AMCOMRI ENTERTAINMENT INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

DATED APRIL 14, 2023

AMCOMRI ENTERTAINMENT INC.

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INTRODUCTORY NOTES

Date of Information

This annual information form of Amcomri Entertainment Inc. is dated April 14, 2023 (the "**AIF**") and, unless the context otherwise requires, all references to the "**Company**" or "**Amcomri**" mean Amcomri Entertainment Inc. and each of its subsidiaries. All information in this AIF is as of December 31, 2022, being the date of the Company's most recently completed financial year, unless otherwise stated.

Currency

Unless otherwise indicated, all currency amounts are stated in Canadian dollars, and conversions to Canadian dollars from British Pound Sterling have been calculated at a rate of £1.00 to C$1.70 for the financial years ended December 31, 2020 and 2021 and at a rate of £1.00 to C$1.637 for the financial year ended December 31, 2022.

Cautionary Note Regarding Forward-Looking Information

Except for statements of historical fact, this AIF contains certain forward-looking statements and forward-looking information within the meaning of applicable securities law. Such forward-looking statements and information include statements or information with respect to: the Company's future business and strategies; requirements for additional capital and future financing, future capital expenditures and other expenses for specific operations, and intellectual property protection; industry demand; ability to attract and retain employees, consultants or advisors with specialized skills and knowledge; anticipated joint development programs; incurrence of costs; competitive conditions; general economic conditions; and scalability of developed technology.

Forward-looking information is frequently characterized by words such as "plan", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Although the Company's management believes that the assumptions made and the expectations represented by such statement or information are reasonable, there can be no assurance that forward-looking statements or information referenced herein will prove to be accurate. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include risks relating to the reliance on management and key employees; conflicts of interest in relation to the Company's officers, directors, and consultants; credit risk; additional financing requirements; resale of common shares in the publicly-traded market; market price fluctuations for the Company's common shares; global financial conditions; management of growth; tax risks; currency fluctuations; competitive markets; uncertainty and adverse changes in the economy; access to sufficient credit; future results of operations being harmed due to declines in recurring revenue; limited operating history and cash flow; capital requirements and financial risks; additional capital requirements; future capital requirements; dilutive equity financings; use of net proceeds; budget overruns; results of operations; longevity of arrangements; arrangements with retailers; unpredictability of commercial success; risk of liability; piracy of television and firm media; failure of anti-piracy measures; defending intellectual property; international business risks; further pandemics; inflation; environmental and social governance initiatives; payment processing risk; labour markets; film competitors; television competitors; technological changes; consumer trends; key personnel; attracting and retaining talent; union and non-union strikes; disruption to business; failure of computer systems; unpredictable disasters; risks associated with business combinations; growth; dividends; security and privacy breaches; changes in client demand; the influence of a significant shareholder; financial disclosure and reporting of a public company; the effectiveness of the Company's internal controls or any such remediation plans; the nature of the entertainment industry; television and film industries; entertainment industry trends; content industry; merchandising; productions risks; limited potential of media libraries; changes in regulatory landscape; litigation; liability claims for content; technological changes; technological changes; labour relations; climate change; liquidity management; concentration risks; challenges to the protection of intellectual property; infringement of intellectual property; and risks associated with internal controls over financial reporting**.** The Company undertakes no obligation to update forward-looking statements and information if circumstances or management's estimates should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements and information. More detailed information about potential factors that could affect results is included in the documents that may be filed from time to time with the Canadian securities regulatory authorities by the Company.

For a more detailed discussion of certain of these risk factors, see "*Risk Factors*". The list of "*Risk Factors*" set out in this AIF is not exhaustive of the factors that may affect any of our forward-looking information.

GLOSSARY OF DEFINED TERMS

Unless otherwise defined herein, the following terms used in this AIF have the meanings set forth below:

"101 Films"	means 101 Films Limited.
"101 Films International"	means 101 Films International Limited.
"Abacus"	means Abacus Media Rights Limited.
"Amcomri" or the **"Company"**	means Amcomri Entertainment Inc.
"Amcomri Canada"	means Amcomri Canada Sales Limited.
"Amcomri Productions"	means Amcomri Productions Limited, formerly Silentpoint Limited.
"Appreciated Common Shares"	means the common shares in the capital of the Company prior to the completion of the Arrangement and Consolidation.
"Appreciated Global"	means Appreciated Media Global Limited.
"Arrangement"	means the arrangement of the Company under the provisions of Division 5 of Part 9 of the BCBCA in accordance with the terms and the conditions of the plan of arrangement and the Arrangement Agreement.
"Arrangement Agreement"	means the arrangement agreement dated as of August 9, 2021, among the Company, Trinity and the Trinity Shareholders, with respect to the reverse takeover of the Company by the shareholders of Trinity.
"Audit Committee"	means the Audit and Risk Committee of the Company's Board.
"AVOD"	means advertising-based video on demand.
"BCBCA"	means the *Business Corporations Act* (British Columbia).
"Board"	means the board of directors of Amcomri, as constituted from time to time.
"Bow River"	means Bow River Pictures Ltd.
"Bow River Loan"	means the secured loan to Bow River in the amount of USD $4,500,000.
"Common Shares"	means the common shares in the capital of Amcomri.
"Consolidation"	means the consolidation of the Appreciated Common Shares on the basis of one (1) Common Share for every twenty-five (25) Appreciated Common Shares previously held, which occurred immediately prior to the closing of the Arrangement.
"DC&P"	means disclosure controls and procedures.
"Flame Media"	Flame Media Pty Ltd.

“HCI”	means Hollywood Classics International Limited.
“ICFR”	means internal control over financial reporting.
“Metrodome”	means Metrodome Distribution Group.
"MI 61-101"	Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions.*
“NEO”	means Neo Exchange Inc.
“NI 51-102”	means National Instrument 51-102 – *Continuous Disclosure Obligations.*
“NI 52-110”	means National Instrument 51-110 – *Audit Committees.*
“Oranmore”	means Oranmore Limited.
“Positivor”	means Positivor Limited.
“Screen Media”	means Screen Media Ventures LLC
“SEDAR”	means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investments funds across Canada, available at *www.sedar.com*.
“SVOD”	means subscription-based video on demand.
“Trinity”	means Trinity Pictures Distribution Limited, a corporation governed by the laws of the United Kingdom.
“Trinity Shareholders”	means the holders of the Trinity Shares prior to the completion of the Arrangement.
“Trinity Shares”	means the ordinary shares in the registered capital of Trinity prior to the completion of the Arrangement.
“TSXV”	means the TSX Venture Exchange.
“VOD”	means video on demand.
“YAD”	means (Yet) Another Distribution Company.

CORPORATE STRUCTURE

Name, Address, and Incorporation

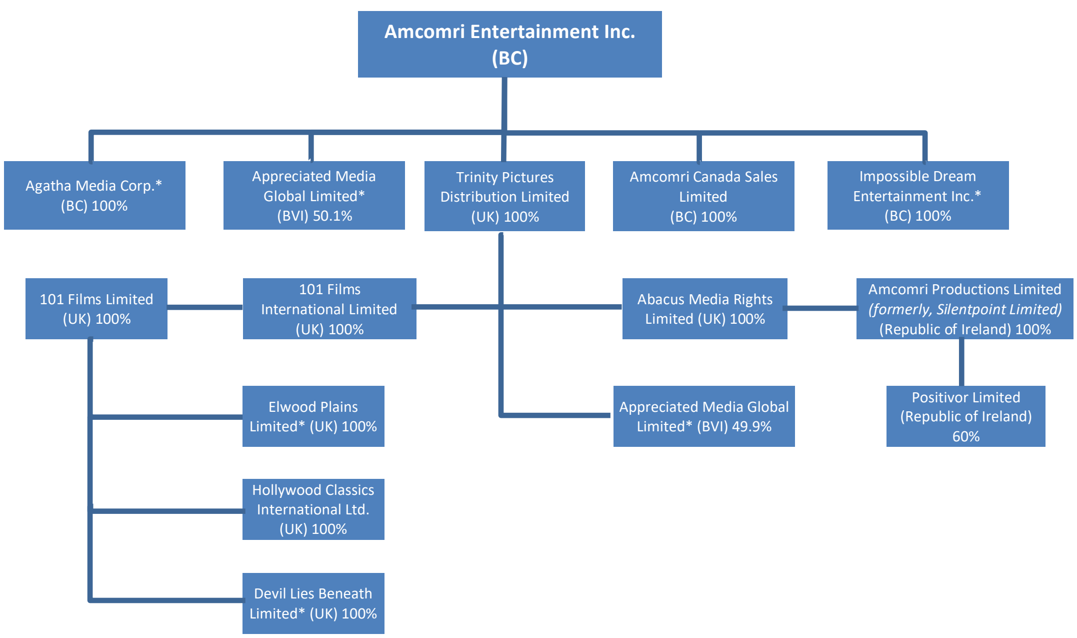
The Company was formed under the BCBCA through the amalgamation of Nine Tailed Films Inc. (incorporated under the BCBCA on January 10, 2014) and The Wonderfilm Media Corporation (incorporated under the BCBCA on May 30, 2017), which then amalgamated with 1141596 B.C. Ltd on March 26, 2018, the resulting entity of which was then amalgamated with Westshire Capital II Corp. on March 27, 2018 as part of the Company's qualifying transaction. On April 1, 2020, the Company changed its name from The Wonderfilm Media Corporation to Appreciated Media Holdings Inc. on April 1, 2020.

On August 9, 2021, the Company entered into the Arrangement Agreement with Trinity and the Trinity Shareholders and, on January 7, 2022, the Trinity Shareholders completed a reverse takeover of the Company. Pursuant to the Arrangement, the Company changed its name to "Amcomri Entertainment Inc.".

The Company's head and registered office is located at 1800-510 West Georgia Street, Vancouver, British Columbia V6B 0M3.

Intercorporate Relationships

As at the date of this AIF, the Company has four (4) wholly owned direct subsidiaries (Trinity, Agatha, Amcomri Canada and Impossible Dream Entertainment Inc.) and eight (8) indirect wholly owned subsidiaries. The following chart outlines the inter-corporate relationships between the Company and its subsidiaries. In addition, the Company holds (indirectly) a 60% interest in Positivor Limited.



Note:

* Denotes a dormant company.

In addition to the foregoing subsidiaries, the Company incorporates single purpose production subsidiaries for each film produced, for the purposes of producing film a television and claiming various government tax incentives. Such single purpose production subsidiaries only carry on business until the production is complete, do not carry on any other business, and are dissolved or amalgamated after the final tax incentives are collected.

