statements for each of the aforementioned periods.

	(000's of dollars – except per share amounts)							
	2022	**2021**	**2021**	**2021**	**2021**	**2020**	**2020**	**2020**
	Feb 28	**Nov 30**	**Aug 31**	**May 31**	**Feb 28**	**Nov 30**	**Aug 31**	**May 31**
Revenue	$12,687	$14,077	$12,078	$11,425	$12,130	$13,227	$10,549	$12,437
Net income	$1,956	$1,632	$96	$246	$1,474	$1,917	$1,543	$1,088
Net income per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.01	$0.00

Quarterly results are subject to seasonal fluctuations that can significantly impact quarter-to-quarter operating results. As a result, one quarter's operating results are not necessarily indicative of what a subsequent quarter's operating results will be. In particular, as one of our major sources of revenue is advertising, operating results are dependent on general advertising and retail cycles associated with consumer spend activity.

LIQUIDITY, SOLVENCY AND CASH FLOW

At February 28, 2022, we had cash of $7.63 million and short-term investments of $14.60 million.

The following table summarizes the cash inflows (outflows) for the three and six months ended February 28, 2022:

	Three months ended		**Six months ended**	
	February 28, 2022	**February 28, 2021**	**February 28, 2022**	**February 28, 2021**
Cash from operating activities	$ 2,770,957	$ 3,100,389	$ 2,589,750	$ 2,753,508
Cash from investing activities	(6,587,398)	(1,681,439)	(6,897,025)	3,284,253
Cash from financing activities	(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	$ 7,628,896	$ 22,658,943	$ 7,628,896	$ 22,658,943

RELATED PARTY TRANSACTIONS

The Company is controlled by Olympus Management Limited (**"OML**"), which owns 65.6% 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% of the Company's equity through both common shares and preference shares. The remaining 7.4% 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 $0.69 million (2021 – $0.69 million) and fees for ancillary services of $0.09 million (2021 – $0.08 million) 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 - $0.05 million). At February 28, 2022, included in the consolidated financial statements is a dividend payable to OML of $nil (August 31, 2021 - $0.64 million).

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 $0.29 million (2021 – $0.36 million) and advertising revenues of $0.13 million (2021 – $0.05 million). Included in accounts receivable at February 28, 2022 is a receivable from Northbridge of $0.05 million (August 31, 2021 – $0.12 million). At February 28, 2022, included in the consolidated financial statements is a dividend payable to Northbridge of $nil (August 31, 2021 - $0.33 million).

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

CONTINGENT OFF-BALANCE SHEET ARRANGEMENTS

We do not have off-balance sheet financial commitments and do not anticipate entering into any contracts of such nature, other than the addition of such operating leases for equipment as may be required in the normal course of business.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Our significant accounting policies are described in Note 3 to the consolidated financial statements. The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Items requiring significant estimates and subject to measurement uncertainty include provision for allowance for doubtful accounts receivable, the carrying values of intangible assets, useful lives and valuation of program rights, carrying value of goodwill, long-term debt, deferred income taxes and the valuation of stock options. Actual results could differ from those 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 as follows:

Cash Generating Units (CGUs)

The determination of the CGUs involves significant judgment. We have identified several non-goodwill CGUs which include Vision TV, ONE TV, JoyTV, FAITH TV, Channel 5 (TVL), Zoomer Magazine, On The Bay Magazine, Tonic Magazine, AM Radio, FM Radio, CARP, Royalty, Website, Shows and Conferences, and Television Production and Distribution. Goodwill recorded in the consolidated financial statements relates to the Television group CGU.

Impairment of goodwill and indefinite life intangible assets

The values associated with indefinite life intangible assets and goodwill involve significant estimates and assumptions made by us with respect to future cash flows, growth rates and discount rates. These significant estimates and judgments could affect future results if the current estimates of future performance and fair values change.

We review goodwill and indefinite life intangible assets at least annually for impairment. The impairment test is carried out by allocating these assets to the relevant CGUs and comparing the aggregate recoverable amount of the assets included in the CGUs to their respective carrying amounts. The recoverable amount is determined based on the value in use of the CGUs using discounted cash flows models that require assumptions about future cash flows, margins and discount rates.

Estimated period of use of program rights

We amortize program rights over the estimated period of use. The amount of amortization recognized for any period is affected by our estimated period of use. These significant estimates are reviewed at least annually and are updated if expectations change as a result of changes in the broadcast schedules of our television stations. It is possible that changes in the broadcast schedules of the television stations may cause significant changes in the estimated period of use of the program rights. When there is a change in the intended use of the program rights the useful life will be revised and an additional amortization will be recorded.

