Trickle Research

Every raging river, every great lake, every deep blue sea starts … with a trickle

Initiating Coverage

blue ant

Blue Ant Media Corporation

(OTC: BRMIF, TSX:BAMI.TO)

Report Date: 03/31/26

12- 24 month Price Target: USD$13.50

Allocation: 4

Closing Stock Price at Initiation (Closing Px: 03/30/26): USD$4.03

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Disclosure: Portions of this report are excerpted from Blue Ant's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text. Some of the tables in this report have been created by ChatGPT. We have denoted these tables by marking them with the ChatGPT logo: ChatGPT

Company Overview

Blue Ant Media is an international streamer, production studio, and rights-management business. The company operates a diverse portfolio of free streaming and pay TV channels internationally, including Love Nature, Cottage Life, Smithsonian Channel Canada, BBC Earth Canada, HauntTV, Homeful, and Love Pets, as well as the global SVOD service MagellanTV. Its studio business produces and distributes a wide range of premium content across key genres for streaming and broadcast platforms worldwide. Blue Ant Media is headquartered in Toronto, with a presence in Los Angeles, New York, Miami, Singapore, London, Washington, Sydney, Halifax, and Ottawa.

Currently, the Company operates 3 reportable segments:

- *Global channels and streaming which includes various channel brands excluding the company's Canadian pay TV channels, delivered on multiple platforms including FAST, SVOD, AVOD, cable TV, YouTube and social media. It also includes the Company's smart TV advertising sales business; Media Pulse.*
- *Production and Distribution (operated under the name Blue Ant Studios and Blue Ant Rights), which includes a production business creating video content in multiple genres, including unscripted, animation reality competition and scripted and a distribution business that monetizes Blue Ant's content as well as content of third party producers through licensing to other broadcasters and streamers around the world.*
- *Canadian Media, which includes both the Company's 7 Canadian pay TV channels, that deliver both advertising and subscription revenue as well as its 11 live consumer show events in various categories including home design, renovations, cottage living and parenting which are focused on selling exhibit space to business and tickets to attendees and it's Cottage Life publishing business.*

An award-winning international production and rights management business, Blue Ant Studios' diverse slate spans premium factual and high-impact documentaries, competition and entertainment formats, lifestyle, kids, youth and family, comedy, drama and animation, for broadcasters and streamers throughout the world. A division of Blue Ant Media (TSX: BAMI), the Studio encompasses Blue Ant Studios Productions, Insight Productions, Atomic Cartoons, and Jam Filled Entertainment. Its award-winning slate includes iconic, fan-favourite shows such as Blown Away, Canada's Drag Race, Kim's Convenience, Mysteries From Above, Davey and Jonesie's Locker, Gary & His Demons, Race Against the Tide, Top Chef Canada, Northwoods Survival, The Great Canadian Baking Show and Amazing Race Canada.

As we will cover in some detail in the **Products/Services Overview** of this report, Company management has deep roots in the entertainment/media industry, which includes the operation of Blue Ant for the past 15 years. Our enthusiasm for the enterprise stems in part from that history. As we will also illuminate, the Company has demonstrated an ability to identify and integrate strategic acquisition/combinations that we think have proven synergistic. To that end, the Company recently completed a major acquisition that we believe may prove to be highly additive. Specifically, that acquisition represents the genesis of our original due diligence into Blue Ant.

On January 28, 2026, Blue Ant completed the acquisition of Thunderbird Entertainment Group Inc. (TSXV: TBRD) (OTCQX: THBRF). In short, we were initially introduced to the *Thunderbird* story by our friends at Bristol IR (Investor Relations Firm Canada - Bristol Capital), so we were looking into that name when the acquisition discussion became public. This research is in part an extension of that original due diligence and our expectation is that the combination should create marked synergies. Aside from Thunderbird, Blue Ant has completed some additional acquisitions that have brought them to their current posture. Our view is that these collective pieces, combined with management's noted experiences, relationships and aptitudes in the industry, may create an extraordinary opportunity for valuation expansion from current levels.

Industry Overview

The Media & Entertainment ("M&E") industry includes film, television, gaming, music, advertising and other elements that collectively generate annual global sales in the $2.5-$3.0 *trillion* range. It is one of the largest industries in the world. We believe that Blue Ant participates in roughly half of that total. As we have alluded to elsewhere in this report, the industry is complex, which is in part a function of its sheer size, but we also think it is related to some of the changes the industry has undergone over the past several years, many of which are related to the role that technology has played in reshaping the industry. As a (stark) example, the advent of high-speed internet has paved the way for streaming services, which have been transformational, and the emergence of AI looks as if it could create another wave of massive change that could again reshuffle the deck in terms of industry winners and losers. That said, we will avoid getting too deep into the weeds in terms of trying to unpack the complexities of the industry, but a high level roadmap and some associated definition, might be helpful in trying to frame where we think Blue Ant may sit in all of this and by extension, where it may find additional opportunity.

We will focus on the portions of the industry in which Blue Ant operates, which for the most part are the production, delivery and syndication of media content largely focused on some of the unscripted "corners" of the industry we address further in this report. That said, **Table 1** below provides a "window stack" of a typical distribution track for a new piece of produced content. (To edify, "window stack" is industry vernacular for the systematic/strategic release of a new piece of content across various distribution platforms over a stated schedule).

Table 1.

Stack Layer	Window Type	Example Platforms
1 (Top)	Theatrical / Premiere	Film festival, cinema
2	Linear TV premiere	Pay TV channel
3	SVOD	Netflix, Disney+
4	AVOD / FAST	Pluto, Tubi
5 (Bottom)	Library syndication	International reruns

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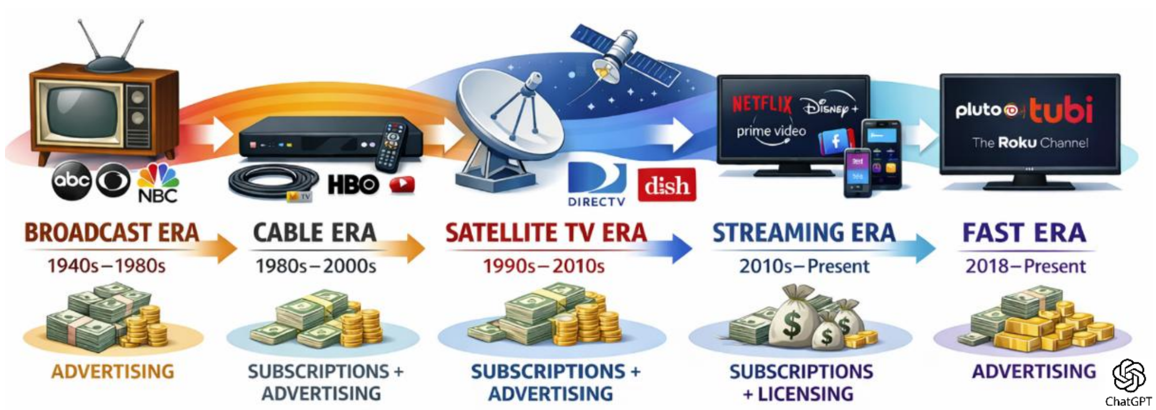
This chronology, or at least part of it, will be familiar to most, while some of the (additional) vernacular may be less recognizable so we will explain.

Stack Layer or "Window 1" is familiar to most, especially for consumers old enough to remember that going to the theatre was the only way to see a movie for a long time following its release. In fact, "back in the day", windows 2 thru 4 did not exist, so the process was; a movie was released in the theaters, where it might play for several weeks, and then some number of months later it was released onto physical formats like DVD and later BlueRay. The timing of that process was strategic. That is, the studios attempted to maximize premium box office revenues from the most avid movie goers, before moving the asset down the window stack to library syndication. With the growth of subscription services over cable such as HBO and Showtime in the mid-1970's, that syndication and/or the distribution of that content directly into households grew significantly, which enhanced the value of the content libraries in general. Moreover, that time frame also corresponded with the advent of VHS, further allowing people to either rent or own the movie, initially for a premium price, but typically even cheaper as the content aged. (Recall, Netflix got its start as a provider of physical movie rentals). Thereafter, the advent of high-speed internet, and ultimately streaming services, added new layers (windows) of distribution that's disrupted the old approach.

Initially, streaming negatively impacted both the top and the bottom of the window stack. That is, people began streaming movies from early content aggregators like Netflix, instead of buying what by then were the DVD versions outright. For reference, DVD sales peaked just prior to the launch of Netflix's streaming services in 2007. At that time DVD sales approached $20 billion annually, while today that number has been reduced to something closer to just 10% of that peak. Recognize, historically DVD sales represented one of the most profitable contributions to the library/syndication window in history. Streaming further accelerated the switch away from physical mediums and customer "ownership" of content. At the same time streaming has also negatively impacted the top of the window stack, as consumer preferences began to favor watching movies from their couch or on their phone, rather than from a theater seat. For reference, today worldwide box office receipts still lag their pre-streaming peaks. Granted, some of that difference is structural, that is, because of the broadening of the distribution environment, movies are moved out of theaters and down the window stack more quickly, and some movies bypass the theater altogether. That brings us to the new(er) and emerging middle layers of the stack.

In some ways the industry has come full circle. Again, for those of us old enough to recall, television used to consist largely of 3 major broadcast channels. Those channels were subject to, but also protected from further competition, via FCC licensure and oversight. Moreover, as **Table 2** below reflects, broadcast TV was supported by an advertising model, which looks like a model that is emerging again, especially with the growth of "FAST" channels. That brings us to some definition.

Table 2.



As **Table 2** reflects, FAST channels are a growing part of the Media & Entertainment distribution ecosystem. To edify, FAST stands for **F**ree **A**d-Supported **S**treaming **T**elevision. That noted, as we suggested, the industry's revenue approach seems to be trending full circle back to the days of 3 station broadcast television, driven by advertising. While the FAST acronym may not be top of page for some, we suspect most have probably accessed a FAST channel. For reference, FAST channels include services like Tubi, Freevee, Pluto and a host of others. It should come as no shock that some of the most popular of these channels are owned by large media companies. For instance, Tubi is owned by Fox Corporation

(NASDAQ:FOXA), Freevee is owned by Amazon.com, Inc. (NASDAQ:AMZN) and Pluto the FAST channel pioneer (circa 2014), is owned by Paramount Global (NASDAQ:PARA). Other popular FAST channels evolved from and are operated by some of the industry's major hardware providers including The Roku Channel, Samsung TV Plus and VIZIO WatchFree+. Basically, anyone with a streaming device can access many of these channels typically by downloading a free application. In the **Product/Services Overview** we provide a list of some of the major FAST channels that Blue Ant and Thunderbird currently provide programming through.