GENERAL DEVELOPMENT OF THE BUSINESS

Development of the business of Trinity prior to completion of the Arrangement

On September 15, 2014, Trinity was incorporated as a holding company that had no trading function other than that of investment holding company and did not carry out any operations. Prior to the Arrangement, Trinity was a holding company for the business of its subsidiaries, which consisted of the financing, production, sales and distribution of feature film, feature documentary, and scripted and unscripted television series on a global basis.

In January 2021, in an effort to consolidate the ownership interests in a simplified structure, Trinity and the holders 101 Films, Abacus and 101 Films International conducted a re-organization pursuant to which the parties exchanged their shares in such entities for shares of Trinity on the basis of a valuation prepared by an independent valuator.

As a result of the re-organization and acquisition, 101 Films, 101 Films International, HCI and Abacus became wholly owned, direct and indirect, subsidiaries of Trinity. As consideration to shareholders of 101 Films, Abacus and 101 Films International, Trinity issued a total of 41,921 Trinity Shares.

Development of the business of the Company prior to and following the completion of the Arrangement

<u>Year ended December 31, 2020</u>

On December 30, 2019, the British Columbia Securities Commission and the Ontario Securities Commission issued cease trade orders against the Company as a result of the failure to file the Company's annual financial statements, management's discussion and analysis and associated officer certificates for the year ended June 30, 2019 and interim financial statements, management's discussion and analysis and associated officer certificates for the period ended September 30, 2019 in accordance with the timelines set forth in NI 51-102. As a result, trading in the Company's securities was halted on the TSXV.

On March 6, 2020, the management cease trade order issued by the British Columbia Securities Commission on October 29, 2019 and the cease trade orders issued by the British Columbia Securities Commission and the Ontario Securities Commission on December 30, 2019 were revoked.

On March 9, 2020, Norman Tsui resigned as Executive Vice-President, Interim Chief Financial Officer and Corporate Secretary and as a Director of the Company.

On March 24, 2020, Kirk Shaw resigned as the Company's Chief Executive Officer and Stephen Brown was appointed to serve as the President and Chief Executive Officer and Mark Groenewald was appointed to serve as the Chief Financial Officer of the Company. In addition to his appointment as President and Chief Executive Officer of the Company, the Board appointed Mr. Brown as a director of the Company.

On April 1, 2020, the Company changed its name from "The Wonderfilm Media Corporation" to "Appreciated Media Holdings Inc." and changed its stock symbol from "WNDR" to "AMH". In addition, on April 1, 2020, Doug Magallon was appointed to the Board.

On May 8, 2020, the Company acquired all of the business and assets of Appreciated Music from Appreciated Entertainment Ltd. for an aggregate purchase price of $750,000 payable through the issuance of 7,500,000 Appreciated Common Shares at a deemed price of $0.10 per Appreciated Common Share. 4,250,000 Appreciated Common Shares were issued to Appreciated Entertainment Ltd. at closing, with the Company agreeing to issue the remaining 3,250,000 Appreciated Common Shares subject to the receipt of shareholder approval. The obligation to pay the remaining 3,250,000 Appreciated Common Shares was subsequently terminated.

On November 4, 2020, the British Columbia Securities Commission and the Ontario Securities Commission issued cease trade orders against the Company for failure to file the Company's annual financial statements for the year ended June 30, 2020.

On November 13, 2020, Amcomri Limited Partnership and the Company entered into a forbearance agreement pursuant to which Martin Andrew (Andy) Lyon and Michael Walker were appointed to the Board.

On November 18, 2020, the Company breached the terms of the forbearance arrangement and Douglas Magallon and Gregory Strom resigned as directors of the Company. Following their resignation, Robert Price and Laurence Howard were appointed as the Chief Executive Officer and Interim Chief Financial Officer of the Company replacing Stephen Brown and Mark Groenewald. In addition, Mr. Price and Mr. Howard were appointed to the Board.

On December 8, 2020, Stephen Brown entered into a resignation agreement with the Company pursuant to the Company agreeing to return to Stephen Brown's holding company, Appreciated Entertainment Ltd., certain assets that were acquired by the Company in May 2020. Further, Mr. Brown agreed to: (i) surrender for cancellation 425,000 Appreciated Common Shares and 200,000 stock options, (ii) forgive and release approximately $924,986 owed by the Company to Mr. Brown, and (iii) assist and guarantee the repayment of $150,000 owing to Amcomri Limited Partnership.

<u>Year ended December 31, 2021</u>

On February 17, 2021, the Company filed its financial statements for the periods ended September 30, 2020 and December 31, 2020. On June 23, 2021, the Company filed amended and restated financial for the periods ended September 30, 2020 and December 31, 2020. On June 28, 2021, the British Columbia Securities Commission and the Ontario Securities Commission issued revocation orders for the previously issued cease trade orders.

On August 4, 2021, the Company cancelled an aggregate of 425,000 Appreciated Common Shares held indirectly by a former director and officer of the Company and returned such shares to treasury.

On August 4, 2021, the Company issued 8,695,652 Appreciated Common Shares on conversion of a $1,000,000 principal amount of 8% unsecured convertible debentures.

On August 9, 2021, the Company, Trinity and the Trinity Shareholders executed the Arrangement Agreement, pursuant to which the Company agreed to complete the Consolidation and to acquire all of the Trinity Shares for aggregate consideration of approximately $50 million to be paid through the issuance of 66,666,667 Common Shares at a deemed price of $0.75 per share.

In connection with the Arrangement Agreement, on August 9, 2021, pursuant to a loan exchange agreement dated August 9, 2021 entered into between the Company and Oranmore, the Company settled debt with Amcomri Limited Partnership and Oranmore by exchanging $1,486,034 of debt for 1,981,379 Common Shares at a deemed price of $0.75 per share. Oranmore also agreed to provide a credit facility of up to $1,000,000 to the Company for working capital purposes. Amounts drawn under the facility will be unsecured and will bear interest at a rate of eight percent (8%) per annum.

On October 26, 2021, the Company completed a private placement of 32,708,000 Appreciated Common Shares at a price $0.05 per Appreciated Common Share for aggregate gross proceeds of $1,635,400. On the same date Michèle Maheux and Alex Stojanovic were appointed to the Board.

On October 26, 2021, the Company entered into a USD $3.2 million credit facility with Oranmore. In connection with the credit facility, the Company agreed to pay an arrangement fee of USD $250,000 and USD $50,000 of interest through December 31, 2021. Amounts drawn under the credit facility were to be repaid upon the earlier of demand from Oranmore, the date that is one year from the initial draw down under the credit facility or the date on which the Company receives repayment of the Bow River Loan. The credit facility was secured against the assets of the Company. The proceeds of the private placement and all amounts advanced under the credit facility were used by the Company for the purposes of funding the Bow River Loan of up to USD $4,500,000 to Bow River, a corporation incorporated under the laws of the Province of Alberta for the purpose of allowing Bow River to fulfil its obligations in connection with the production of the latest movie in the successful Left Behind franchise, "Left Behind: Rise of the Antichrist".

In connection with the making of the Bow River Loan, the Company entered into a distribution agreement and was appointed as the North American distributor and the international sales agent for "Left Behind: Rise of the Antichrist", and will receive the standard distributor fees in respect of all worldwide sales together with a success fee equal to 35% of the net profits of Bow River insofar as they relate to the production and distribution of the movie. Subsequently, the Company terminated the distribution agreement and entered into an amended and restated credit facility (the "**Amended Bow River Facility**") whereby the distribution agreement was terminated and the Bow River Loan was amended and restated to provide, among other things, that Stonagal Pictures Inc. ("**Stonagal**") would replace Bow River as borrower and assume the obligations of Bow River under the Bow River Loan. Pursuant to the Amended Bow River Facility, the Company agreed to make a loan of up to USD $4,500,000 to Stonagal to allow Stonagal to produce the movie "Left Behind: Rise of the Antichrist". Pursuant to the Amended Bow River Facility, Stonagal may elect to repay amounts owing under the Amended Bow River Facility by delivering the movie "Left Behind: Rise of the Antichrist" to the Company. The movie was subsequently delivered to the Company and the obligations existing under the Amended Bow River Facility were satisfied, other than accrued but unpaid interest which is expected to be paid in due course.

On November 17, 2021, the NEO provided conditional approval for the listing of the Common Shares, subject to customary conditions.

<u>Year ended December 31, 2022</u>

On January 4, 2022, in advance of the closing of the Arrangement, the Appreciated Common Shares were voluntarily delisted from the TSXV.

On January 7, 2022, the Company completed the Arrangement with Trinity and the Trinity Shareholders. In connection with the closing of the Arrangement, the Company completed the Consolidation and issued an aggregate of 66,666,667 Common Shares to the Trinity Shareholders. In connection with the Arrangement, the Company also changed its name to "Amcomri Entertainment Inc." and changed its financial year end to December 31.

Prior to the completion of the Arrangement, the Company settled an aggregate of $211,000 of indebtedness through the issuance of 1,820,000 Appreciated Common Share at a price of $0.05 per share and 923,077 units of the Company at a deemed price of $0.13 per unit. Each unit was comprised of one (1) Appreciated Common Share and one (1) common share purchase warrant entitling the holder thereof to acquire one (1) additional Appreciated Common Share at an exercise price of $0.25 per share for a period of one year from the date of issuance.

On January 14, 2022, following the completion of the Arrangement, the Common Shares commenced trading on the NEO under the symbol "AMEN".

On January 25, 2022, Amcomri completed the acquisition of Amcomri Productions (formerly Silentpoint Limited), a company registered in the Republic of Ireland, which held the United Kingdom and Irish distribution rights for over 800 hours of movie and television content. Amcomri Productions owns the distribution rights to the "Sonar" library, recently rebranded as Halcyon Studios, which includes 330 feature films, 20 television series spanning 170 hours and 50 mini-series with over 200 hours of viewing content. Amcomri Productions was acquired from an entity controlled by Paul McGowan, the Chairman of Amcomri, for a cash payment of USD $503,000 and the assumption of Amcomri Productions' ongoing obligations to Screen Media in respect of the library.

On February 4, 2022, Amcomri, through 101 Films, entered into an exclusive all-rights distribution arrangement with Shout! Factory, LLC and acquired approximately 120 movies and 40 hours of television content for cross-platform distribution.

On June 1, 2022, Michelle Kowalchuk was appointed to the Board.