Estimated useful lives

We estimate the useful lives of non-financial assets with definite useful lives, such as property and equipment and intangible assets with definite useful lives, based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for the depreciation and amortization on these assets are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence or other limits of use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of these assets in the future.

Valuation of business combinations or acquisitions

The values associated with assets acquired through business combinations or similar acquisitions involve significant estimates and assumptions with respect to future cash flows, growth rates, and discount rates. For each acquired set of activities or assets acquired, we are required to make an assessment of the various inputs, processes and outputs which require significant judgments. These significant estimates and judgments could affect the reported amounts and disclosure of assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting period.

Income taxes

Income tax liabilities must be estimated by us, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the financial statements. Significant judgment is required regarding our future profitability to be able to realize deferred tax assets. Changes in market conditions, changes in tax legislation and other factors could adversely affect the ongoing value of deferred taxes.

Additionally, we participate in transactions for which the ultimate tax treatment is uncertain. We may record a provision from time to time in respect of uncertain tax positions that we believe appropriately reflects the Company's risk. Such provisions are made using the best estimate of the amount expected to be incurred based on an assessment of all relevant factors.

MATERIAL CONTRACTS

We have rights to license the use of the CARP logo, and to control the use of the CARP name and other intellectual property in certain media as follows:

a) Agency Agreement

An assignment of the agency agreement dated May 1, 2001, pursuant to which we have the right to act as the exclusive representative and agent with regard to contracts, dealings and endeavours of any type by virtue of which CARP could receive certain remuneration. The agreement has terms which continue until December 31, 2099 subject to cancellation by us on three years' notice. Our rights under this agreement include the following rights:

(i) to publish articles, newsletters, tabloids, newspapers, magazines and other periodicals in any form of media featuring, using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;

(ii) to publish books featuring, using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;

(iii) to produce and distribute radio programs, television programs, and programs in any other media using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;

(iv) to produce and distribute motion pictures in film, video and any other media using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;

(v) to affix any one or more of CARP's tradenames, trademarks or other like intellectual property to products, packaging, sales or promotional materials, except those soliciting membership in CARP;

(vi) to mark products and/or their packaging as having been approved by CARP, or as having been manufactured under license from CARP, or as having been produced for members of CARP;

(vii) to hold out products or services as having been approved by CARP or as having been designed or formulated for members of CARP, including without limitation offering products or services at prices which purportedly for members of CARP afford a discount from the regular prices thereof;

(viii) to promote and market goods and services to the members of CARP, including, but without limiting the generality of the foregoing, newspapers; publications other than newspapers; residences; nursing care facilities; medical facilities; communication equipment and services; appliances; vehicles (rental, lease and sale); transportation facilities and services; vacations; travel accommodation and services; financial services; insurance services, policies and programs; educations services; and entertainment;

(ix) to establish and maintain any one or more remotely accessible information or communication sites (including but without limitation any one or more sites on the worldwide web) which are targeted to members of CARP, under any contractual format or regime which is contemplated to generate revenues; and

(x) to use CARP's membership list subject to and in compliance with applicable legislation.

We are entitled to utilize such rights at our own discretion and to remunerate CARP as we may determine at our own discretion. Subject to certain terms and conditions including the obligation to ensure that no published material is obscene, lewd or lascivious, or promotes or could incite hatred or intolerance of, or discrimination against, any persons because of their race, colour, religion or national origin, sex, sexual orientation, handicap or family status.

b) Publishing Contract

An assignment of a publishing contract dated May 1, 2001, pursuant to which we have been given the sole and exclusive right, license and authority to publish magazines, newspapers, newsletters, tabloids and other periodicals, as well as books, pamphlets, catalogues and other publications, intended principally for members of CARP, in any form of media now known or which hereafter comes into existence (including without limitation, in print form or in any electronic form, which expression includes the worldwide web) under, featuring, using or exploiting any one or more of CARP's tradenames, trademarks and other intellectual property.

c) Northbridge Financial Corporation Royalty Agreement

An assignment of a royalty agreement dated August 1, 2007 pursuant to which Northbridge agreed to pay the Company a royalty calculated on the amount of direct premiums for insurance coverage payable until August 1, 2022 under policies of insurance insuring any member of CARP and issued or placed by Northbridge or its affiliates. The royalty payment agreement permits an annual offset of $0.72 million which totals $10.8 million over the term of the agreement. Pursuant to this agreement, Northbridge is required to spend a minimum of $0.25 million in advertising with ZOOMER magazine, increased annually by the Consumer Price Index for a period of 15 years, except that for every 10% reduction in the subscription levels for ZOOMER magazine during a contract year from a threshold level of 90% of the paid subscribers as at August 1, 2007 (approximately 190,000 paid subscribers), such minimum advertising commitment may be reduced by 10%. Northbridge may elect to cease making advertising expenditures where the ZOOMER magazine subscription level falls to less than 60% of such threshold and there is a failure to raise the ZOOMER magazine subscription level to greater than 60% of such threshold upon 60 days' notice.