Beyond FAST, the industry uses a handful of acronyms and other terms to describe some of the distribution windows the industry supports so it may be helpful to review those for reference as well as we will refer to some of them throughout this document:

- **Linear PTV** = Linear Pay Television. Linear TV refers to traditional television where programming is delivered on a fixed, scheduled channel lineup. Viewers watch shows at the time they are broadcast, in a continuous stream. Obviously, original broadcast TV, while not "pay" TV was linear, as was much of the original Cable and/or Satellite Television, and it is still featured on many channels today. FAST channels are typically linear.

- **vMVPD** = Virtual Multichannel Video Programming Distributor. vMPVD are essentially Linear Pay Television providers, but they deliver the programming over streamed internet rather than via cable or satellite dish. YouTube and Hulu are two of the more popular vMVPDs.

- **VOD** = Video On Demand. Unlike linear programming, VOD allows users to access programming when they want to view it as opposed to the scheduled programming of linear TV.

- **SVOD** = Subscription Video On Demand. With SVOD viewers pay a recurring fee for unlimited access to a library of movies and TV shows, and in pure form, SVOD does not include advertising. Netflix is an SVOD.

- **AVOD** = Advertising Video On Demand. AVOD users can access programming on demand, but they do not pay a subscription, however, the programming does include advertising. Netflix, for instance, offers a less expensive version of its SVOD platform that includes advertising.

- **TVOD** = Transactional Video On Demand. TVOD users either rent or buy per title as opposed to a subscription that covers an entire catalog(s). TVOD is sometimes offered with SVOD platforms. For instance, Amazon Prime "subscribers" have access to a large amount of programming on demand, but some titles are not included in the subscription. Those titles can be "purchased" or rented through platform for an additional fee.

- **PVOD** = Premium Video On Demand. PVOD is an extension of TVOD, but it typically involves access to newly released programming at a premium price. Recall, we noted above that new releases are available in theaters for much shorter periods than they used to be, and in some instances, they are not released in theaters at all. PVOD is the alternative to those longer box office runs.

In addition to the acronyms, there is some other industry vernacular that may appear in this report that may be helpful to delineate, and most of that is in regard to different types of programming. Here are some of those definitions:

- **Scripted Content**. *Programming that is written in advance using a script—including dialogue, plot, character actions, and scene direction—before production begins*. This includes most feature films/movies and most television series. Generally, scripted programming is the most popular, but also the most expensive to produce. Moreover, scripted libraries tend to be more valuable than unscripted programming. Broken down by economic value, the major M&E players dominate the scripted content category both in terms of new programming and ownership of existing scripted libraries. Most will readily recognize the industry's largest producers of scripted programming which includes legacy studios like The Walt Disney Company (NYSE: DIS), Warner Bros. Discovery, Inc. (Nasdaq: WBD), Paramount Skydance Corporation (Nasdaq: PSKY) and others, and most of these now also own distribution platforms for their proprietary content. In addition, others came to the industry from the distribution side but built (or bought) large, scripted programming capabilities. Those names include Netflix, Inc. (Nasdaq: NFLX), Amazon.com, Inc. (AMZN) and Comcast Corporation (Nasdaq: CMCSA), which owns NBC Universal.

  - **Animation**. Animation is scripted, but it is often placed in its own category. As we will delineate below, Blue Ant's acquisition of Thunderbird provides them with an entree into animation where they did not previously have a presence.

- **Unscripted Content**. Conversely, unscripted content **does not include** the scripting and preparation involved in scripted content. There are several categories of unscripted content. Most of Blue Ant's programming fits into the unscripted category.

  - **Documentary/Factual**. *Non-fiction storytelling based on real people, events, science, nature, or history*. This category includes nature, true crime, history, science and others. Documentary/Factual programming typically includes markedly lower costs to produce than most scripted content, and it tends to have a long shelf life, and good global reach, especially perhaps in the nature and science categories that may be less impacted by cultural nuances. Much of Blue Ant's focus is in this category.

  - **Lifestyle/Factual Entertainment.** This category includes food, travel, home makeover and improvement, paranormal and others. This category is another focus of Blue Ant and tends to be a good category for FAST.

  - **Sports**. Obviously, this includes live (or recorded) athletic competition and related programming as well as analysis, highlights documentaries etc. Sports programming is some of the most expensive programming in the industry due to the significant cost of licensing rights with major sports leagues and it has limited library life beyond the live broadcasts. Specifically, NFL games perennially rank among the top 100 most-watched U.S. broadcasts each year and the Super Bowl is the single largest annual advertising event in the U.S. with 30 second ad rates in the $7 million range.

  - **Reality/Competition**. *Structured but unscripted formats built around contestants or social environments.* Examples of the category include Survivor, the Voice, the Kardashian, as well as game shows, although game shows are sometimes separated into their own subcategory.

Table 3 below reflects an approximate mix of these content categories amongst major streaming companies. As we will delineate further throughout this report, by these estimates, Blue Ant is focused on between 20% and 45% of this spend.

Table 3.

How Streamers Budget by Category

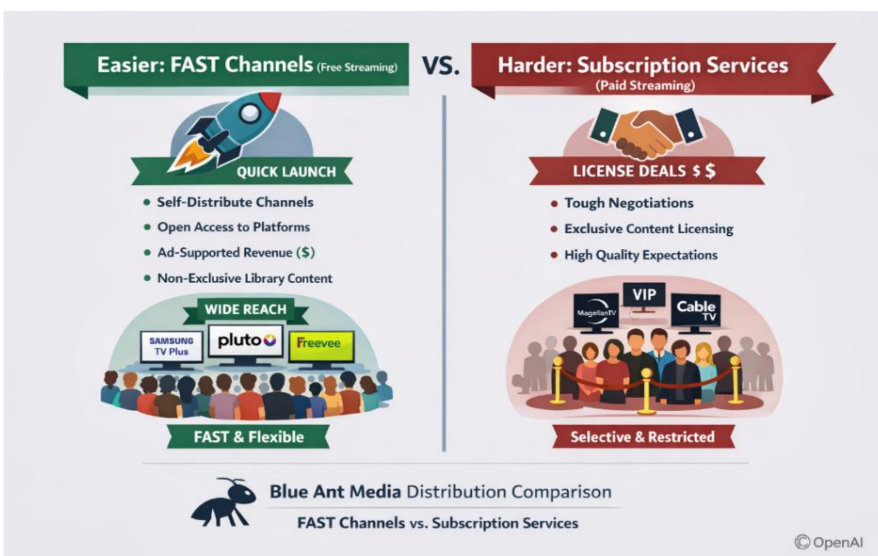
Approximate commissioning mix:

Category	Spend Share
Scripted	50–60%
Sports	10–20% (if applicable)
Documentary	5–10%
Reality/Lifestyle	10–20%
Kids/Animation	5–15%
News	Minimal (except live platforms)

As the above definitions reflect and as we have noted throughout this report, the Media & Entertainment Industry is interconnected and complex. Companies in the industry may own one or more of these types of platforms, and they may distribute their own or others' content across those platforms. That may even include arrangements where a content owner may distribute some of its content on the platform or platforms *of a competitor*.

In the case of Blue Ant, they produce their own content, and they own their own distribution windows including MagellanTV (an SVOD) as well as various other FAST channels like Love Nature FAST and Homeful FAST. However, as we reflect in the **Products/Services Overview** of this document, Blue Ant also distributes its programming through a large network of partners that include vMVPDs, SVODs, AVODs FAST Channels and others. In addition, the financial arrangements with these partners depend on the type of platforms (ad based versus subscription), and as such, they may include ad sharing agreements, straight content licenses or other iterations depending on the platform, the programming and other elements. **Table 4** below provides a graphic breakdown of some of these iterations.

Table 4.

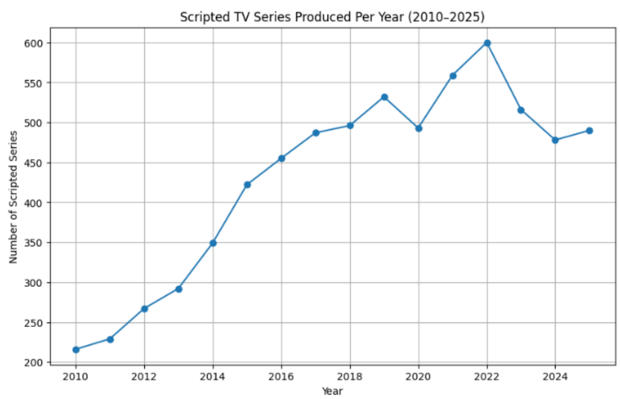


Clearly, the Media and Entertainment Industry has evolved considerably over the past several decades, and much of that change has emanated from advances in technology that markedly impacted, among other things, the delivery of programming across new and emerging platforms. In some cases, those technological changes have even reshaped consumer preferences and behaviors. As a result, that evolution has created new opportunities, new markets and new leaders.

Certainly, many parts of the industry that drive value have changed considerably, but other elements remain relatively unchanged. Again, technology has caused major changes to distribution that have created more and largely better experiences for consumers. However, while consumers have access to more content and more ways to consume and pay for it than ever before, the industry still faces the challenge of creating or providing "new" content that consumers want to experience. That part has not changed but the approach to creating and delivering it has.

Recognize, today because of the expanded distribution and access to content in general, "new" content is not limited to programming that has been recently released. New content may include programming that has existed for some time, but consumers, or at least many consumers, could never access. To that end, **Table 5** below provides a good setup to that notion:

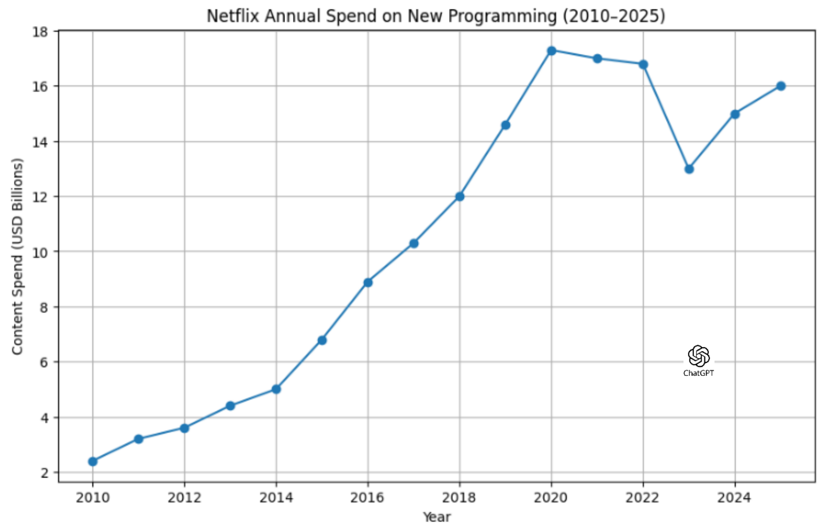
Table 5.