On June 8, 2022, Amcomri, through its wholly-owned subsidiaries Abacus and Amcomri Productions, acquired the library assets and associated rights of Flame Media, a global distributor and owner of factual and documentary television content, for £1.6 million and up to £100,000 of deferred consideration (approximately $3.0 million). The acquisition of the Flame Media library and associated rights was financed through a £1.6 million loan from Head Gear

Films, an arm's length financier of independent film and television. The loan is repayable on the 18 month anniversary of being advanced and bears interest at a rate of 12% per annum. In connection with the loan, Amcomri provided security over the assets of Abacus and Amcomri Productions and each of 101 Films International and 101 Films provided corporate guarantees in favour of the lender.

On July 11, 2022, Positivor (a subsidiary in which the Company holds an indirect 60% ownership interest), acquired several high-quality library assets from Screen Media for the United Kingdom and Ireland. The assets comprise more than 750 hours of film and television content. The rights associated with such assets continue in perpetuity and were acquired for a total cash consideration of $4,800,000. The acquisition was funded with the proceeds of a loan from Head Gear Films, a financier of independent film and television. In connection with the loan, Positivor granted Head Gear Films security over the several Screen Media library assets that Positivor acquired. The assets comprising the library are to be distributed by 101 Films in the United Kingdom and Ireland subject to customary distribution fees being paid to 101 Films.

On August 9, 2022, the Company issued an aggregate of 768,000 Common Shares to directors and officers of the Company in settlement of $576,000 owing to certain directors and officers.

On August 31, 2022, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, the former auditor of the Company resigned.

Further, in September 2022, Bow River and the Company entered into a participation agreement whereby Bow River is entitled to 65% of net receipts (with the Company retaining the remaining 35% of net receipts) derived from the distribution of "Left Behind: Rise of the Antichrist". For the purposes hereof, "net receipts" means gross receipts less the following deductions: (a) an amount equal to 30% of gross receipts; and (b) an amount equal to the Company's accrued distribution expenses.

On October 3, 2022, the Company issued a total of 2,500,000 stock options to Robert Price, Chief Executive Officer of the Company. The options vest in equal installments on the first, second, third, fourth and fifth anniversaries of the date of grant and, upon vesting, are exercisable until October 3, 2033 at an exercise price of $0.50 per Common Share.

On November 28, 2022, the Company entered into a USD $750,000 credit facility with Oranmore for use in connection with the marketing and promotion of the Company's film project, "Left Behind: Rise of the Antichrist". Amounts drawn under the credit facility are repayable at any time without penalty and become due and payable on demand from Oranmore. The credit facility was secured against the assets of the Company and accrues interest at a rate of 3% per month.

Recent Developments

On January 6, 2023, the Company appointed MNP LLP, Chartered Professional Accountants as auditors for the Company, effective December 31, 2022.

On January 26, 2023, the Company's feature film production, "Left Behind: Rise of the Antichrist" premiered in the United States and achieved an opening weekend box office in excess of USD $3 million, placing it in the North America top 10 performers for the weekend.

The box office performance was a strong foundation for the home media release with the digital media ownership released on March 10, 2023 and the digital media rental and physical media released on March 21, 2023. The film's physical release is supported by partners including Amazon, Walmart and Dollar General whilst the digital release is supported by partners including Comcast, Google, Amazon and Direct TV.

Three of the five titles which had been due for delivery to 101 Films International were delivered to the company during the first quarter of 2023 and sales activities have now commenced.

DESCRIPTION OF THE BUSINESS

General

The business of Amcomri is the global production and distribution of independent movie, documentary and television programs. Generally, its production business is based in Toronto, Canada and the main distribution businesses are based in the United Kingdom. Exploiting a network of distribution channels around the world, Amcomri's companies deliver a premium, transparent and trustworthy route to market. With decades of experience across all the key media markets, the Amcomri team is fast becoming the go-to team for independent producers seeking the widest possible audience for their productions. Amcomri's network is built on strong, trustworthy partners. Arranging strong presale partners in the major markets, the teams can often provide the assurance that lenders need in order to provide production finance.

During 2022 Amcomri funded the production of a major feature film, "**Left Behind : Rise of the Antichrist**", based on the best-selling book series and starring Kevin Sorbo. Production completed at the end of 2022 and the film was released to the US market on January 26, 2023. The total production budget and press and advertising budget of US$4.85 million and $750,000, respectively, was funded by Amcomri (a portion of the production budget was in the form of tax credits). The film had an opening weekend box office in excess of $3,000,000, putting it in the top 10 bestselling US releases that week. The title is the only significant media title owned by Amcomri Entertainment Inc. itself and all income from the title will be recognised in that company where residual tax losses should serve to minimise the tax liability due on profits. Since the end of the financial year, the film has been released both physically (on DVD and BluRay) with partners such as WalMart and Dollar General and on a TVOD basis across many of the major US platforms. The Company continues to market this film extensively across all markets globally.

Except as noted above, Amcomri is primarily a holding company holding all of the outstanding shares of Trinity and Amcomri Canada, the Company's operating subsidiaries. In turn, Trinity holds the shares of six (6) operating companies: (i) 101 Films; (ii) 101 Films International; (iii) Abacus; (iv) HCI; (v) Amcomri Productions; and (vi) Positivor (Amcomri holds a 60% interest in Positivor). A description of the business of each of these operating subsidiaries is provided below. In addition, Amcomri holds, directly or indirectly, all of the outstanding shares of several dormant companies – for additional detail on these dormant subsidiaries, please refer to the disclosure under *"Intercorporate Relationships"*.

<u>101 Films</u>

101 Films was incorporated on September 7, 2011 by industry specialists, Andy Lyon and Adam Lacey (who collectively have over 50 years experience in UK film distribution), and is one of the largest and fastest-growing all-rights media distribution companies in the United Kingdom and Irish markets. 101 Films owns or controls the rights to over 3,000 movie titles for those markets. The business has grown organically and, following investment by Amcomri and, prior to the Arrangement, by Amcomri Limited Partnership, through the acquisitions of the Metrodome and Palisades Tartan libraries in 2017 and the Screen Media and Sonar libraries during 2022.

101 Films has acquired the distribution rights for successful titles such as the United Kingdom number one movie "**Left Behind**" featuring Nicolas Cage, "**Braven**" starring Jason Momoa and "**Christmas in the Caribbean**" starring Elizabeth Hurley. Alongside many cast led movies, 101 Films more recently picked up and released major franchise movies such as "**Iron Sky: The Coming Race**" and "**Jeepers Creepers 3**".

101 Films released over 80 titles into the market in 2022 (an increase of 14% compared with the 70 titles released into the market in 2021) and has direct relationships with all the major platforms and channels including major players in the United Kingdom market, such as Sky, Virgin, Rakuten, AMC Shudder, Netflix, Amazon, Freevee, Apple, BBC, Channel 4, Great TV (Narrative) and Channel 5.

More recently 101 Films entered into a long term acquisition partnership with (Yet) Another Distribution Company, founded by Head Gear Film's Phil Hunt. YAD adds yet another brand to an already impressive line up. YAD and 101 Films released approximately forty movies in 2021.

A key strategic component of Amcomri is the development of an extensive library of media content. As part of that strategy, 101 Films continues to source quality additional content. Amcomri remains an acquisitive vehicle as regards the growth and strengthening of its library. During the year ended December 31, 2022, 101 Films further enhanced the content library through acquisition and partnerships as follows:

- On February 4, 2022, 101 Films entered into an exclusive all-rights distribution arrangement with Shout! Factory, LLC and acquired approximately 120 movies and 40 hours of television content for cross-platform distribution.

- In May 2022, 101 Films secured the distribution rights to the Asylum library which contains over 200 movies for United Kingdom distribution alongside a new release output deal delivering potentially 15 movies a year to 101 Films' release slate.

- In June 2022, 101 Films ensured that Amcomri acquired all UK rights and title for the Screen Media and Sonar libraries in perpetuity through Amcomri Productions' 60% owned subsidiary, Positivor. This acquisition converted its existing distribution and royalty arrangement for this library of over 750 hours of films. The conversion of distribution rights to ownership rights resulted in a non-cash adjustment to the 2022 profit and loss account of $876,000 but all future income from these titles will be accounted for as it arises.

<u>101 Films International</u>

Incorporated on February 14, 2019, 101 Films International is a global film sales agency, acquiring global distribution rights for film titles. The business now represents a catalogue of over 100 independent films.

Key titles acquired for distribution on a global basis during 2022 include:

- "**Dark Asset**" starring Byron Man and Robert Patrick;
- "**The Gates**" starring John Rhys Davies;
- "**The Most Dangerous Game**" starring Casper Van Dien; and
- "**Fear the Invisible Man**", a period thriller, based on the HG Wells classic story.

101 Films International is also now representing Amcomri's in-house productions "**Left Behind: Rise Of The Antichrist**" starring Kevin Sorbo and "**Home for The Holidays**" starring Shannon Elizabeth across all global markets.

By establishing an extensive network of Independent Producer relationships, 101 Films International has ensured a consistent flow of new film content. In 2022 this network saw the addition of projects from M&M Productions, Picture Perfect, Greenfield Media, Michael Winnick Productions, Pixel Revolution and Studio Atlantic.

101 Films International's 2023 new release slate includes "**War Blade**", "**Fortunes of War**", "**Frankenstein: Legacy**", "**Shamrock Spitfire**" and "**Mia and the Dragon Princess**". These titles are all expected to be delivered during 2023 from which point income from distribution arrangements are recognised by the Company.

101 Films International attends all international sales markets including the American Film Market in Los Angeles, The Berlin Film Festival, Hong Kong Filmart, the Toronto Independent Film Festival and the Cannes Film Festival.

A variety of factors including delays caused by the COVID-19 restrictions meant that five releases planned for 2022 were delayed. Three of these titles have now been received by the company and its marketing activities for these titles have commenced. Income for those titles, expected in 2022, should now be accounted for during 2023.

101 Films International has no subsidiaries, but has a 49.9% interest in Appreciated Global, which was established to procure the global distribution rights of movies and other titles produced or acquired by the Company which owned the remaining 50.1% of the joint venture. Upon completion of the Arrangement, Appreciated Global became a wholly owned subsidiary of the Company.

Abacus Media Rights Limited

Abacus was established by Amcomri alongside television industry specialist Jonathan Ford in March 2020 and is responsible for the acquisition and distribution of television, documentary and unscripted titles which it distributes to a global collection of customers and clients. Abacus is also able to arrange the pre-sale of rights on an individual territory or global basis in order to enable producers to finance productions to which Abacus then secures remaining distribution rights. Abacus has developed quickly and already represents over 4,100 hours which included the acquisition and integration of Australian distributor, Flame Media, in 2022. The year ended December 31, 2022 saw considerable growth at Abacus due to rapidly growing demand for its titles from a wide range of platforms and broadcasters.