RECONCILIATION AND DEFINITION OF NON-IFRS MEASURES

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") is a non-GAAP measure used by management to provide additional insight into our performance and financial condition. Adjusted EBITDA excludes the gain on sale of property and the unrealized gain or loss on equity instruments. We believe that these non-GAAP measure are an important part of the financial reporting process and are useful in communicating information that complements and supplements the consolidated financial statements. Accordingly, we are presenting EBITDA and Adjusted EBITDA in this MD&A to enhance the usefulness of our MD&A. We have provided a reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable IFRS number, disclosure of the purpose of the non-GAAP measure, and how the non-IFRS measure is used in managing the business.

We report EBITDA because it is a key measure used by management to evaluate performance of our business segments and the Company. EBITDA is a measure commonly reported and widely used by investors as an indicator of a company's operating performance and ability to service debt, and as a valuation metric. We report Adjusted EBITDA to evaluate performance primarily because of the significant effect certain unusual or non-recurring amounts have on EBITDA from period to period. The Company believes EBITDA and Adjusted EBITDA assist investors in comparing a company's performance on a consistent basis without regard to depreciation and amortization, which are non-cash in nature and can vary significantly dependent on accounting methods or non-operating factors such as historical cost.

EBITDA and Adjusted EBITDA are not calculations based on IFRS and should not be considered an alternative to net income or loss in measuring the Company's performance, nor should they be used as an exclusive measure of cash flow, because they do not consider the impact of movements in working capital (including liabilities relating to program rights), capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the consolidated statements of cash flows. Investors should carefully consider the specific items included in our computation of EBITDA and Adjusted EBITDA.

The following is a reconciliation of EBITDA and Adjusted EBITDA with net income 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
Net income and comprehensive income	$ 1,956,499	$ 1,474,056	$ 3,588,173	$ 3,391,095
Depreciation	609,471	574,500	1,221,603	1,173,056
Amortization of other intangible assets	415,373	259,094	658,743	522,215
Interest expense	339,541	324,667	655,583	652,530
Interest income	(28,659)	(15,401)	(54,964)	(33,603)
Income tax expense	473,477	713,997	1,119,264	1,410,160
EBITDA	3,765,702	3,330,913	7,188,402	7,115,453
Unrealized gain on equity instruments	(655,812)	(73,953)	(611,886)	(329,237)
Gain on sale of equity instruments	(771,788)	—	(797,185)	—
Adjusted EBITDA	$ 2,338,102	$ 3,256,960	$ 5,779,331	$ 6,786,216

LEGAL PROCEEDINGS

In the normal course of business, we become involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending as at February 28, 2022 cannot be predicted with certainty, these matters are not expected to have a material adverse effect on our financial position.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at February 28, 2022, the CEO and CFO have evaluated the effectiveness of our disclosure controls and procedures as defined in Multilateral Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) of the Canadian Securities Administrators and have concluded that such controls and procedures are effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING and DISCLOSURE CONTROLS AND PROCEDURES

In accordance with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") file Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

As part of our corporate governance practices, internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") have been designed. There has been no formal evaluation of the operation of these controls. We have designed our ICFR to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with Canadian GAAP. Management works to mitigate the risk of a material misstatement in financial reporting; however a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Our DC&P has been designed to ensure that the information required to be disclosed by ZoomerMedia is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. It should be noted that while the Company's CEO and CFO believe that our DC&P provide reasonable assurance that they are effective, they do not expect that the DC&P and ICFR will prevent all errors or fraud. There has been no material change in the internal controls of the Company in the six months ended February 28, 2022.

DISCLOSURE OF OUTSTANDING SHARE DATA

ZoomerMedia Limited common shares trade on the TSX Venture Exchange under the symbol "ZUM". The Company is authorized to issue an unlimited number of preference shares in one or more series and an unlimited number of common shares without par value. On April 27, 2022, there were 273,646,964 common shares issued and outstanding, 387,879,129 preference shares issued and outstanding and 20,483,333 stock options outstanding with a weighted average exercise price of $0.05.