AI generated estimates: 2010–2023 figures are based on FX Research / industry tallies. 2024–2025 are industry commissioning & release estimates (post-strike normalization).

Table 5 reflects the marked growth in the number of *Scripted TV Series Produced Per Year* by all programmers. Along the same lines, **Table 6** below reflects Netflix's annual outlays for original content programming over the same period. Clearly, these respective data points (**Table 5** and **Table 6**) are related. Specifically, Over the referenced period, Netflix and other large players in the M&E Industry began to substantially ramp up their "original" content programming, and while some of that content development came in the form of movies, we believe the greater portion (perhaps 75%) was spent on the TV Series referenced in **Table 5**. Again, that growth in original content played out across the industry for 10 years, and that included new content from smaller studios as well, before it was interrupted by the pandemic. That growth is certainly not surprising to anyone following the industry and/or some of its major players, but we do not think it would be surprising to subscribers of these services either. That is, we think most consumers of one or more SVOD platforms are well aware of the expansion of original content within these platforms, and it may be a major reason why they choose one over the other.

Table 6.



While again, we think most consumers recognize and perhaps more importantly associate the growth in content *in general* with the expansion of the original content on these platforms, the reality is the original content growth represents only a portion of all the content growth experienced by many consumers, but that additional (and larger share) growth did not come from newly created content. Rather, we think much of the "new" content consumers are able to access today is a function of new distribution channels (FAST for instance) that allow them to consume existing content they simply could not access before these channels emerged. For example, while Blue Ant was formed in 2011, and its library includes programming that is over 20 years old, some of that programming did not become available in many countries outside of Canada until 2016. For those international consumers, that legacy nature programming was 'new" to them in 2016 or thereafter when it was finally made available to them.

Our point here is that while the industry continues to be tasked with new programming, the success of which will in our view continue to determine industry leadership, existing libraries or other programming remain quite valuable because there are many consumers to whom that programming has never been available. For instance, while Netflix has created large amounts of new content over the past decade, unless one is a Netflix subscriber, they have ostensibly never seen that new programming. We think the bidding war between Paramount Skydance Corporation Nasdaq: (PSKY) and Netflix, Inc. (Nasdaq: NFLX) for Warner Bros. Discovery, Inc. (Nasdaq: WBD) underscores that notion.

The above noted, it is important to recognize what the industry's changes and machinations might mean for smaller players like Blue Ant.

To revisit a point we alluded to above, many of the major industry players are focused on building or buying their own programming/libraries because they typically use that programming in a proprietary manner as a means of creating comparative advantages over their competitors. That is, the only way to access *their* content is to be *their* subscriber. Obviously, smaller players like Blue Ant do not generally have that advantage. However, some of them benefit from, and build successful businesses around, providing programming that major studios do not, and as **Table 7** below reflects, much of that programming occurs in the unscripted space where major studios provide only a small portion of the whole.

Table 7.

Global Unscripted Hours (Institutional Estimates)

Producer Type	Share of Hours
Small / boutique producers	**35–50%**
Mid-tier independents	20–25%
Super-indie groups	20–30%
Broadcaster studios	5–10%
Major studios	<5%

If you combine **small + mid-tier**:

👉 **~55–70% of unscripted hours** come from non-large companies.

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The above noted, most major studios (and other large SVODs providing original programming such Netflix) do not create much unscripted programming, so many of them license that content from those that do. As **Table 8** reflects for a large SVOD like Netflix, their catalog mix includes a large portion of licensed content. However, as **Table 9** illustrates, while (in Netflix's case) their original catalog represents less than half of their content hours, it still generates 60% to 70% of its viewing hours. That is not surprising to us, and we suspect it is not surprising to others, but our view is, there is a considerable market opportunity for small to medium sized producers of unscripted programming to license their content to large SVODs and other distribution platforms that essentially use much of the licensed content to enhance the breath and the depth of their overall programming slate. Succinctly, Netflix certainly wants to attract subscribers with original content, but they also want to keep them watching by offering a broad slate of programs that include "something for everyone". That is a meaningful portion of Blue Ant's business, which we believe they are positioned to continue growing.

Table 8.

1 Catalog Mix — Licensed vs. Owned

Global Netflix Library (Hours Basis)

Content Ownership Type	Share of Catalog Hours
Licensed (3rd party)	~50–60%
Netflix Originals (owned/co-owned)	~40–50%

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Table 9.

2 Viewing Share vs. Catalog Share

Owned content over-indexes in viewing.

Metric	Originals Share
Catalog hours	~40–50%
Viewing hours	~60–70%

Netflix originals drive engagement disproportionately.

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Management/Company History

We do not typically include a specific Management and Company history section in our coverage reports, but in the case of Blue Ant, we think it is paramount to understanding the opportunity.

Blue Ant was founded in 2011 by its current CEO and Director, Michael MacMillan. However, prior to founding Blue Ant, Mr. MacMillan was a co-founder of a company called Atlantis Films Ltd. Atlantis became the launch point for Mr. MacMillan's career, and by extension, Blue Ant.

From the University of Toronto Libraries Discover Archives (Atlantis Films - Discover Archives):

> *Atlantis Films Ltd. was founded by Michael MacMillan, Seaton S. McLean, Janice L. Platt, Andy Rednick, and Nick Kendall in April 1978 after the group had recently graduated from Queen's University's Film Studies department. Working out of a Toronto house that served as living and office quarters, the group originally named their company Birchbark Films, only to quickly change it to Atlantis Films. While Kendall did not remain with the project for long, the group picked up fellow Queen's graduates Ted Riley and Peter Sussman in the early going. Originally the company worked with a focus on producing films for corporate and industrial clients, as well as creating film adaptations of short stories as a means of gaining a foothold in the industry. The first dramatic production shot by Atlantis was the 1981 drama The Olden Days Coat.*
>
> *After struggling in the early years to achieve financial stability, Atlantis experienced a breakthrough with the film Boys and Girls, which starred a young Meghan Follows, and won an Academy Award for best live action short film in 1984. After this turning point, Atlantis grew steadily over the years into a major production, distribution, and broadcasting corporation. Throughout the 1980's and 1990's Atlantis produced projects for the C.B.C. and C.T.V. in Canada, and each of the major American networks, while also expanding its international presence. The company set up an international distribution arm called Atlantis releasing in 1984, and the first significant project of international scope that Atlantis tackled was the television series The Ray Bradbury Theater. The successful show was coproduced with American company Home Box Office (HBO) and aired on HBO and the USA network in the United States and the Global television network in Canada. Eventually, foreign offices in Amsterdam, Sydney, and Los Angeles helped to generate a significant percentage of the company's profits. Throughout the 1990's Atlantis continued to grow, not only through the production of various projects for film and television,* ***but also by acquiring film studios, real estate, film and television libraries, and distribution rights to productions that originated outside the studio.*** *By 1997 almost 90 percent of the company's revenue was generated through foreign sales and export.* ***Throughout its existence, Atlantis Communications Inc. achieved international recognition and earned numerous industry awards. Apart from winning one Academy Award and being nominated for another, Atlantis productions have also won 24 CableACE Awards, 35 Gemini Awards, and an American Emmy Award****, as well as numerous less prestigious recognitions.*
>
> *On July 20, 1998, Atlantis officially merged with Alliance Communications to become Alliance Atlantis Communications Inc. The merger resulted in the new company becoming the 12th largest film and television production company in North America. The Atlantis Films fond contains audio visual and textual records from numerous productions dating from the company's founding up until the merger with Alliance Communications in 1998.* The Alliance merger is Part II of the history…

Again, Atlantis merged with Alliance in July 1998, which at the time represented the combination of two of Canada's largest film and television production companies. There were several interesting data points around the merger, but succinctly, Atlantis and Alliance were competitors, with Atlantis being the smaller of the two at about ½ the size of Alliance. The transaction included a $129 million stock swap, whereby the Atlantis shareholders, despite being ostensibly 1/3rd of the whole, were given 40% of the "NewCo" and Atlantis's CEO (Michael MacMillan) would be its new CEO and Chairman. Among other things, industry publications at the time reported that the combination "*created over 300 hours of television production annually and a library of over 12,000 hours, and it … achieved $20 million in synergies.* Concisely, and we will revisit this point further in this report, one of our reasons for pointing out this history is that we think this transaction has some parallels with Blue Ant's recent acquisition of Thunderbird. Setting that aside, there was some additional narrative around the merger at the time that we also thought was quite prescient. In an article from the LA Times, which addressed the merger, one of the Atlantis executives, Peter Sussman, noted that the combination *"…was not motivated out of despair…We are both making good money, but as the world consolidates, it is clear that we must get bigger or get bought. This is to position us not for the next year or two, but for 2005."* That turned out to be a prescient observation, which brings us to Part III of our history overview.

The combined Atlantis Alliance enterprise (post-merger known as known as Alliance Atlantis Communications), continued to build the business for much of the next decade and like Atlantis alone, the combination made several key acquisitions along the way. **Table 10** reflects some of those acquisitions.

Table 10.

Alliance Atlantis Communications Inc.
Acquisitions Timeline (Full, Partial & Asset Purchases)

Year	Acquisition / Investment	Type
1998	Formation via merger of Alliance Communications & Atlantis Communications	Merger
1999	Salter Street Films	Full Acquisition
1999	Alliance Broadcasting assets expansion	Asset Purchase
2000	Motion International	Full Acquisition
2000	BBC Canada (JV stake)	Joint Venture Stake
2001	History Television stake expansion	Partial Stake Increase
2001	National Geographic Channel Canada	Joint Venture Stake
2002	Series+ (French specialty channel stake)	Partial Stake
2003	Food Network Canada	Joint Venture Stake
2004	BBC Kids Canada	Joint Venture Stake
2004	Discovery Health Channel Canada stake	Partial Stake
2005	CSI franchise Canadian rights/library interests	Library / Rights Asset
2005	European distribution library acquisitions	Library Purchase
2006	Minority digital channel investments	Partial Stakes
2007	Additional specialty channel stake consolidations pre■breakup	Stake Adjustments

In August 2007, Alliance Atlantis Communications Inc. announced that it was being acquired by Canadian broadcaster CanWest Global Communications and equity partner Goldman Sachs & Co., in an all-cash transaction valued at CAD$2.3 billion or $53 per Alliance Atlantis Communications share. Clearly that represented a big win for Alliance Atlantis Communications shareholders. More specifically, it was an extraordinary culmination for Michael MacMillan, who launched Atlantis 30 years earlier from essentially nothing. Four years later in 2011, Mr. MacMillan started Blue Ant Media, which brings us to Part IV of our history recap.