Key titles distributed by Abacus include:

- Canadian scripted series such as "**The Porter**" and "**Sort Of**";
- United Kingdom scripted series such as "**Maxine**", "**Deadline**" and "**Catch Me a Killer**";
- unscripted series including "**Vikings: The Rise and Fall**", "**The Frontier**", "**Outback Truckers**" and "**My Lover My Killer**"; and
- documentaries and documentary series such as "**Peter O'Toole: Along the Sky Road to Aqaba**"; "**Four Hours at the Capitol**"; "**Escape from Kabul**"; "**Mariopul: The People's Story**" and "**The Man Who Stole The Scream**".

Key producers represented on a non-exclusive basis by Abacus include Emmy award-winning Dan Reed, Dash Pictures, Honeybee Media, Forest, Truvision, Our House Media, First Look TV, Clapperboard Studios and Sphere Media.

Abacus is able to distribute titles to all of the major markets including United States, Canada, Latin America, Asia-Pacific, Western Europe, Central and Eastern Europe, Africa and the Middle East, and to all types of customer including multi-territory streamers, premium pay TV, basic pay TV, free TV, AVOD platforms, SVOD platforms, home entertainment rights buyers and for feature documentaries theatrical releasers.

Abacus has ensured it has a presence in person at all the major television markets such as Mipcom, Mip TV, Kidscreen, Realscreen, ATF, Mip Cancun and Natpe Budapest.

On June 8, 2022, Amcomri Productions and Abacus acquired over 500 television titles spanning over 2,200 hours of viewing content from Flame Media, a leading Australian distributor. The acquisition of Flame Media added considerable talent to the Abacus and Amcomri teams including leading sales talent in the Australian market and the Flame Media content has been warmly received across a wide range of markets.

Hollywood Classics International Limited

HCI is an international sales agency acting on behalf of movie library owners including major Hollywood Studios such as Universal Pictures. HCI sells certain distribution rights to back-catalogue titles from producers and rights-holders on a global basis. Based in the United Kingdom and with sales reps in Germany, France, Japan and Latin America, HCI is a global business with a local presence and in-depth understanding of individual markets. HCI attends all major film markets such as the Cannes Film Market, the American Film Market (Santa Monica), the European Film Market (Berlin), MipTV & Mipcom (both in Cannes), World Content Market (Moscow), Filmart (Hong Kong) and the International Classic Film Market (Lyon).

Major titles that have been distributed by HCI include "**Born On The 4th Of July**", "**American Graffiti**", "**Howard The Duck**", "**The Last Temptation of Christ**" and "**The Omen**". HCI's library contains over 3,000 classic titles and the company licences all types of rights, including physical, digital, television, theatrical and clips.

Key rights-holders represented by HCI include Universal Pictures, Sony Pictures, Paramount Pictures, 20th Century Fox as well as select independent libraries. HCI's long-standing relationship with major Hollywood studios has allowed it to stand as the authority in its field and has attracted quality classic libraries from independent rights owners.

HCI operates across all major markets including the United States, the United Kingdom, Germany, France, Japan and Australia and the growth of its all-rights independent catalogue is helping develop its sales of non-physical rights worldwide, primarily SVOD, Free TV and Pay TV rights.

<u>Amcomri Productions Limited (formerly, Silentpoint Limited)</u>

Incorporated on September 21, 2021, as Silentpoint Limited, the company changed its name to Amcomri Productions on May 9, 2022. Amcomri Productions, registered and tax resident in Republic of Ireland, owns the distribution rights to the "Sonar" library, recently rebranded as Halcyon Studios. The Halcyon Studios library features performances by a great variety of talent, including Kelsey Grammer, Richard Dreyfuss, David Tennant, James McAvoy, Jeremy Irons, Helen Mirren, Jeremy Renner, Sigourney Weaver, Courtney Cox, and Jeff Goldblum. Notable titles included in the library are "**Taboo**" starring Tom Hardy, Frank Herbert's "**Children of Dune**", "**The Escape Artist**", "**Journey To The Centre of the Earth**", "**Poseidon Adventure**" and "**Tin Man**". The Halcyon library alone includes 330 feature films, 20 television series' spanning 170 hours and 50 TV mini-series with over 200 hours of viewing content.

On June 8, 2022, Amcomri Productions and Abacus acquired over 500 television titles spanning over 2,200 hours of viewing content from Flame Media, a leading Australian distribution business.

<u>Positivor Limited</u>

Positivor Limited was incorporated on July 6, 2022, as a majority-owned subsidiary. The Company retains a 60% ownership of Positivor, which is indirectly held by the Company through Amcomri Productions. On July 11, 2022, Positivor acquired all rights, in perpetuity, to approximately 750 hours of feature film and television content from Screen Media for the United Kingdom and Ireland markets. These assets are to be distributed by 101 Films.

<u>Amcomri Canada Sales Limited</u>

Amcomri Canada was incorporated under the laws of British Columbia on June 21, 2022. Amcomri Canada is the Company's sole active Canadian subsidiary and was formed to assist with the organization of Canadian operations, hold Canadian assets and explore opportunities arising in the Canadian market.

Growth & Acquisition Strategy

The Company is focused on:

- continuing to build global distribution channels, particularly in North America;
- building its content libraries through acquiring distribution rights for quality new television and film titles;
- targeted investment in production and co-production of scripted, unscripted and documentary television & film content in core genres; and
- opportunistic mergers and acquisitions focused on television distribution and production, and film libraries.

In support of this strategy, the Company plans to attend major film festivals to seek out buyers, producer partners, scripts and buyers for business development and securing distribution rights. Additionally, the Company is making development investments in early stage television and film content production businesses as part of its ongoing growth strategy.

The growth of the library of media content is a core component of the Company's growth strategy. In addition to normal course title-by-title acquisitions, during 2022 Amcomri and its subsidiaries substantially enhanced their library of content through a number of acquisitions, including:

- the acquisition of approximately 120 movies and 40 hours of television content for cross-platform distribution from Shout! Factory, LLC;
- securing the UK distribution rights to the Asylum library which contains over 200 movies;
- the acquisition of over 750 hours of films through Positivor;
- the acquisition of over 500 television titles spanning over 2,200 hours of viewing content from Flame Media; and
- the acquisition of the library held by Silentpoint including 330 feature films, 20 television series' spanning 170 hours and 50 mini-series with over 200 hours of viewing content.

Media Landscape

The Company operates in a dynamic and innovative global market for video entertainment. The explosion in streaming services has powered consumer consumption and driven the demand for content from platforms and channels. These long term trends are continuing into 2023 and beyond. The Company expects the growth of paid subscription services to slow and for advertising funded services to grow their share of the market rapidly. The Company believes it is well positioned to take advantage of this evolving landscape and to exploit its growing library of media content across many of these established and evolving platforms.

Principal Products

The Company operates in three distinct areas, namely: (i) film distribution, (ii) film production and representation, and (iii) television distribution and co-production. Revenue by activity for the year ended December 31, 2022 is set out below:

	Film Distribution	Film Production & Representation	Television Distribution & Co-Production	Total
Year ended 31 December 2022	15.4%	1.7%	82.9%	100%

A geographical analysis of the Company's operations for the year ended December 31, 2022 follows:

	North America	United Kingdom	Europe	Rest of World	Total
Film Distribution	-	90%	2%	8%	100%
Film Production & Representation	31%	18%	25%	26%	100%
TV Distribution & Co-production	27%	24%	24%	25%	100%

The following chart shows, for each category of products and services that accounted for 15% or more of total consolidated revenue, the revenue derived from sales to the different categories of persons noted below:

	2022
Revenues from Film Distribution	
Portion representing sales to joint ventures in which Amcomri is a participant (“Joint Ventures”) or to entities in which Amcomri has an investment accounted for by the equity method (“Investees”)	4.3%
Portion representing sales to customers (excluding customers that are Joint Ventures or Investees)	95.6%
Portion representing sales or transfers to controlling shareholders	Nil
Revenues from Television Distribution and Co-Production	
Portion representing sales to Joint Ventures or Investees	Nil
Portion representing sales to customers (excluding customers that are Joint Ventures or Investees)	100%
Portion representing sales or transfers to controlling shareholders	Nil

Market

The global entertainment market for film and television, consisting of cinema and home entertainment, is vibrant, active and valuable. It was valued at $100 billion revenue in the latest Motion Picture Association annual theme report for 2021, in the report published in March 2022. Industry estimates expect this value to increase to approximately $110 billion in 2023. The key factor in the market’s consistent strong performance is the growth in digital service revenues, including Netflix, Amazon Prime and Disney+, to $72 billion globally. The Entertainment Retailers Association, in the United Kingdom, reported 17% growth in 2022 streaming revenues compared to 2021, and with growth between the years of 2020 to 2022 representing 49%. The Motion Picture Association values the global entertainment market at $321 billion, representing a substantial opportunity for content sales and development. Streaming service growth is forecast to continuing with subscription video on demand and the high growth of global AVOD services.

Marketing Plans and Strategies

Film and television marketing consists of filmmakers and marketers positioning their content in the minds of the audiences in order to increase the consumption of their films. A marketing campaign takes place over stages: corporate branding, promotions at events, and distribution. Marketing and communication strategies are dominated by digital marketing and include e-mail list building for disseminating information to fans and followers, drip-feeding promotional material to those subscribers, accessing and using various social media platforms to expand promotional reach.

Competitive Conditions

The global content sales and distribution market is competitive and highly active. The competitive landscape spans the major entertainment multinationals including Disney, Warner Bros, Viacom, NBC Universal, Endemol Shine and Liberty Global, and a vibrant independent producer and distribution sector. This also makes it difficult for the Company to speculate on the potential sources of new competition, if any. The demand for content will continue to increase driven by the fast increasing penetration and consumption of streaming services, both paid and advertising funded, combined with continuing growth of digital transactional behaviours.

Given such competition, the Company seeks to differentiate itself with a unique business model. The Company relies on a lower cost structure, risk mitigation, financial partnerships and innovative financial strategies. The Company’s cost structures are designed to utilize its flexibility and agility as well as the entrepreneurial spirit of its employees, partners and affiliates, in order to provide creative entertainment content to serve diverse audiences worldwide.

New Libraries (i.e. "New Products")

In May 2022, 101 Films secured the distribution rights to the "Asylum" library, with over 200 movies for United Kingdom distribution, and a new release output deal for over fifteen films a year to add to 101 Films' release slate.