Blue Ant was formed in 2011 by current CEO Michael MacMillan, who as noted was also the CEO and Founder of Atlantis Communications Inc. Not surprisingly, Mr. MacMillan has built Blue Ant much like he built Atlantis, which has been a combination of layering strategic acquisitions onto an entrenched understanding of and relationships within the Media & Entertainment industry, especially in Canada and in other international markets. The acquisitive pieces of that equation have included the following: (excerpt Blue Ant Media - Wikipedia):

> *2011 - Blue Ant's purchased 29.9% of **Glassbox Television**, which owned/operated AUX, Bite TV and Travel + Escape. The Company purchased a remaining majority interest in Glassbox in 2012.*
>
> *2011 - Blue Ant purchased 15% Quarto Communications and purchased the balance of the Company in 2012. That asset is known today as Cottage Life Media.*

2012 – after announcing an intent to purchase specialty broadcaster High Fidelity HDTV in 2011, Blue Ant initially acquired 29.1% of Glassbox and subsequently purchased the balance in 2H 2012.

2012 – Blue Ant acquired specialist channel Bold from the Canadian Broadcasting Corporation.

2014 – Blue Ant purchased a minority interest in the digital media company and multi-channel network Omnia Media.

2014 - Blue Ant purchased a majority stake in Choice TV, marking their first international expansion.

2017 - Blue Ant Media purchased Asia-Pacific broadcaster Racat Group, including factual producer NHNZ, Singapore-based studio Beach House Pictures, Sydney-based Northern Pictures, developer Runaway Play, and a majority stake in ZooMoo.

2018 - Blue Ant acquired Toronto-based Saloon Media.

2020 - Blue Ant Media purchased Canadian technology news website MobileSyrup.

2022- Blue Ant acquired British distributor Drive Media Rights.

2022 – Blue Ant acquired CTV marketplace company Media Pulse.

2023 – Blue Ant purchased Canadian production company MarbleMedia, increasing Blue Ant's scripted content capabilities.

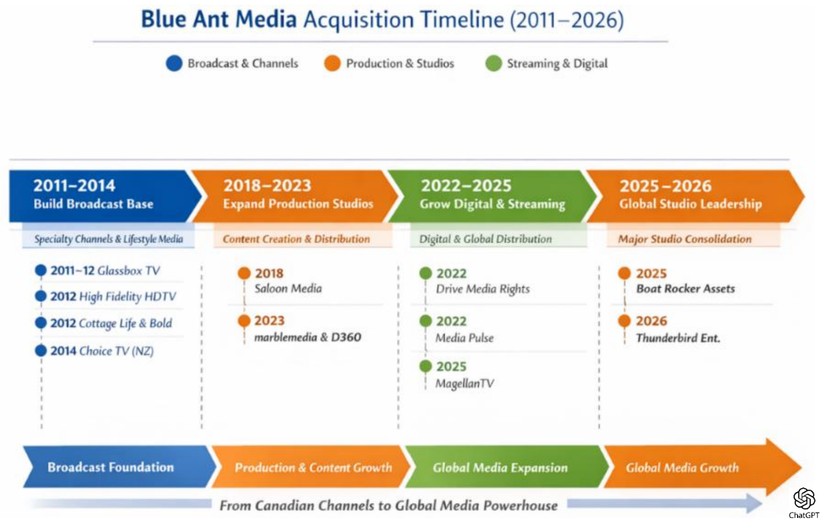
August 2025 - Blue Ant completed the acquisition of Boat Rocker Media. The acquisition included 3 studios: Jam Filled Entertainment, Insight Productions and Proper Television, while another portion of Boat Rocker was spun off and sold to its prior management team. In addition, Boat Rocker was publicly traded on the TSX (symbol: BRMI), so the transaction, technically a reverse takeover ("RTO"), represented Blue Ant's entrée into the public market. That said, Blue Ant has effectively been public for just over 6 months. Obviously, that fits our typical underfollowed approach.

October 2025 - Blue Ant Media acquired the documentary-oriented streaming service MagellanTV.

January 28, 2026 - Blue Ant completed the acquisition of Thunderbird Entertainment Group a "global award-winning, full-service production, distribution and rights management company, headquartered in Vancouver, with a team in Los Angeles. Thunderbird creates award-winning scripted, unscripted, and animated programming for the world's leading digital platforms, as well as Canadian and international broadcasters. The Company develops, produces, and distributes animated, factual, and scripted content through its various content arms, including Thunderbird Kids and Family (Atomic Cartoons), Thunderbird Unscripted (Great Pacific Media) and Thunderbird Scripted. Productions under the Thunderbird umbrella include Mermicorno: Starfall, Super Team Canada, Molly of Denali, Kim's Convenience, Highway Thru Hell, Boot Camp and Sidelined: The QB and Me. Thunderbird Distribution and Thunderbird Brands manage global media and consumer products rights, respectively, for the Company and select third parties".

Table 11 below provides a helpful graphic of Blue Ant's major additions since its inception, as well as some color regarding how/where each fit in the Company's ecosystem:

Table 11.



We recognize the above is a bit voluminous, but it reflects a handful of important reference points that we believe are topical to understanding Blue Ant's opportunities today.

First, Blue Ant was founded and is currently being operated by Michael MacMillan. Mr. MacMillan's success in the industry is paramount to the story. Recognize, he and a handful of associates started Atlantis Films in 1978 ("with $300") and sold it roughly 30 years later to CanWest Global Communications and Goldman Sachs & Co., in an all-cash transaction valued at CAN$2.3 billion. If our math is correct, that is a *30-year annualized compounded return of about 70%*. That is extraordinary. We have an old piece of advice we occasionally like to apply to making money in small companies; *"find someone who has proven they are good at it, then follow them around and see what they eat"*. Frankly, at a high level, much of our enthusiasm for Blue Ant stems from the demonstrated success of its founder and ostensibly the team(s) he has been able to assemble around him.

Second, part of our thesis here is that in our experience, the Media & Entertainment industry places premiums on relationships and known quantities. As we demonstrated above, Blue Ant founder Michael MacMillan has been entrenched in the industry for *nearly 50 years*. Moreover, we believe Blue Ant has *several* employees who were also associated with Alliance Atlantis over its decades long run, so presumably those individuals also have deep experience in the industry. Again, to be clear, we view the collective recognized expertise, relationships and success of the Company's human capital as its intellectual property, and we believe that "IP" carries marked value. As we illustrate in various portions of this report, Blue Ant has managed to create proprietary content, build various channels to deliver its own and the licensed content of others, and establish relationships with notable VOD and SVOD operators to deliver Blue Ant content across those channels as well. Our view is that the Company's established reach across the industry would be very difficult to duplicate without the aptitudes and relationships they have developed over the past 50 years. Moreover, we also believe that those same attributes should allow them to continue to grow the business organically but should allow them to identify and attract additional acquisition targets that will also help to further scale the business. That brings us to our third point.

As we illustrated, each of the companies noted above grew their businesses by identifying, acquiring and integrating strategic acquisitions. We submit, what we *did not* include above was some of the *asset sales* these companies made over these same periods, and some of those asset sales included assets or parts of assets that are *listed as acquisitions*. In other words, the companies bought assets that they later sold or broke up and sold pieces of. That process is not atypical as the Media & Entertainment industry has historically included a considerable amount of "horse trading" for lack of a better term. In fact, for a variety of reasons, we would argue that process is foundational to the industry and has likely been accelerated as new paradigms (streaming, FAST channels etc.) have emerged. Management has demonstrated its ability to successfully "horse trade" and we suspect their continued success (including perhaps eventual liquidity events) may depend in large part on their ability to continue to lean into that strength. Moreover, we believe their entrée into the public market was motivated in part by the advantages that public currency may provide to acquisitive strategies in general. Further, as we will reflect in the **Operating Overview** below, the structuring of the public transaction has left the Company with a meaningful cash position, which we believe may also expand acquisition opportunities.

Product/Services Overview

Blue Ant provides a variety of programing across multiple formats and into various markets around the world. The business includes the distribution of licensed media content, as well as content they develop, market and license to others. As we often remind our subscribers, our research approach is generalist and fundamental, so we are not "experts" in media and media content. However, over the years, we have followed and provided coverage on several enterprises across the industry and in that pursuit, we recognize some common characteristics that we think are topical to success in the space. One of those characteristics is a management team with roots in the industry. Granted, that is probably true in most industries, but in our experience, the Media & Entertainment industry places premiums on relationships and known quantities. That may explain why directors and actors who have won Oscars are in much higher demand than those trying to "break into "the business.

In conjunction with our assessment regarding the industry's "*premiums on relationships and known quantities*," we believe Blue Ant's management is effectively the "IP" in the opportunity.

Beyond the above historical setup, some information regarding the makeup of Blue Ant's current assets and how they fit together should be helpful. To that end, to reiterate something from the **Company Overview** above, Blue Ant currently operates the following reportable segments:

- *Global channels and streaming which includes various channel brands excluding the company's Canadian pay TV channels, delivered on multiple platforms including FAST, SVOD, AVOD, cable TV, YouTube and social media. It also includes the Company's smart TV advertising sales business; Media Pulse.*
- *Production and Distribution (operated under the name Blue Ant Studios and Blue Ant Rights), which includes a production business creating video content in multiple genres, including unscripted, animation reality competition and scripted and a distribution business that monetizes Blue Ants content as well as content of third party producers through licensing to other broadcasters and streamers around the world.*
- *Canadian Media, which includes both the Company's 7 Canadian pay TV channels, that deliver both advertising and subscription revenue as well as its 11 live consumer show events in various categories including home design, renovations, cottage living and parenting which are focused on selling exhibit space to business and tickets to attendees and it's Cottage Life publishing business.*

In the **Industry Overview** of this report, we attempted to delineate some of the various pieces/layers of the Media & Entertainment industry. As we alluded to, the industry includes many intermingled moving parts, and it is relatively complex. By extension, Blue Ant owns and creates various types of media assets as well as media channels and other associated assets, and the volume of those assets has increased markedly with the recent acquisition of Thunderbird. Consequently, trying to delineate how their various pieces of programming fit into their own and other distribution mediums is also complex and well beyond the scope of this report. That said, we have provided some visuals and other narrative that may help frame the scope of the business.

First, recognize that Blue Ant's primary market is Canada, where it operates pay TV channels (**Table 12** below) as well as Magellan TV, a streaming **subscription service**, which offers an on-demand library of non-fiction content, specializing in documentaries and other programming focused on history, science, and real-world topics.

Table 12.

Channel	Genre / Programming Focus	Notes
Love Nature	Wildlife & natural history	Flagship global brand; also distributed internationally
BBC Earth (Canada)	Wildlife, science & exploration	Operated under brand partnership/licensing
Smithsonian Channel (Canada)	Documentary & factual	Canadian version of Smithsonian network
T+E (Travel + Escape)	Paranormal, adventure, mystery	Shifted from travel to supernatural focus
Homeful	Home renovation & lifestyle	Real estate, design, makeover shows
Makeful	DIY, crafting & lifestyle	Former DIY Network Canada
Declassified	Conspiracies & unexplained phenomena	Documentary mystery niche

Table 13 reflects some of the many, in this case FAST services, that carry each of some of Blue Ant's respective brands, while **Table 14** reflects Blue Ant distribution to major recognized subscription services:

Table 13.

Channel / Brand	Main Shows/Genres	Where You Can Watch (Free FAST)
Love Nature	Wildlife & natural history	Samsung TV Plus, MyFree DIRECTV, VIZIO WatchFree+, Amazon Freevee, Tubi, Pluto TV, Sling Freestream, LG Channels
Love Pets	Vet & animal stories, rescue docs	Samsung TV Plus, The Roku Channel (Canada & expanding), VIZIO WatchFree+, Sling Freestream, Pluto TV, other FAST platforms
Homeful	Renovation & design	Samsung TV Plus, Amazon Freevee, VIZIO WatchFree+, Pluto TV, LG Channels, Tubi
HauntTV	Paranormal & ghost investigations	Samsung TV Plus, VIZIO WatchFree+, general FAST platforms
Total Crime	True crime docs	MyFree DIRECTV, Samsung TV Plus, Tubi, Pluto TV, Sling Freestream, LG Channels
Declassified	History, mysteries & engineering	MyFree DIRECTV, Samsung TV Plus, VIZIO WatchFree+ (and other FAST services)

Table 14

Major SVOD Platforms (Subscription Streaming)

These are global subscription services that license Blue Ant factual, lifestyle, wildlife, and documentary content.

Platform	Relationship Type	Notes
Amazon Prime Video	Licensing + Prime Video Channels	Love Nature, MagellanTV, factual series
Netflix	Select title licensing	Non-exclusive, rotating factual docs
Disney+	Wildlife / factual licensing (select)	Nature/history adjacency to Nat Geo
Discovery+	Factual library licensing	True crime, engineering, doc content
Hulu	U.S. factual acquisitions	Windowed series deals
Peacock	NBCU SVOD licensing	Select documentary placements

Here again, we would suggest that first, producing content that is good enough to be added to a broad swath of channels as represented in **Tables 12 & 13** is one challenge, but having the credibility and relationships to get the content in front of the decision makers at these channels is another. To reiterate, the industry tends to prefer known quantities.

As noted, evaluating all of Blue Ant's separate parts and their relative relationships is challenging. However, the recent acquisition of Thunderbird, which we view as similar to the Alliance/Atlantis merger in the it was/is a combination of (roughly) equals, adds some complexity to the task. That said, again much like the Alliance/Atlantis merger, we believe the combination should create scale, operating leverage and added programming muscle that should collectively create marked synergies across the enterprise. To that end the tables and associated narrative below provide a brief overview of some of Thunderbird's assets, as well as some analysis regarding portions of the whole that we think Thunderbird should help fortify.

Table 15 below reflects Thunderbird's major assets and platforms, as well as some of the places that content can be viewed.

Table 15.

Thunderbird Entertainment — Major Assets & Viewing Platforms

Asset / Division	Asset Type	Key Titles / IP	Primary Buyers / Commissioners	Where Viewers Can Watch
Great Pacific Media	Unscripted factual studio	*Highway Thru Hell, Heavy Rescue: 401, Mud Mountain Haulers, Rocky Mountain Railroad*	Bell Media, Corus Entertainment, Discovery Channel	Discovery Channel, CTV, Crave, international factual networks, FAST platforms
Atomic Cartoons	Animation studio	*The Last Kids on Earth, Hilda, Super Dinosaur*	Netflix, Amazon, global kids broadcasters	Netflix, Prime Video, international kids TV channels
Thunderbird Kids & Family	Kids IP & franchise division	Animation + book adaptations + branded IP	Netflix, global streamers, toy/license partners	Streaming platforms, home entertainment, consumer products
Thunderbird Scripted	Scripted TV production	*Blade Runner 2099* (production involvement), *Endgame*	Amazon, broadcasters, co-pro partners	Prime Video, broadcaster networks, international TV
Factual & Doc Library	Owned / controlled catalog	Disaster recovery, transport, industrial docuseries	Global factual buyers	Discovery networks, National Geographic-type channels, FAST services
Animation Library	Owned + co-owned kids content	Kids & family series	Streamers + kids networks	Netflix, Prime Video, kids SVOD, AVOD
Scripted Library	Limited but higher-value IP	Select dramas & co-pro series	Streamers, broadcasters	SVOD platforms, international syndication
Format & Development Slate	Show formats & concepts	Reality & factual formats	Global broadcasters	Local adaptations worldwide

For reference, **Table 15** compares to **Tables 12 & 13**, which contain similar data from Blue Ant. That noted, we think it is reasonable to suggest that this combination will create scale benefits on the face. However, the combination of these tables may also provide some insights into the voids the combined entities may be able to fill vis-à-vis the two as standalone competitors. **Table 16** below provides some understanding of the comparative strengths and weaknesses of each enterprise *relative to the other*, and ostensibly, the value the combination may create by filling those respective voids.

Reviewing **Tables 12 thru 15,** there are some items worth noting regarding the distribution of the combined entities. For instance, *each company* has had success getting its programming into what are largest streaming services in the world (Netflix, Amazon, Disney+…), and there is considerable crossover within those services. That is, in some cases, they distribute the same piece of programming through multiple streamers. Further, they also distribute the same programming down the window/platform stack, for instance through SVOD platforms and then down the stack through FAST platforms.

The above noted, **Table 16** provides some comparative advantages of each enterprise with respect to various aspects of their respective programming, channels, distribution and others. We think the summation of the table reflects the potential synergies/value of the combined entities.

Table 16.

Asset Valuation Quality — Comparative Table

Dimension	Thunderbird Entertainment	Blue Ant Media	Valuation Quality Edge
Core asset type	Producer-led IP studio	Broadcaster + channel operator + distributor	Blue Ant (more diversified asset base)
Owned IP library	Meaningful but mid-scale	Large factual library + acquired catalogs	Blue Ant
Franchise depth	Select global hits (e.g., animation, scripted)	Factual franchises, but fewer breakout global hits	Thunderbird (hit concentration)
Content genre mix	Scripted + animation + factual	Predominantly factual/unscripted	Thunderbird (higher pricing genres)
Reusability / evergreen value	High (animation, kids, scripted)	Moderate-high (factual repeats well)	Thunderbird slight edge
International sales velocity	Strong for kids & animation	Strong for factual docs	Tie (different strengths)
Windowing stack breadth	Producer share of all windows	Full control via owned channels + FAST + SVOD	Blue Ant
Owned distribution outlets	Limited (relies on partners)	Extensive (linear, FAST, SVOD channels)	Blue Ant
Channel assets	None	Multiple global pay TV & FAST brands	Blue Ant
Streaming platforms owned	None	Love Nature, MagellanTV stakes	Blue Ant
Ad revenue assets	Indirect only	Direct via channels + FAST	Blue Ant
Library amortization risk	Higher (project-by-project)	Lower (library + channel cash flow)	Blue Ant
Cash flow predictability	Lumpy (production cycle driven)	Recurring (subs + ads + licensing)	Blue Ant
Balance sheet asset visibility	IP carried but success-dependent	Channels + subs valued like media networks	Blue Ant
Takeover / breakup value	IP catalog + studio operations	Channels + library + streamers + brands	Blue Ant
Capital intensity	High (production financing)	Moderate (content + channel ops)	Blue Ant
Hit risk concentration	Higher	Lower (portfolio effect)	Blue Ant
Merchandising & licensing	Strong in animation/kids	Limited	Thunderbird
Brand equity	Studio labels (Atomic Cartoons, etc.)	Consumer channel brands	Tie (different monetization paths)

As we noted, trying to analyze and value the individual pieces is difficult, but we think there are some broader themes here, especially in the context of the merger, that are topical to analyzing the value of the new/emerging enterprise.

First, the Media & Entertainment industry is in a perpetual state of consolidation. While the reasons for that are probably more suited for a business school case study than for this report, success in the industry often includes scale, the accumulation of content and the control of distribution. That noted, many of the industry's largest players tend to exhibit all those attributes, and consolidation tends to address one, some or all of those, but they did not all get there the same way. For instance, Netflix, Inc. (Nasdaq: NFLX) started as a distribution company but has spent many billions creating original programming (as opposed to acquiring catalogs) as well as being the largest licensee of filmed entertainment content in the world. That contrasts with the Walt Disney Company (NYSE: DIS), which started as a content creator and now owns perhaps the most valuable filmed-entertainment library in the world, but also owns substantial distribution through Hulu and Disney+. Conversely, YouTube is the largest Live TV SVOD distribution company, and while it has in the past attempted to create original content (with mixed results), it does not own significant amounts of content. Thus, while there are certainly examples to the contrary, there are clear industry leaders that demonstrate the value of a vertically integrated approach, much like Blue Ant has built, and we believe has markedly enhanced with the acquisition of Thunderbird. In our view, that vertical stack provides Blue Ant with greater control of its collective assets.

Second, as we noted, not all successful players in the Media & Entertainment industry produce their own content. However, without having a large and entrenched distribution platform (YouTube for instance), it is a difficult endeavor. As we have also addressed in other portions of this report, content owners are able to address the entire "window stack", wherein they can attempt to get that content into various windows of distribution as well as multiple markets effectively getting paid multiple ways/times for the same piece of content. Moreover, when those same content owners have their own distribution, they can obviously push their content into those platforms as well. That said, Blue Ant has managed to establish itself as a known/successful producer of content in certain niche corners of the industry, for instance nature and animals (Lover Nature) and home renovation (Homeful). Those small corners allow them to capture higher margins associated with owned content, but without many of the risks and budgets associated with feature films or other scripted productions. In conjunction, Thunderbird managed to do the same in some of their own small corners of the industry, for example animated children's programming. In short, we think the acquisition will bring Blue Ant some studio/production muscle focused in "corners" they did not previously occupy, which they should also be able to leverage through their owned/controlled distribution, which Thunderbird largely lacked. Succinctly, we think the acquisition could prove highly synergistic on multiple levels, and it is one of the major reasons for our enthusiasm for the story.

Third, to reiterate (again), good management is important for every company, but for small companies, good managers can create extraordinary contributions, which can in turn create extraordinary shareholder value. We submit, we do not know how to quantify that assessment, but in this case, it represents another major part of our thesis.