In June 2022, 101 Films acquired all rights and title for the Screen Media and Sonar libraries, converting its distribution and royalty model on an already lucrative library into a wholly owned asset of the company.

Employees

As of December 31, 2022, in addition to the officers of Amcomri, the Company has approximately 23 full time employees and 12 part-time contractors.

Foreign Operations

The Company, through its subsidiaries, finances, produces, sells and distributes feature films, feature documentaries, and scripted and unscripted television series on a global basis.

101 Films is an all-rights media distribution company owning and controlling the rights to over 1,750 movie titles in the United Kingdom and Irish markets. Amcomri's subsidiary, HCI, sells physical copies of titles in global markets, as opposed to only licensing titles to which it has the rights. Abacus acquires and distributes the rights to television programmes and series worldwide including popular service providers such as Sky, Netflix, Amazon, Apple and BBC. 101 Films International is an international sales agency, it acquires distribution rights for movie titles on a global basis often enabling pre-production sales of rights to territories around the world through a series of long-established partnerships including major media platforms such as Netflix, Amazon, Apple, and Sky as well as studios including Universal, Paramount, Entertainment One and leading independent international distributors.

Lending

The Company does not currently have in place any formal investment and lending policies or restrictions. On occasion, the Company may be presented with financing opportunities relating to the production of television of movie projects, similar to the Bow River Loan. In such instances the Company will rely on the judgement and experience of its management to select and develop such opportunities.

Reorganizations

In January 2021, in an effort to consolidate the ownership interests in a simplified structure, Trinity and the holders 101 Films, Abacus and 101 Films International conducted a reorganization pursuant to parties exchanged their shares in such entities for shares of Trinity on the basis of a valuation prepared by an independent valuator. As a result of the reorganization and acquisition, 101 Films, 101 Films International, HCI and Abacus became wholly owned subsidiaries of Trinity. As consideration to shareholders of 101 Films, Abacus and 101 Films International, Trinity issued a total of 41,921 Trinity Shares. While the parties negotiating the re-organization transaction shared an ownership interest in the various subsidiaries, the parties were arm's length and conducted in depth arm's length negotiations with respect to the structure of the re-organization and the valuation to be ascribed to the various subsidiaries.

On January 7, 2022, the Company completed the Arrangement whereby Trinity became a wholly owned subsidiary of the Company and the Trinity Shareholders completed a reverse takeover of the Company. In connection with the closing of the Arrangement, the Company completed the Consolidation, changed its name to "Amcomri Entertainment Inc.", changed its financial year to December 31 and issued of 66,666,667 Common Shares to Trinity Shareholders.

In connection with the Arrangement, the Company also settled an aggregate of $211,000 of indebtedness through the issuance of 1,820,000 Appreciated Common Shares at a price of $0.05 per share and 923,077 units of the Company at a deemed price of $0.13 per unit. Each unit was comprised of one (1) Appreciated Common Share and one (1) common share purchase warrant entitling the holder thereof to acquire one (1) additional Appreciated Common Share at an exercise price of $0.25 per share for a period of one year from the date of issuance. Further, pursuant to a loan exchange agreement dated August 9, 2021 between the Company and Oranmore, the Company settled $1,486,034 of debt through the issuance of 1,981,379 Common Shares at a deemed price of $0.75 per share.

Proprietary Protection

The Company protects its intellectual property through trade secrets, reliance upon copyright legislation, common law trademark protection and trademark applications and registrations.

To date, the Company and its subsidiaries have relied upon common law protection for its trademarks in the United Kingdom and elsewhere. 101 Films Limited, has an active trademark in the United Kingdom under the "101 Films" brand name, but does not maintain a trademark in any other jurisdiction.

RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements contained herein. Prospective investors should carefully consider the following risk factors along with the other matters set out herein:

Risks Related to Financial Reporting and Other Public Issuer Requirements

As a public company, the Company is subject to the reporting requirements of the Canadian Securities Administrators and the rules of the NEO. The requirements of these laws, rules and regulations have increased and will continue to increase the Company's legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place strain on the Company's personnel, systems, and resources. The Company is continuing to develop and refine its disclosure controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports that it will file with the Canadian Securities Administrators is recorded, processed, summarized, and reported within the time periods specified in Canadian Securities Administrators rules and forms and that information required to be disclosed in reports under applicable securities laws is accumulated and communicated to the Company's principal executive and financial officers. The Company is also continuing to improve its internal control over financial reporting. In order to improve the effectiveness of its disclosure controls and procedures and internal control over financial reporting, the Company has expended, and anticipates that it will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Risks Related to Potential Material Weaknesses

Canadian securities laws require an annual assessment by management of the effectiveness of the Company's DC&P and ICFR. The Company's management, under the supervision and with the participation of its Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the Company's DC&P and ICFR as of December 31, 2022. As a result of this evaluation, management concluded that there were deficiencies relating to certain control matters, including: (i) formalized policies and procedures, and (ii) user access controls, which in the aggregate could result in a material weakness. A material weakness, as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators, is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

In light of such deficiencies, the Company believes it had ineffective ICFR as of December 31, 2022 in accordance with applicable Canadian securities laws. The Company's inability to maintain effective ICFR could result in the loss of investor confidence in the reliability of the Company's financial statements, which in tum could harm its business and negatively impact the trading price or the market value of its securities. In light of the aforementioned material weakness, management has developed and intends to implement a remediation plan to strengthen the operating effectiveness of ICFR. Management believes that there are no material inaccuracies or omissions of material fact and, to the best its knowledge, believes that the audited consolidated financial statements for the year ended December 31, 2022 fairly present in all material respects and the financial condition and results of operations for the Company in conformity with International Financial Reporting Standards. Notwithstanding the foregoing, readers are advised that in the event a material weakness is found, it could result in material inaccuracies in the Company's audited consolidated financial statements for the year ended December 31, 2022.

If the Company is unable to address its control deficiencies, this could result in inaccuracies in its future financial statements and could also impair its ability to comply with applicable financial reporting requirements and make related regulatory filings on a timely basis. No evaluation can provide complete assurance that the Company's ICFR will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's processes, procedures and controls could also be limited by simple errors or faulty judgments. As the Company continues to expand, the challenges involved in implementing appropriate ICFR will increase and will require that the Company continue to monitor its ICFR.

Influence of Significant Shareholders

To the Company's knowledge, no shareholder beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to the Company's outstanding voting securities, except for Mr. Paul McGowan, the Chairman of the Company, who holds or controls, directly or indirectly, 29,077,436 Common Shares, representing in aggregate 39.50% of the total voting rights attached to the outstanding Common Shares, and Mr. Larry Howard, the Chief Financial Officer of the Company, who holds directly 9,591,240 Common Shares, representing in aggregate 13.03% of the total voting rights attached to the outstanding Common Shares. Shareholders with significant shareholdings often have the ability to exercise influence over matters submitted to the shareholders of the Company for approval, whether subject to approval by a majority of the shareholders of the Company or subject to a class vote or special resolution. See *"Directors and Executive Officers - Conflicts of Interest"*.

The Company's Working Capital and Funding Requirements May Vary Significantly

Amcomri's working capital and funding needs may vary significantly depending upon a number of factors including, but not limited to:

- progress of the Company's production, financing, and distribution activities;
- collaborative license agreements with third parties;
- opportunities to in-license beneficial productions or potential acquisitions;
- potential milestone or other payments that the Company may make to licensors or corporate partners;
- technological and market consumption and distribution models or alternative forms of entertainment delivery that affect the Company's potential revenue levels or competitive position in the marketplace;
- the level of sales and gross profit;
- costs associated with production, labour and services costs, and the Company's ability to realize operation and production efficiencies;
- fluctuations in certain working capital items, including library assets, short-term loans, and accounts receivable, that may be necessary to support the growth of the Company's business;
- expenses associated with litigation; and
- management of debt and repayment of such debt.

Risks Related to the Nature of the Entertainment Industry

The entertainment industry involves a substantial degree of risk. Audience acceptance of entertainment programming is a factor not only of the response to the production's artistic components, but also to the quality and acceptance of other competing forms of entertainment programming released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, public tastes generally and other intangible factors, all of which could change rapidly and most of which are beyond the Company's control. A lack of audience acceptance for the entertainment programming produced or distributed by the Company could have a material adverse effect on its business prospects, financial condition, results of operations and cash flows.

In addition, the Company is subject to various operating risks that are common to the production and distribution industry, many of which are beyond its control, including, among others, (i) competition from other businesses, in particular, larger and more established companies, in the markets in which the Company operates; (ii) reduction in broadcaster and other platform programming budgets in the markets in which the Company operates, which may adversely affect its new production and revenues; (iii) strong dependency on local government tax credits and subsidies as well as pre-sales to fund the production budgets; (iv) the requirement for continuous investment of capital into new production annually; (v) management's estimates of projected revenues and expenses being insufficient to cover the costs of production and causing substantial loss on new production; (vi) difficulties protecting IP and defending against IP infringements and claims; (vii) exposure to key broadcast customers and/or key distribution customers, based on business relationships that might be changed or terminated or that may not survive over the long term; and (viii) risks generally associated with the ownership of a business in the production and distribution industry. The occurrence of any of the foregoing could materially and adversely affect the Company's business and there can be no assurance that revenue from existing or future programming will replace loss of revenue associated with the cancellation or unsuccessful commercialization of any particular production.

Risks Related to Television and Film Industries

The Company's results of operations will depend, in part, on the experience and judgment of management to select and develop new investment and production opportunities. The Company cannot make assurances that its films and television programs will obtain favourable reviews or ratings or that broadcasters or other customers will license the rights to broadcast any of the Company's film and television programs in development or renew licenses to broadcast film and television programs in its library. The failure to achieve any of the foregoing could have a material adverse effect on the Company's business, results of operations or financial condition. Licensed distributors' decisions regarding the timing of release and promotional support of the Company's films, television programs and related products are important in determining the success of these films, programs and related products. The Company does not control the timing and manner in which its licensed distributors distribute its films, television programs or related products. Any decision by those distributors not to distribute or promote one of the Company's films, television programs or related products or to promote competitors' films, programs or related products to a greater extent than they promote the Company's products could have a material adverse effect on its business prospects, financial condition, results of operations and cash flows.

Entertainment Industry Trends

The entertainment industry is constantly undergoing change with respect to the formats through which movies, television programming and recorded music are ultimately delivered to the consumer. Management believes that the changes in consumer preferences will continue to be felt across the Company's businesses and that the impact of these changes can be very difficult to predict. A failure by the Company to adequately foresee, assess and capitalize upon such changes could result in a material adverse effect on its business prospects, financial condition, results of operations and cash flows.

The entertainment industry continues to undergo significant changes driven by technological developments. The Company cannot accurately predict the overall effect that technological growth or the availability of alternative forms of entertainment may have on the potential revenue from, and profitability of, the entertainment content produced or distributed by the Company. In particular, the conversion of content into digital formats may make it easier for consumers to create, transmit and "share" high quality unauthorized copies of motion pictures or television programs. As a result, consumers may be able to download and distribute unauthorized or "pirated" copies of such programming over the internet, thereby adversely impacting revenues to distributors and producers. Significant growth in these consumer practices could have a material adverse effect on the Company's business prospects, financial condition, results of operations and cash flows.

External Factors in the Content Industry

The Company's success will depend on the commercial success of content, which is unpredictable. Operating in this industry involves risk. It is difficult to predict how the audience will receive a production. The audience reaction and reviews and ratings of the production are determining factors in the commercial success of a production. The availability and access to different forms of entertainment and leisure activities, general economic conditions and other factors may change and the Company may have limited or no control over the outcome.

The Company is also dependent on the public's continued demand for subscriptions of cable television and services provided by SVOD companies. The Company's customers rely on funds generated through cable and/or SVOD subscriptions to fund the acquisition of new content. If customers decide to cancel their subscriptions to cable and/or SVOD, it could have an impact on the number of networks and broadcasters with whom the Company could do business. Such external factors could have a material adverse effect on the Company's business, operating results and financial condition.

Merchandising

Success of merchandising brands depends on consumers' tastes and preferences which can change in unpredictable ways. The Company depends on the acceptance by consumers of its merchandising offerings, therefore, success depends on the ability to predict and take advantage of consumer tastes in Canada and around the world. In addition, the Company derives royalties from the sale of licensed merchandise by third parties. The Company is dependent on the success of those third parties. Factors that negatively impact those third parties could adversely affect the Company's business prospects, financial condition, results of operations and cash flows.

Early Stage

The Company is an early stage company and as such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company's prospects must be considered speculative in light of the risks, expenses, and difficulties frequently encountered by companies in their early stages of operations, particularly in the highly competitive and rapidly evolving markets in which the Company operates. To attempt to address these risks, the Company must, among other things, successfully implement its business plan, marketing, and commercialization strategies, respond to competitive developments, and attract, retain, and motivate qualified personnel. A substantial risk is involved in investing in the Company because, as a smaller commercial enterprise that has fewer resources than an established company, the Company's management may be more likely to make mistakes, and the Company may be more vulnerable operationally and financially to any mistakes that may be made, as well as to external factors beyond the Company's control.

The Company May Not be Able to Successfully Execute its Business Plan

The execution of the Company's business plan poses many challenges and is based on a number of assumptions. The Company may not be able to successfully execute its business plan. If the Company experiences significant cost overruns, or if its business plan is more costly than it anticipates, certain activities may be delayed or eliminated, resulting in changes or delays to its current plans, or the Company may be compelled to secure additional funding (which may or may not be available) to execute its business plan. The Company cannot predict with certainty its future revenues or results from its operations. If the assumptions on which its revenues or expenditures forecasts are based change, the benefits of the Company's business plan may change as well. In addition, the Company may consider expanding its business beyond what is currently contemplated in its business plan. Depending on the financing requirements of a potential business expansion, the Company may be required to raise additional capital through the issuance of equity or debt. If the Company is unable to raise additional capital on acceptable terms, it may be unable to pursue a potential business expansion.

The Company Faces Substantial Capital Requirements and Financial Risks

The business requires a substantial investment of capital. The production, acquisition, and distribution of motion picture and television content requires substantial capital. A significant amount of time may elapse between the Company's expenditure of funds and the receipt of revenues after release or distribution of such content. This may require a significant portion of funds from equity, credit, and other financing sources to fund the business. Although the risks of production exposure are reduced through tax credit programs, government and industry programs, other studios and co-financiers and other sources, there can be no assurance that these arrangements will continue to be successfully implemented or will not be subject to substantial financial risks relating to the production, acquisition, and distribution of future indie film and television content. In addition, if the production slate or the production budgets increase through internal growth or acquisition, there may be an increase to overhead and/or larger up-front payments for talent acquisition and, consequently, these increases bear greater financial risks. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, operating results, liquidity, and prospects.

Access to Credit

The Corporation relies on its operating cash flows and its bank credit facilities to provide sufficient working capital. However, a deterioration in the global financial markets could affect the Company's ability to access bank credit markets, which could adversely affect the Company's liquidity. In addition, under its credit facilities, the Company has made various restrictive covenants to lenders. These restrictions prohibit or limit the Company's ability to incur additional debt, dispose of assets or pay dividends. If the Company defaults under its bank credit facilities, the Company's lenders may be entitled to demand repayment and enforce security against the Company's assets.

Additional Capital Requirements and Potential Dilution of Existing Shareholders

The Company may need to engage in equity or debt financings to secure additional funds (whether for the purpose of delivering growth through further material acquisitions and/or investments, maintaining and/or expanding its development, production and distribution of motion pictures and television content, funding the Company's operating expenses or otherwise). If the Company raises additional funds through further issuances of equity or convertible debt securities, the Company's existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences, and privileges superior to those of holders of the Company's shares. Any debt financing secured by the Company in the future could involve significant borrowing costs and/or restrictive covenants relating to its capital raising activities and other financial and operational matters, which might make it more difficult for it to obtain additional capital and to pursue business opportunities. Further, if the Company does not have access to such financing arrangements, and if other funds do not become available on terms acceptable to the Company, there could be a material adverse effect on its business, financial condition, operating results, liquidity and prospects.

The Company can provide no assurance that sufficient debt or equity financing will be available on reasonable terms or at all to support its business growth and to respond to business challenges. Failure to obtain sufficient debt or equity financing when required could have a material adverse effect on its business, prospects, financial condition, results of operations, and cash flows.

The Company expects to incur short-term losses and generate negative cash flow until it can produce sufficient revenues to cover its costs. The Company may never become profitable. Even if it does achieve profitability, the Company may be unable to sustain or increase its profitability in the future. For the reasons discussed in more detail below, there are substantial uncertainties associated with the Company achieving and sustaining profitability. The Company expects its cash reserves will be reduced due to future operating losses and working capital requirements, and it cannot provide certainty as to how long its cash reserves will last or that it will be able to access additional capital if and when necessary.

The Company May Need to Raise Additional Capital in the Future to Fund its Operations

The Company may require substantial additional capital resources to further its production-packaging business model. Future cash requirements may vary materially from those expected if the Company elects to produce indie films, acquire indie films or experiences operational production delays or unexpected increases in costs related to the maintenance, defense, and enforcement of proprietary intellectual properties and tax credit refunds.

Sources of additional funding include collaborations and licensing arrangements, public or private equity, or debt financing.

If the Company's commercialization activities do not show positive results, or if capital market conditions in general, or with respect to entertainment motion picture companies in particular, are unfavorable, the Company may be unable to raise funds when needed or on acceptable terms.

A Sale of Assets or Suspension of Operations Due to Lack of Capital May Adversely Affect the Company's Business

If sufficient capital is not available, the Company may be required to delay, reduce the scope of, eliminate or divest one or more of its library assets or productions or suspend operations, any of which could have a material adverse effect on the Company's business, financial condition, prospects, or results of operations. While the Company may benefit from the net proceeds realized from any such sales, the Company's revenues may suffer in the long term due to the disposition of a revenue generating asset, or the timing of such dispositions may be poor, causing the Company to fail to realize the full value of the disposed asset, all of which may diminish its ability to service its indebtedness and repay its notes and its other indebtedness at maturity. Furthermore, the Company's future growth may be inhibited if the disposed asset contributed in a significant way to the diversification of its business platform.

The Company Has Broad Discretion Over the Use of Net Proceeds

The Company will have broad discretion over the use of the net proceeds from any future capital raises. Due to the number and variability of factors that will determine the Company's use of such proceeds, the ultimate use might vary substantially from the planned use. Investors may not agree with how the Company allocates or spends the proceeds from future capital raises. The Company may pursue collaborations that ultimately do not result in an increase in the market value of the Common Shares and that instead increase the Company's losses.

Budget Overruns and other Production Risks May Adversely Affect the Company's Business

While the Company's business model requires efficiency in the production of films and television content, actual production costs may exceed their budgets. The production, completion, and distribution of such content can be subject to a number of uncertainties, including delays and increased expenditures due to disruptions or events beyond the Company's control. As a result, if each production incurs substantial budget overruns, additional financing may need to be sourced. There are no assurances regarding the availability of such additional financing or on mutually acceptable terms, or that such costs will be recouped. Budget overruns could also prevent a picture from being completed or released, thereby having a material adverse effect on the business, financial condition, operating results, liquidity and prospects of the Company.

Unforeseen events such as labour disputes, death or disability of a star performer, changes related to technology, special effects or other aspects of production, shortage of necessary equipment, damage to film negatives, master tapes and recordings, or adverse weather conditions, or other unforeseen events may cause cost overruns and delay or frustrate completion of a production.

The Company's Results of Operations are Difficult to Predict and Depend on a Variety of Factors

Results may fluctuate due to the timing, mix, number, and availability of indie films produced or acquired and home entertainment releases, as well as license periods for content. The operating results may increase or decrease during a particular period or fiscal year due to differences in the number and/or mix of films released compared to the corresponding period in the prior fiscal year. Moreover, the results of operations may be impacted by the commercial success of all of the Company's indie films and televisions productions. There is no assurance that the production, acquisition, and distribution of all current and future motion pictures will be managed successfully to receive critical acclaim or perform well commercially. Any inability to achieve such commercial success could have a material adverse effect on the Company's business, financial condition, operating results, liquidity, and prospects. Operating results also fluctuate due to accounting practices which may recognize the acquisition and sale of indie films in different periods than the recognition of related revenues, which may occur in later periods. In addition, the comparability of results may be affected by changes in accounting guidance or changes in the Company's ownership of certain assets. Accordingly, the results of operations from year to year may not be directly comparable to prior reporting periods. As a result of the foregoing and other factors, the results of operations may fluctuate significantly from period to period, and the results of any one period may not be indicative of the results for any futureperiod.

Many Production or Co-Financing Partners do not have Long-Term Arrangements

The Company typically does not enter into long-term production contracts with the creative producers of motion picture and television content that it produces, acquires or distributes. The Company generally has certain derivative rights that provide for distribution rights to, for example, prequels, sequels, and remakes of certain content that the Company may produce, acquire or distribute. However, there is no guarantee that the Company will produce, acquire or distribute future content by any creative producer or co-financing partner, and a failure to do so could adversely affect the business, financial condition, operating results, liquidity, and prospects of the Company.