Fourth, Blue Ant has been very busy over the past 12 months, merging with Boat Rocker, which among other things provided Blue Ant's entrée into the public markets, purchasing Magellan TV, which represents their first subscription-based video-on-demand asset, and acquiring Thunderbird, which we described in detail above. Clearly, there is much to digest here both for the Company and for those of us trying to understand how it all fits together as well as to ascertain what the sum of the parts might be. We submit, visibility around that endeavor is difficult at this stage, and part of that is related to all the new moving parts. Moreover, it will likely take a few quarters of results before that visibility improves significantly. That said, our sense is that the current valuation of the shares may not reflect the value of Blue Ant *before all these additions.* As a result, if these pieces come together in reasonable proximity to our modeling around that, the outcome could be a valuation reset of multiples the current market value. The potential for that outcome also underscores our enthusiasm for the story and the (new) public posture of the Company may help illuminate the valuation disconnect as we see it.

Operating Overview

Modeling Blue Ant's operations over the next few quarters involves some challenges. First, it is always difficult to assume that a merger, especially one involving two relatively equal parts, will integrate smoothly. Moreover, Blue Ant management has guided towards overhead savings of $7 million around the Thunderbird merger over the 12 months following the merger. In addition, they have included some other additions over the past 12 months or so that need to be successfully integrated as well. That is a difficult task so again those integrations may not be as simple as adding the sum of the parts, much less assuming certain synergies ($7 million in overhead cuts for instance) along the way. Further, even that approach is complicated by the notion that while we have considerable quarterly financial results from Thunderbird (because they have been public for some time now), we have limited similar data out of Blue Ant (because they have not). That said, ***that is*** much of our approach here (assuming forward performance around the sum of available past results), initially because while we submit there may be integration pains, there are also likely some other more subjective positive elements of the merger(s) that we think will emerge. For instance, we believe Blue Ant may be able to leverage its existing distribution advantages to increase viewership of Thunderbird's exclusive programming.

The above noted, we think the combined opportunity here, is more about addition (scaling the NewCo) than about subtraction (shedding overhead). For example, we know the transaction expands the overall production engine. Thunderbird brings meaningful capabilities in animation, kids programming and service production, while Blue Ant contributes global channels, FAST distribution and a growing rights business. In practical terms, the combined company gains a larger content pipeline, broader IP ownership and a deeper library that can be monetized across multiple platforms, including global broadcasters and streamers to FAST and AVOD.

To that end, Blue Ant becomes a larger, more diversified studio and rights company with a stronger balance sheet, greater commissioning opportunities and a deeper catalogue to feed its own channels and third-party platforms. The cost savings improve the economics, but the real strategic benefit is the creation of a more integrated production, distribution and IP monetization platform. However, the balance sheet and the Company's apparent access to additional capital should also provide a basis to drive the business to better top and bottom line results. Here is a bit of color around *that* notion.

From a high level, the media production business is about cash flow, and more specifically its timing. From that perspective, the media content (production) business is one of the few industries that gets to sell the same product over and over again and that is true of movies, television series and music. Prior to streaming, that calculus was impacted by the physical requirements of the distribution. That is, the distribution required packaging (CDs, DVDs, etc.) and physical distribution (inventory, fulfillment, shipping, shelf space etc.) that added to the cost. However, streaming changed that as well, essentially eliminating some of those variable costs. Today, for instance, Disney can sell content which it created and paid for decades ago at very little additional/incremental cost.

On the other hand, the initial creation of that content as well as the initial marketing of the content to drive awareness/demand, is *very* expensive, and involves considerable risk. As we noted above, large content creators like Netflix, Disney, Paramount and others spend *billions* creating content without knowing fully whether or not anyone will watch it. Most are familiar with stories of films with huge budgets that flopped as well as others with far more modest budgets that were blockbusters. In other instances, and more specifically since the advent of streaming, some programming that initially failed eventually became successful for any number of reasons. That brings us to cash flow.

Again, from the high level, studios need to create content that people want to watch (which one way or another is how it gets monetized), but they also need to create content that people want to watch *now*. Clearly, *all other things remaining equal*, the studio would rather get paid by people showing up to the box office the day the film is released than paid when someone decides to stream it two years later. That dynamic, the timing between when the studio spends money creating the content and when they actually sell/monetize it is a cash flow challenge. That is, the timing of the cash outlays and the cash collections (the project's "internal rate of return"), is generally a better gauge of a film's success than the overall ratio between what was spent and what was collected. In short, because Blue Ant's success will largely be driven by its ongoing studio efforts, a notion that is enhanced by the acquisition of Thunderbird, which is primarily a studio, the Company's ability to manage cash flow, including its access to cash in the first place, will largely determine its success or failure. That said, some color around the accounting may be helpful.

Table 17 below reflects the Cash Flow Statement from Blue Ant's most recent reported quarter, 1QF26 (ended 11/30/25). We have highlighted two items, *Amortization of Content Rights* and *Additions to Content Rights.*

Table 17.

Blue Ant Media Corporation

Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in thousands of Canadian dollars)

	Three months ended November 30, 2025 $	2024 $
Operating activities		
Net (loss) income	(6,750)	1,218
Adjustments to reconcile net (loss) income to cash flow from operations:		
Depreciation of property and equipment	453	251
Depreciation of right-of-use assets	1,207	367
Amortization of content rights (Note 5)	22,433	14,440
Amortization of intangible assets	1,051	744
Loss on sale of Vendor take-back note (Note 6)	3,139	—
Finance expenses, net (Note 14)	440	2,019
Share-based compensation (Note 11)	257	585
Deferred tax expense (Note 15)	418	(1,434)
Income tax expense (Note 15)	1,536	2,534
Cash income taxes paid	(2,329)	(2,823)
Additions to content rights (Note 5)	(12,652)	(14,279)
Cash flows from operations	**9,203**	**3,622**
Net changes in non-cash working capital balances related to operations (Note 19)	(4,040)	10,042
Net cash provided by operating activities	**5,163**	**13,664**
Financing activities		
Bank indebtedness, draws (Note 8)	281	1,135
Bank indebtedness, repayment (Note 8)	(19,100)	(3,139)
Production financing, draws (Note 8)	6,047	250
Production financing, repayment (Note 8)	(15,617)	(3,323)
Cash interest paid	(891)	(1,112)
Costs associated with financing transactions	—	(41)
Repayment of lease liability	(1,326)	(500)
Cash flows used in financing activities	**(30,606)**	**(6,730)**
Investing activities		
Additions to property and equipment	(897)	(825)
Additions to intangible assets	(880)	(1,375)
Acquisition of MagellanTV, net of cash acquired (Note 4)	(7,607)	—
Proceeds from sale of VTB Note (Note 6)	13,562	—
Cash flows provided by investing activities	**4,178**	**(2,200)**
Effect of foreign exchange rate changes on cash	**815**	**229**
Net (decrease) increase in cash	**(20,450)**	**4,963**
Cash, beginning of period	54,477	12,020
Cash, end of period	**34,027**	**16,983**

To edify, as the Cash Flow Statement reflects, the accounting for programming/content costs goes like this. As cash is spent, it is capitalized as an asset. **Table 18**, which is the Balance Sheet for the Company's most recent filing, reflects that line item.

Table 18.

Blue Ant Media Corporation
Interim Consolidated Statements of Financial Position
(Unaudited)
(Expressed in thousands of Canadian dollars)

	November 30, 2025 $	August 31, 2025 $
Assets		
Current assets		
Cash	34,027	54,477
Restricted cash	—	8
Trade and other receivables (Notes 6, 16)	109,890	120,214
Prepaids and other assets	9,872	7,520
Income taxes receivable	999	237
Total current assets	**154,788**	**182,456**
Property and equipment	5,802	5,118
Right-of-use assets	22,128	22,808
Investment in content rights (Note 5)	109,806	119,106
Intangible assets (Note 4)	72,628	61,359
Goodwill (Note 4)	42,403	38,658
Other long-term receivables (Note 6)	16,633	32,691
Deferred tax assets	7,889	9,210
Total non-current assets	**277,289**	**288,950**
Total assets	**432,077**	**471,406**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	64,526	64,785
Deferred revenue (Note 9)	22,496	35,709
Current portion of lease liability	4,993	4,343
Current portion of bank indebtedness (Note 8)	540	14,587
Interim production financing (Note 8)	42,218	52,144
Current portion of promissory notes	4,600	4,536
Other current liabilities	6,197	2,757
Total current liabilities	**145,570**	**178,861**
Non-current liabilities		
Lease liability	20,753	21,066
Bank indebtedness (Note 8)	—	4,755
Long-term deferred revenue (Note 9)	3,629	2,251
Other long-term liabilities	3,632	—
Deferred tax liabilities	11,733	12,639
Total non-current liabilities	**39,747**	**40,711**
Shareholder's Equity		
Total equity attributable to shareholders	239,753	244,919
Non-controlling interests	7,007	6,915
Total equity	**246,760**	**251,834**
Total liabilities and equity	**432,077**	**471,406**
Commitments (Note 18)		

Once the asset is established, it is amortized (expensed) each quarter according to amortization schedules the Company has established. That amortization occurs at different rates depending on the content. **Table 19** below is a schedule from the most recent filing, which provides a breakdown of the operating expenses.

Table 19.

Blue Ant Media Corporation
Notes to the Consolidated Financial Statements
November 30, 2025 and 2024
(Expressed in thousands of Canadian dollars, except shares and per share amounts)

13. Expenses by nature

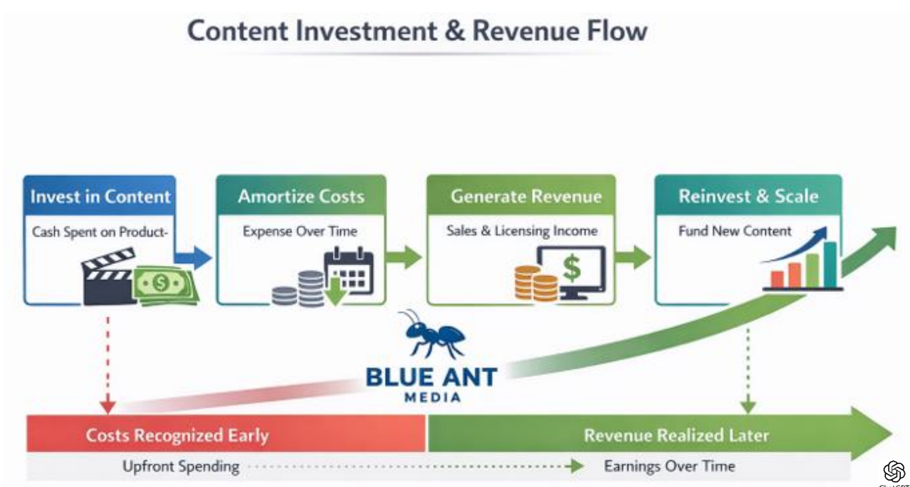
The following sets out the expenses by nature for the three months ended November 30, 2025 and 2024:

	Three months ended November 30, 2025 $	2024 $
Amortization of content rights	22,433	16,209
Salaries and benefits	11,696	10,303
Smart TV publishing costs	8,872	5,677
Production service and other production costs	22,599	2,675
Producer royalties and versioning	3,002	2,328
Transaction and other related costs	2,540	68
Share-based compensation (Note 11)	257	585
Events and merchandise costs	1,519	1,601
Depreciation and intangible amortization	2,711	1,362
Office expenses	2,007	1,231
Other finance expenses, net (Note 14)	440	2,019
Professional fees	1,430	743
Marketing expenses	952	905
Restructuring costs	788	—
Facilities expenses	421	286
Travel expense	311	268
Insurance expense	228	129
Loss on sale of other assets (Note 6)	3,054	—
	85,260	**46,389**

As **Table 19** reflects, the Amortization of Content Rights makes up a considerable portion of the Company's overall operating expenses; in this case 26% ($22,433 ÷ $85,260). In essence, although not precisely, the Amortization of Content Rights is their "Cost of Goods Sold" in terms of the content they develop. So here is the rub, and this speaks to the cash flow risks/challenges we noted above with respect to operating content studios.