There are no Long-Term Agreements with Retailers

There is no assurance that favourable relationships with retailers and distributors will develop or, if developed, will be maintained or that they will not be adversely affected by economic conditions. If any retailer or distributor reduces or cancels a significant order or becomes bankrupt, it could have a material adverse effect on the business, financial condition, operating results, liquidity and prospects of the Company.

The Company's Success Depends on the Commercial Success of Motion Pictures and Television Programming, Which is Unpredictable

Generally, the popularity of the Company's programs depends on many factors, including the critical acclaim they receive, the format of their initial release, their talent, their genre and their specific subject matter, audience reaction, the quality and acceptance of motion pictures or television content that the Company's competitors release into the marketplace at or near the same time, critical reviews, the availability of alternative forms of entertainment and leisure activities, general economic conditions, and other tangible and intangible factors, many of which the Company does not control and all of which may change.

The Company cannot predict the future effects of these factors with certainty. In addition, because a performance in ancillary markets, such as home video and pay and free television, is often directly related to its box office performance or television ratings, poor box office results or poor television ratings may negatively affect future revenue streams. The Company's success will depend on the experience and judgment of its management to select and develop new investment and production opportunities. The Company cannot assure that its motion pictures and television programming will obtain favourable reviews or ratings, that its motion pictures will perform well at the box office or in ancillary markets, or that broadcasters will license the rights to broadcast any of its television programs in the development or renewal of licenses to broadcast programs in its library. Additionally, the Company cannot assure that any original programming content will appeal to its distributors and subscribers.

The Company's Business Involves Risks of Liability Claims for Content of Material, Which Could Adversely Affect its Business, Results of Operations, and Financial Condition

As a distributor of media content, the Company may face potential liability for defamation, invasion of privacy, negligence, copyright or trademark infringement, and other claims based on the nature and content of the materials distributed. These types of claims have been brought, sometimes successfully, against producers and distributors of media content. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on the Company's business, financial condition, operating results, liquidity, and prospects.

Piracy of Films and Television Programs Could Adversely Affect the Company's Business Over Time

Piracy is extensive in many parts of the world and is made easier by the availability of digital copies of content and technological advances allowing conversion of films and television content into digital formats. This trend facilitates the creation, transmission, and sharing of high quality unauthorized copies of motion pictures and television content. Users may be able to download and distribute unauthorized or "pirated" copies of copyrighted material over the internet. The proliferation of unauthorized copies of these products has had and will likely continue to have an adverse effect on the Company's business, because these products reduce the revenue it receives from its products. In order to contain this problem, the Company may have to implement elaborate and costly security and anti-piracy measures, which could result in significant expenses and losses of revenue.

There is No Assurance that Even the Highest Levels of Security and Anti-Piracy Measures Will Prevent Piracy

In particular, unauthorized copying and piracy are prevalent in countries outside of the United States, Canada, and Western Europe, whose legal systems may make it difficult for the Company to enforce its intellectual property rights. While the United States government has publicly considered implementing trade sanctions against specific countries that, in its opinion, do not make appropriate efforts to prevent copyright infringements of United States-produced motion pictures and television content, there can be no assurance that any such sanctions will be enacted or, if enacted, will be effective. In addition, if enacted, such sanctions could impact the amount of revenue that the Company realizes from the international exploitation of its content.

Protection of Intellectual Property

The Company's ability to compete depends, in part, upon successful protection of its intellectual property. The Company attempts to protect proprietary and intellectual property rights to its productions through available copyright and trademark laws and licensing and distribution arrangements with reputable international companies in specific territories and media for limited durations. Despite these precautions, existing copyright and trademark laws afford only limited practical protection in certain countries where the Company distributes its products. As a result, it may be possible for unauthorized third parties to copy and distribute the Company's productions or certain portions or applications of its intended productions, or otherwise contest or infringe upon the Company's intellectual property rights, all of which could have a material adverse effect on the Company's business, financial condition, operating results, liquidity, and prospects. Any successful claims to the ownership of these intangible assets could hinder the Company's ability to exploit these rights. There can be no assurance that the Company's actions to establish and protect copyright, trade marks and other proprietary rights will be adequate to prevent imitation by others of entertainment programming produced and/or distributed by the Company or to prevent third parties from seeking to block its distribution and exploitation of contract rights as a violation of its trade marks and proprietary rights. The Company does not have the financial resources to protect its rights to the same extent as its competitors.

Protecting and Defending Against Intellectual Property Claims May Have a Material Adverse Effect on the Company's Business

Litigation may be necessary to enforce the Company's intellectual property rights, to protect its trade secrets, or to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Any such litigation, infringement or invalidity claims could result in substantial costs and the diversion of resources and could have a material adverse effect on the Company's business, financial condition, operating results, liquidity, and prospects.

The Company's more successful and popular film or television products or franchises may experience higher levels of infringing activity, particularly around key release dates. Alleged infringers have claimed and may claim that their products are permitted under fair use or similar doctrines, that they are entitled to compensatory or punitive damages because the Company's efforts to protect its intellectual property rights are illegal or improper, and that its key trademarks or other significant intellectual property are invalid. Such claims, even if meritless, may result in adverse publicity or costly litigation. The Company will vigorously defend its copyrights and trademarks from infringing products and activity, which can result in litigation. The Company may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurance that a favorable final outcome will be obtained in all cases.

Additionally, one of the risks of the film and television production business is the possibility that others may claim that the Company's productions and production techniques misappropriate or infringe the intellectual property rights of third parties with respect to their previously developed films and televisions series, stories, characters, other entertainment or intellectual property. Regardless of the validity or the success of the assertion of any such claims, the Company could incur significant costs and diversion of resources in enforcing its intellectual property rights or in defending against such claims, which could have a material adverse effect on its business, financial condition, operating results, liquidity, and prospects.

Limited Ability to Exploit Filmed and Television Content Library

The Company depends on a limited number of titles for the majority of the revenues generated by its film and television content library. If the Company cannot acquire new products and rights to popular titles through production, distribution agreements, acquisitions, mergers, joint ventures or other strategic alliances, it could have a material adverse effect on its business prospects, financial condition, results of operations and cash flows.

Changes in Regulatory Environment

The Company's operations may be negatively affected in varying degrees by future adverse changes in the regulatory environment that currently governs the film and television industry. Any change in the regulatory environment could have a material adverse effect on the Company's business prospects, financial condition, results of operations and cash flows.

Litigation

Governmental, legal or arbitration proceedings may be brought or threatened against the Company in the future. Regardless of their merit, any such claims could be time consuming and expensive to evaluate and defend, divert management's attention and focus away from the business and subject the Company to potentially significant liabilities.

Technological Change

The television and film industries are characterized by technological change and evolving trends. Technological change can have positive effects, but may also have a material adverse effect on the Company's business prospects, results of operations and financial condition. For example, in recent years, content consumers have spent an increasing amount of time on the internet and on mobile devices and increasingly seek to download and/or view content on a time-delayed or on-demand basis, via televisions and on handheld or portable devices, which has caused significant changes to the retail distribution of content. Additionally, the emergence of new production or computer generated imagery technologies, or a new digital television broadcasting standard, may diminish the value of the Company's existing equipment and content.

Although the Company is committed to adapting new production technologies, there can be no assurance that it will be able to incorporate other new production and postproduction technologies which may become de facto industry standards. In particular, the advent of new broadcast standards, which may result in television programming being presented with greater resolution and on a wider screen than is currently the case, may diminish the evergreen value of the Company's programming library because such productions may not be able to take full advantage of such features. There can be no assurance that the Company will be successful in adapting to these changes on a timely basis.

Labour Relations

Many individuals associated with the Company's projects are members of guilds or unions which bargain collectively with producers on an industry-wide basis from time to time. While the Company has positive relationships with the guilds and unions in the industry, a strike by, labour protest, or a lockout of, one or more of the guilds or unions that provide personnel essential to the production by the Company or its content partners of entertainment programming could delay or halt the delivery of such programming. Such a halt or delay, depending on the length of time and the number of productions affected, could have a material adverse effect on the Company's business prospects, financial condition, results of operations and cash flows.

Concentration Risk

Revenue may originate from disproportionately few broadcasters and internet "over the top" platform customers. The value of the Company's may be substantially adversely affected should it lose the revenue generated by any such broadcasters or customers.

Fluctuation of Financial Results

The results of operations for any period are largely dependent on the number, timing and commercial success of television and other programs as well as related music, merchandise and other ancillary revenue sources, realized during that period, none of which can be predicted with certainty or are entirely within the Company's control. Consequently, the Company's results of operations may fluctuate materially from period to period and the results of any one period are not necessarily indicative of results for future periods.

Competition

Substantially all of the Company's revenues are derived from the production and distribution of television and film programs. The Company faces competition from other companies in both its production and distribution operations. Some of the Company's competitors have substantially greater marketing, production and financial resources than the Company, which means they may be able to compete aggressively on pricing and other aspects of future production and distribution opportunities. The Company competes with other television and film production companies for ideas and storylines created by third parties as well as for actors, directors, and other personnel required for production. Further, vertical integration of the television broadcast industry worldwide and the creation and expansion of new networks, which create a substantial portion of their own programming, have decreased the number of available time slots for programs produced by third-party production companies, even though the total number of outlets for programming has increased. There can be no assurances that the Company will be able to compete successfully in the future or that it will continue to produce or acquire rights to additional successful programming or enter into agreements for the financing, production, distribution or licensing of programming on terms favourable to them. There continues to be intense competition for the most attractive time slots offered by various broadcasting services. There can be no assurances the Company will be able to increase or maintain penetration of broadcast schedules. Such competition may result in the Company losing access to future opportunities, which would have a material adverse effect on the Company's business prospects, financial condition, results of operations and cash flows.

Dependence on Management and Key Personnel

The Company's success depends largely upon the continued services of its executive officers and other key employees. From time to time, there may be changes in The Company's executive management team resulting from the hiring or departure of executives, which could disrupt its business. If the Company is unable to attract and retain top talents, its ability to compete may be harmed. The Company's success is also highly dependent on its continuing ability to identify, hire, train, retain and motivate highly qualified personnel. Competition for highly skilled entertainment executives and other employees is high in the Company's industry, and the Company may not be successful in attracting and retaining such personnel. Failure to attract and retain qualified executive officers and other key employees could have a material adverse effect on its business, prospects, financial condition, results of operations, and cash flows.