First, Blue Ant spends the cash, and creates an asset, then they amortize that asset according to a schedule. That is, they do not amortize it according to when they actually monetize it. That creates some likely revenue/expense matching nuances. Specifically, in simple terms, money spent today, may be expensed tomorrow, but not reflected as a revenue until the next day or sometime thereafter. As a result, the Company's performance cannot be established by only looking at typical quarterly (and perhaps cursory) financial metrics. For instance, as we delineated, gross margins are determined by the amount of amortization charged in the quarter, however, that amortization may not apply to the actual content that was sold to create revenue for the same period. Moreover, the quality of raw earnings results will be impacted by those same matching problems. Looking back to our narrative above regarding studios "*selling the same product over and over again*", the beauty of content libraries is ultimately that they become big contributors to margins and earnings, because the costs, both in terms of *cash* and *realized expenses*, were recognized in prior periods (sometimes in very prior periods) so their marginal impact is very high. On the other hand, when that content does not get monetized as quickly as anticipated, it will negatively impact margins and earnings in one or more future periods. More importantly, it will negatively impact cash and ultimately constrain the Company's ability to continue creating new content. Specifically, most of Blue Ant's Direct Content, Production & Delivery revenue in any given period, will likely include cash and/or expenses that were borne in prior periods. Recall, this is the Company's largest revenue driver, and with the addition of Thunderbird, it is set to be an even larger portion of the whole, so recognizing these nuances is quite topical to the analysis.

Table 20.



While the *accounting primer* above may be more obvious to some than to others, we think it is important to recognize with respect to the analysis of Blue Ant for a handful of reasons, which we will highlight below.

1. We think it is fair to say that a good portion of Blue Ant's value ultimately comes from its content library and its ability to continue creating new programming. As we noted in the **Industry Overview** above, not all of the successful companies in the M&E space create (much of) their own

content, but many certainly do. To that end, we would argue that much of Blue Ant's non-programming (distribution) assets create additional channels through which they can further monetize their existing (and future) content. For instance, that is why we believe they can use that existing distribution to do the same with content they have acquired with Thunderbird, and by extension the programming they will create with it as well. In short, we think that added distribution may make Thunderbird more valuable under Blue Ant than it was by itself. (We assume that was the basis for the acquisition). To be clear, we are not suggesting the Company's non-programming assets do not have value outside of their synergies with the programming side, we just think that (higher) potential future valuations will likely hinge on the success of new programming.

2. Further to the acquisition of Thunderbird, as we also noted above, we anticipate some challenges getting all of this integrated or at least running according to the vision laid out when they executed the transaction. That said, management has successfully integrated acquisitions along the way (as well as divesting others), so we are not particularly concerned with their ability to execute on that. On the other hand, we do not have a good handle on how all of the accounting around this integration will work and that includes things like the (relative) amortization schedules we alluded to above, as well as others. The Company has noted that they expect to realize around $7 million of operating leverage, which we have attempted to work into our model, but in general, we expect the reporting periods through the balance of calendar 2026 to include some "noise". That will likely include some adjustments, one time charges, non-recurring items and/or others, that may mitigate visibility to support the valuations we think are emerging here. To translate, we expect to miss some numbers as the integrated pieces (and the accounting that go with them) normalize.

3. While to this point we have not drawn too many distinctions between Blue Ant's programming efforts and those of Thunderbird's, there are some notable differences. Again, a good bit of Thunderbird's business was (is) as a contract programming studio, and in that capacity did some business that Blue Ant typically did (does) not. For instance, Thunderbird's business, particularly through Atomic Cartoons, has historically leaned heavily on contract or service-based production work for larger platforms such as Disney and Netflix. In practical terms, this means they are often producing high-quality animation tied to someone else's intellectual property. The benefits of that model include steady revenue, strong counterparties, and relatively low risk. It is, in many ways, an "animation-as-a-service" business that is predictable, scalable, and capable of generating meaningful top-line growth. However, the trade-off is equally clear: margins tend to be lower, and more importantly, the long-term economic value is limited because Thunderbird does not control or own the underlying IP. That said, we suspect Blue Ant will continue to support that portion of the business, but there again, understanding how that portion of the business impacts cashflow, seasonality, overall margins and others will require some visibility from coming financial results.

4. As we attempted to illustrate above, access to capital to support the cashflow gap reflected in **Table 20**, is an important part of this story. Frankly, we think that notion was a meaningful driver in the Blue Ant/Thunderbird combination. Anecdotally, Thunderbird's last reported quarter prior to the closing of the acquisition, reflected poor comps that were largely attributed to the timing of some of their contract programming work. Again, it is hard to keep churning out new content without collecting the cash from the completed content. Recall, part of Blue Ant's original RTO with Boat Rocker included a "value assurance" payment of $34.7 million which we believe they are in a position to collect shortly. We think that added cash, which we would add is non-dilutive, should provide them with some runway to mind the cashflow gap and support robust continued programming growth.

Management Overview

Michael MacMillan Co-Founder, CEO & Director
Co-founded Blue Ant in 2011. Former Co-founder of Atlantis Films Limited, which became Alliance Atlantis Communications.

Robb Chase CFO & Director
Blue Ant's former COO and has been with Blue Ant since its inception in 2011. Was previously the President of Famous Players Inc.

Jamie Schouela COO
Previously served as President, Global Channels and Media for Blue Ant, and has been with Blue Ant since 2013. Prior, served as Vice-President, Marketing for Shaw Media.

Astrid Zimmer Chief Legal Officer
Has been with Blue Ant since 2014 and was previously with Maple Leaf Sports & Entertainment.

Dervla Kelly Chief Marketing and Comms Officer
Prior to joining Blue Ant in 2025, led Marketing and Digital at Corus Entertainment.

Surani Adamesco Chief Technology Officer
Prior to joining Blue Ant in 2025, was SVP of Information Technology at SiriusXM Canada.

Megan Atkinson EVP, Human Resources
Has been with Blue Ant since 2013 and previously held positions at Canwest.

Mark Bishop Co-President, Blue Ant Studios
Joined Blue Ant in 2023 after its acquisition of marblemedia and D360, which he co-founded and served as co-CEO for over 20 years.

Matthew Hornburg Co-President, Blue Ant Studios
Joined Blue Ant in 2023 after its acquisition of marblemedia and D360, which he co-founded and served as co-CEO for over 20 years.

Mitch Dent President, Canadian Media
Previously EVP, Consumer Shows, Media Sales and Publishing and has been with Blue Ant since 2017. Prior leadership roles at Rogers Media.

Carlyn Staudt President, Channels & Streaming
Has been with Blue Ant since 2017 and previously held numerous leadership roles at National Geographic.

Board of Directors

Brad Martin Board Chair
Served as Vice President of Fairfax Financial Holdings from 1998 to 2024. Previously a partner at Torys LLP, specializing in M&A and securities law.

Phyllis Yaffe Chair, HR & Corporate Governance Committee
Chair of Cineplex Entertainment. Previously Chief Executive Officer of Alliance Atlantis Communications Inc.

Richard Wernham Chair, Audit Committee
Chairman of the Soutterham Group, a financial services firm. Previously founder of mutual fund firm Global Strategy Financial Inc. and lawyer with Torys LLP.

Michael MacMillan Co-Founder, CEO & Director
Co-founded Blue Ant Media in 2011 and is its CEO. Former Co-founder of Atlantis Films Limited, which became Alliance Atlantis Communications.

Robb Chase CFO & Director Blue Ant Media's CFO and former COO.
He has been with Blue Ant since its inception in January 2011.

Lisa Hsia Director
Former Executive Vice President, Audience Acquisition and Growth, NBCUniversal Entertainment.

Kevin Johnson Director
CEO, GroupM Canada and President of WPP in Canada. Previously CEO of MediaCom Canada.

Lisa Knutson Director
Now retired, former COO and CFO of The E.W. Scripps Company.

Kent Sobey Director
Founder and President of Farmhouse Productions, a film, television and digital media production company.

Ellis Jacob Director
CEO of Cineplex Entertainment. Previously co-founder and CEO of Galaxy Entertainment, Inc.

Risks and Caveats

Part of our thesis around Blue Ant centers on some of the new acquisitions they have made over the past 12 months, most notably Thunderbird Entertainment, which again we have framed as a sort of acquisition of "equals". We are constructive on the notion that management can effectively integrate that piece, largely because they have (successfully) done it before. That said, we have also seen that fail. It is often difficult to successfully integrate new acquisitions, and that seems to be more difficult the larger, especially relatively speaking, the acquired company is. Moreover, at the same time, Blue Ant is also still in the midst of digesting the prior acquisitions, one of which came with their new public market posture. Again, management has been here before, so we do not think this involves things they have not experienced, but there are several new moving parts and that always provides some impetus for pitfalls. In addition, their new public status provides an entirely new layer of challenges (and costs) as well. Again, we believe management is up to the task, because their past successes suggest that, however, again, they have some "hills to climb" that go beyond business as usual.

As an extension of the integration of new parts notion we just covered, we caution that modeling the new combined entity is particularly challenging at this point. While the filings include *some* historic financial performance data, Blue Ant's prior posture as a private entity does not provide us with much prior operating information to model around. Further, while we do have filings for Thunderbird, we still face the problem of trying to model how those pieces may fit together going forward. While we have attempted to address some of that in the **Operating Overview**, we submit that for some number of periods going forward we expect visibility to be poor. Some of that will be related to our likely failure to exactly assess the performance of the combined entities from both micro and macro perspectives. As a result, since we base our valuation targets on assessments of forward/projected operating results, if those assessments prove aggressive, then our targets will likely prove aggressive as well.

As is often the case with small companies we follow, on some levels, Blue Ant competes with large, entrenched players with far more resources than Blue Ant can ever likely bring to the fight. We have a relatively standard answer to that when it relates, and that answer is that many industries have very large dominant players, but also some small, nimble and quite successful players. Clearly, we believe that to be the case with Blue Ant or we would not be initiating this. To that end, as we tried to delineate throughout this report, the M&E industry is a complex interwoven place, with parts of the industry dominated by large players, and other "corners" as we have described them, where smaller companies can thrive. In addition, the complexities include situations where competitors in one portion of the industry may also be customers of one another in other portions. Again, it is tangled web, and we think success is predicated in part on being able to understand and negotiate the entanglement, which is challenging and poses clear risks.

We noted above that technology has played a major role in reshuffling the landscape and the leadership in the M&E space. We submit, that is true in many industries, but, in our view, it has been especially acute in Media & Entertainment. If we boil down that impact into a few simple concepts, we suggest that on the whole, technology has made the industry more robust for consumers, giving them many more choices about how, what and when they choose to consume video (and audio) content. It has also made it a more competitive place, that, at least in some corners, includes much lower barriers to entry than in many times 'in the past. As we all recognize, competitive markets create winners and losers. Our thesis here is that Blue Ant will continue to win, but we could certainly have that wrong. Specifically, given their greater focus on developing proprietary content, if that content is not successful with consumers, it will negatively impact Blue Ant's results. Further, the visibility around winners and losers will continue to be clouded by technology. Specifically, as we have all heard of late, ad nauseum perhaps, *AI may change everything*. We have no idea how AI or any other emerging technologies may impact M&E and/or Blue Ant for better or worse, but it clearly poses a *potential* risk.

Some portions of the M&E industry have historically been negatively impacted by slowing economic activity, especially recession. While we try to incorporate those macro variables into our models as much as possible, to the degree that we underestimate either the likelihood or the impact of those types of events, our target assumptions could prove aggressive.

As we attempted to reflect above, some portion of the Company's business is driven by advertising revenue either directly on their own platforms, or through ad sharing arrangements on the platforms of others. Recognize, CPM rates (advertising rates set according to per 1,000 customers watching) have been under pressure for some time now. We think that is likely the result of more inventory, especially in the FAST space, where we have seen the number of channels grow exponentially. Clearly, more available inventory means more (and cheaper) choices for advertisers. Moreover, as we understand it, CPM rates have likely not bottomed out just yet, which could continue to negatively impact that portion of Blue Ant's business. That said, we submit, having established brands may help mitigate some of the decline. We think the Company's more recent focus on building premium content speaks to that notion.

While the Company's Balance Sheet currently appears to be adequately liquid, if the Company fails to continue to operate profitably, that liquidity could be negatively impacted. In that event, the Company may be forced to seek financing that could prove dilutive to shareholders. Moreover, the Company could also seek to use equity to finance other corporate endeavors which could also be dilutive.

Many of the companies in our coverage universe rely on a relatively small number of key people to execute the business plan. That posture carries obvious risks with respect to the performance and continued employment of those individuals. In the case of Blue Ant, we view that risk as *particularly acute*.

Blue Ant has been public for a relatively short period of time, and their shares are generally thinly traded, which often leads to marked volatility in the share price. That may continue to be the case in the foreseeable future.

These are just a few of the more visible risks associated with Blue Ant. There are likely others we have missed and/or others that may not be apparent at this time.

Summary and Conclusion

Our enthusiasm for Blue Ant is based on a small handful of variables that we think are converging to create an enterprise that we believe will command a considerably better intrinsic valuation than the current share price currently reflects. We have covered those issues at length above, but to recap, the Company is managed by a Media and Entertainment veteran with a track record of building extraordinary value in the industry. Our view is that along with himself, he has assembled a team suited to helping him do that again. To that end, we would note that most of the successful microcap investors we have known over the years place a considerable premium on management's associated acumen and success. In our view, Blue Ant clearly reflects that virtue.

The M&E industry has been through a considerable amount of change over the years, especially with respect to distribution via the advent of streaming and other technologies, but despite those changes, driving success through the creation of new, and generally proprietary content, has remained constant. While Blue Ant has built an integrated business that includes both studios as well as owned distribution, the heart of the business, and frankly the focus of much of its acquisitive efforts has been on continuing to grow that programming/content business, which it can support with its established distribution which includes both legacy third party relationships as well as owned and controlled assets.

The M&E industry has historically seen a considerable amount of M&A albeit often around some of the changes we noted throughout this report. Moreover, like many industries, the M&A activities often come in cycles. We suspect that will continue. While we are not in a position to judge where we might be in terms of one of those cycles, we do know that the recent bidding war between Netflix and Paramount Global for Warner Brothers Discovery will be (subject to regulatory approvals and closing) one of the industry's largest ever. We will not attempt to handicap the possibility of Blue Ant's end game being an acquisition by a larger entity. However, we do believe that much of the M&A activity (again like many industries) centers on building scale, as well as controlling more content. At least conceptually, by creating its own scale, and more of its own content, we believe Blue Ant becomes a more attractive target, which does not necessarily mean it has to be sold in order for shareholders to benefit. Generally, when public companies grow to the point of being considered a viable acquisition candidate, it tends to get reflected in the share price. To be clear, with Blue Ant's new public posture (and the disclosure that goes along with it) our high level argument here is that the sum of the Company's parts is going to become increasingly more evident and that will ultimately be reflected in the shares at what we see as much higher valuations.

Lastly, as we also alluded to, studios face considerable risk in terms of the timing of cashflow between content creation and content monetization. That scenario is additionally compromised when content does not perform as planned, which sooner or later will almost certainly be the case. That said, one of best defenses against that seeming inevitability is probably a liquid and/or less leveraged balance sheet. As we covered above, we believe Blue Ant should emerge from the Boat Rocker RTO and subsequent Thunderbird acquisition in a relatively liquid position that should provide them with some flexibility on various fronts. To be clear, in order achieve further success they still must produce content that people want to watch, but we think they are positioned to deliver that.

In summary, we believe Blue Ant is positioned to take advantage of the addition of various new pieces, and the lack of awareness around what the combination might yield, largely because of it non-public status, creating a potential disconnect between that emerging value and the street's current understanding of that value as reflected in the current share price. As a result, we are initiating coverage of Blue Ant Media Corporation with an Allocation of 4 and a 12-24 month price target of USD$13.50. We will revisit each as visibility, especially around the integration of Thunderbird improves.

Projected Operating Model

Blue Ant Media Corporation						
Projected Operating Statement						
Prepared by: Trickle Reserch						
(In Canadian Dollars: CAD$)						
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	11/30/25	**2/28/26**	**5/31/26**	**8/31/26**	**Fiscal 2026**	**Fiscal 2027**
REVENUES						
Revenues	$ 80,464	$ 94,955	$ 123,883	$ 126,678	$ 425,979	$ 542,705
EXPENSES						
Direct Content, Production & Delivery	$ 59,428	$ 70,882	$ 87,658	$ 89,983	$ 307,951	$ 388,676
Sales, General & Adminstrative	$ 16,042	$ 19,495	$ 27,888	$ 25,168	$ 88,594	$ 100,270
Share Based Compensation	$ 257	$ 375	$ 375	$ 375	$ 1,382	$ 1,500
Depreciation and Intangible Amortization	$ 2,711	$ 4,119	$ 4,160	$ 4,202	$ 15,191	$ 17,231
Impairment of Assets	$ -	$ -	$ -	$ -	$ -	$ -
Finance Expenses, net	$ 440	$ 500	$ -	$ -	$ 940	$ -
Loss (gain) on Warrants	$ -	$ -	$ -	$ -	$ -	$ -
Bargain Purchase Gain	$ -	$ -	$ -	$ -	$ -	$ -
Loss (gain) on Sale of Assets	$ 3,054	$ -	$ -	$ -	$ 3,054	$ -
Transactions and Other Related Costs	$ 2,540	$ 4,000	$ -	$ -	$ 6,540	$ -
Restructuring Costs	$ 788	$ 2,000	$ -	$ -	$ 2,788	$ -
Total Operating Expenses	$ 85,260	$ 101,371	$ 120,082	$ 119,727	$ 426,440	$ 507,677
Income From Continuing Operations Before Taxes	$ (4,796)	$ (6,417)	$ 3,801	$ 6,951	$ (460)	$ 35,028
Income Tax Expense:						
Current Tax Expense	$ 1,536	$ (1,123)	$ 665	$ 1,216	$ 2,295	$ 6,130
Deferred Tax Expense (recovery)	$ 418	$ -	$ -	$ -	$ 418	$ -
Net Income From Continuing Operations	$ (6,750)	$ (5,294)	$ 3,136	$ 5,735	$ (3,173)	$ 28,898
Net Income From Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -
Net Income	$ (6,750)	$ (5,294)	$ 3,136	$ 5,735	$ (3,173)	$ 28,898
Net Income Attributable To:						
Shareholders	$ (6,750)	$ (5,294)	$ 3,136	$ 5,735	$ (3,173)	$ 28,898
Non-Controlling Interests	$ 92	$ 92	$ 92	$ 92	$ 368	$ 368
Income Per Share Attrbutable to Shareholders:						
Basic - From Continuing Operations	$ (0.30)	$ (0.19)	$ 0.11	$ 0.20	$ (0.12)	$ 1.03
Diluted - From Continuing Operations	$ (0.30)	$ (0.19)	$ 0.11	$ 0.20	$ (0.12)	$ 1.01
Basic - From Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -
Diluted - From Discontinued Operations	$ -	$ -	$ -	$ -	$ -	$ -
Shares Outstanding:						
Shares Outstanding - Basic	22,270	28,028	28,028	28,028	26,589	28,028
Shares Outstanding - Diluted	22,270	28,028	28,252	28,354	26,726	28,669
Projected Adjusted EBITDA	$ 4,994	$ 4,577	$ 8,336	$ 11,528	$ 29,435	$ 53,758

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Trickle Research holds two microcap conferences each year. Trickle Research encourages its coverage companies to present at those conferences and Trickle charges them a fee to do so. Companies are under no obligation to present at these conferences. As of the date of this report, Blue Ant Media has not paid fees to present at Trickle co-sponsored conferences, but we will encourage them to do so in the future.

Portions of this publication excerpted from company filings or other sources are noted in *italics* and referenced throughout the report.

Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals $250) and 10 representing 10 investment units or $2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit $25,000 to buying micro-cap stocks, that would assume an investment of $1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at $1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same $250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting $1000 into the position ($250 * 4). If we later raise the allocation to 6, you might consider adding two additional units or $500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Hold" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.