Investment Strategy

There can be no certainty that the Company will be able to implement successfully its business or investment strategy. The Company's ability to implement its strategy in a competitive market requires effective planning and management control systems. The Company's future growth will depend on its ability to expand and improve operational, financial and management information and control systems in line with its growth. Failure to do so could have a material adverse effect on the Company's business prospects, financial condition, results of operations and cash flows.

Changes in the Company's Business Strategy, Plans for Growth or Restructuring of Its Businesses May Increase Its Costs or Otherwise Affect the Profitability of Its Businesses

As changes in the Company's business environment occur, it may adjust its business strategies to meet these changes, which may include growing a particular area of business or restructuring a particular business or asset. In addition, external events including changing technology, changing consumer patterns, acceptance of the Company's theatrical and television offerings and changes in macroeconomic condition, including the volatility and uncertainty in financial markets as a result of the ongoing COVID-19 global pandemic and its effects, may impair the value of the Company's assets. When these changes or events occur, the Company may incur costs to change its business strategy and may need to write down the value of assets. The Company may also make investments in existing or new businesses, including investments in the international expansion of the Company's business and in new business lines. Such investments have and continue to be made through the Company's acquisition of further libraries to feed the growing subscription video on demand market and the Company's direct-to-consumer and licensed offerings. Some of these investments may have short-term returns that are negative or low and the ultimate prospects of the businesses may be uncertain, or, in international markets, may not develop at a rate that supports the Company's level of investment. In any of these events, the Company's costs may increase, it may have significant charges associated with the write-down of assets, or returns on new investments may be lower than prior to the change in strategy, plans for growth or restructuring.

Acquisitions

The Company has made, and will continue to pursue, various acquisitions, business combinations and joint ventures intended to complement or expand its business. Any indebtedness incurred or assumed in any such transaction may or may not increase the Company's leverage relative to its earnings before interest, provisions for income taxes, amortization, minority interests, gain on dilution of investment in subsidiary and discount operations, or earnings before interest, taxes, depreciation and amortization, or relative to the Company's equity capitalization, and any equity issued may or may not be at prices dilutive to its then existing shareholders. The Company may encounter difficulties in integrating acquired assets with its operations. Furthermore, the Company may not realize the benefits it anticipated when it entered into these transactions. In addition, the negotiation of potential acquisitions, business combinations or joint ventures as well as the integration of an acquired business could require the Company to incur significant costs and cause diversion of management's time and resources. Future acquisitions could also result in an impairment of goodwill and other intangibles, development project impairments and other acquisition-related expenses.

Any of the foregoing could have a material adverse effect on the Company's business prospects, financial condition, results of operations and cash flows.

The Company's Revenues and Results of Operations Are Vulnerable to Currency Fluctuations

The Company reports its revenues and results of operations in Canadian dollars, but the majority of the Company's revenue is earned in the United Kingdom in the form of British pounds sterling. The Company's currency exposure is primarily between Canadian dollars, British pound sterling, Euros and U.S. dollars. The Company may expand operations globally so it may be subject to additional gains and losses against additional currencies. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. The Company cannot accurately predict the impact of future exchange rate fluctuations on revenues and operating margins, and such fluctuations may have a material adverse effect on the Company's business, financial condition and operating results. Moreover, the Company may experience currency exposure on distribution and production revenues and expenses from foreign countries. This could have a material adverse effect on the Company's business, financial condition, operating results, liquidity and prospects.

The Company does not currently have a foreign exchange hedging program in place. In the future, the Company may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

The Company's results may be affected by an increase in expenses incurred in connection with the operation of the Company’s business. The Company’s expenses may fluctuate based on a number of factors beyond the Company's control and outside of the Company’s business, including: oil prices and other energy related costs, changes in supply and demand, general economic conditions, labour costs, competition, import duties, tariffs, currency exchange rates and government regulation. The Company may not be able to adjust the prices of its contracts, especially in the short-term, to recover these cost increases form the Company’s customers. A continual rise in costs could adversely affect consumer demand for the Company's titles and increase its operating costs, both of which could have a material adverse effect on the Company's financial condition and results of operations.

Inflation

The general rate of inflation impacts the economies and business environments in which the Company operates. Inflation increased significantly in 2021 and 2022 and may continue to increase in 2023. Accordingly, the Company expects that costs of all inputs to the Company’s products, including supplier costs and general employee and overhead costs, will increase. These increases in cost may adversely impact the profitability of our current and future contracts. To the extent that the Company is not able to pass these costs on to the Company’s customers through increased pricing of the Company’s products, the Company’s margins on its products will be reduced. Further, increased pricing of the Company’s products may result in reduced demand and negatively impact the Company’s revenues. Accordingly, increased inflation and any economic conditions resulting from governmental attempts to manage or reduce inflation, such as the imposition of higher interest rates or wage and price controls, may negatively impact the Company’s costs as well as the demand for its products and services, and have a material adverse effect on the Company’s business, financial condition and results of operations.

The Impact of Any Changes in Interest Rates

The Company does not presently actively make use of derivative financial instruments to mitigate the impact of changes in interest rates. An increase in the applicable interest rate on the Company’s debt could adversely impact its financial condition.

Changes to Taxation Legislation

The Company operates in a number of different tax jurisdictions. In any of the jurisdictions, the tax rules and their interpretation may change. Any change in taxation legislation or regulation or its interpretation could affect the value of the Company’s assets, its ability to provide returns to shareholders or otherwise have an adverse effect on the Company’s business prospects, financial condition, results of operations and cash flows. Further, any reliefs from taxation that may be available to the Company in the future may not be in accordance with the assumptions made by the Company as to its future performance (these assumptions being based on the current legislative position and any known future changes). If the assumptions made by the Company as to such taxation reliefs available do not prove correct, its ability to provide returns to shareholders may be affected and there may be a material adverse effect on its business prospects, financial condition, results of operations and cash flows.

Income Taxes and Audits From Tax Authorities

In preparing the Company’s financial statements, it is required to estimate production tax credits receivable in each of the jurisdictions in which it operates, taking into consideration tax laws, regulations and interpretations that pertain to its activities. In addition, the Company is subject to audits from these tax authorities on an ongoing basis and the outcome of such audits could materially affect the amount of tax credits receivable recorded on the Company’s consolidated balance sheets and the income tax expense recorded on its consolidated statements of earnings. Any cash payment or receipt resulting from such audits would have an impact on the Company’s cash resources available for its operations and its overall results of operations.

Dependence on Management Information Systems

The Company’s ability to conduct its business, including maintaining financial controls, is based in part on the efficient and uninterrupted operation of its computer systems, including management information systems and access to the internet. If any of the Company's financial, rights management, personnel, email, other information technology systems, internet access or other systems or processes were to stop operating properly for any significant period of time for any reason (including, for example, hardware or software malfunctions, computer viruses, internet problems, sabotage, cyber-attacks, security breaches, theft, or other destruction, invasion or interruption, or unauthorized access to our systems), it could suffer a disruption to its business, loss of data, regulatory intervention or reputational damage. These threats are increasing in number and severity and broadening in type of risk, including most recently with the Russo - Ukrainian war and cyber attacks ongoing in that context, which may broaden.

Risks Related to Privacy and Information Security

The protection of customer, employee and company data is important to the Company's business. The Company uses and stores personally identifiable and other sensitive information of its customers and employees. The collection and use of personally identifiable information is governed by laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase the Company's operating costs and adversely affect its ability to market products and services.

The Company's information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents, including, ransom of data, such as, without limitation, customer and/or employee information, due to employee error, malfeasance, or other vulnerabilities. Any such incident could compromise the Company's networks and the information it stores could be accessed, misused, publicly disclosed, corrupted, lost, or stolen, resulting in fraud, including wire fraud related to the Company's assets, or other harm. If a data security incident or breach affects the Company's systems or results in the unauthorized release of personally identifiable information, the Company's reputation and brand could be materially damaged and it may be exposed to a risk of loss or litigation and possible liability, which could result in a material adverse effect on its business, results of operations and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, and in the future the Company may expend additional resources to continue to enhance its information security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that the Company will not suffer a data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on the Company's systems, or that any such incident will be discovered in a timely manner. Any such incident could affect the Company's business and, among other things, result in the loss of revenue, the loss or unauthorized access to confidential information or other assets, the loss of or damage to trade secrets, damage to the Company's reputation, litigation, regulatory enforcement actions, violation of privacy, security or other laws and regulations and remediation costs.

Risks Related to Information Technology

The Company depends upon information technology systems in its operations, which are subject to certain risks, including cybersecurity risks and data leakage risk associated with implementation and integration. Any significant breakdown of those systems, whether due to a virus, cyber-attack, security breach, theft, or other destruction, invasion or interruption, or unauthorized access to our systems, by employees, others with authorized access to our systems or unauthorized persons, could negatively impact our business and operations. These threats are increasing in number and severity and broadening in type of risk, including most recently with the Russian invasion of Ukraine and cyber attacks ongoing in that context, which may broaden.

Conflicts of Interest

Certain of the directors and officers of the Company are or may become directors of, or be employed by or affiliated with other entertainment companies or other organizations which have entered into agreements or will enter into agreement with the Company. In certain circumstances, such persons may have a conflict of interest requiring them to abstain from certain decisions of the Board. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation.

Under the BCBCA, directors have a duty to act honestly and in good faith with a view to the best interests of the Company. Additionally, a director or senior officer with a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company must promptly disclose the nature and extent of that conflict, and a director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction. The corporate laws of England and Wales require the directors of the Company's United Kingdom-based subsidiaries to act in a way most likely to promote the success of the Company for the benefit of its members as a whole. Despite these protections under applicable corporate laws, the Company cannot assure that any decision or recommendation made by such persons involving the Company will be made in accordance with such persons' obligations under applicable corporate laws.

Credit Risk

In the normal course of business, the Company is exposed to credit risk from its accounts receivable from customers. The carrying amounts for accounts receivable are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information.

Claims Against a Seller for Claims Against the Company Relating to Any Acquisition or Business Combination That the Seller May Not Indemnify for or That May Exceed the Seller's Indemnification Obligations

There may be liabilities assumed in any acquisition or business combination that the Company did not discover or that it underestimated in the course of performing the Company's due diligence. Although a seller generally will have indemnification obligations to the Company under an acquisition or merger agreement, these obligations usually will be subject to financial limitations, such as deductibles and maximum recovery amounts, as well as time limitations. The Company cannot assure you that its right to indemnification from any seller will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the amount of any undiscovered or underestimated liabilities that it may incur. Any such liabilities could have a material adverse effect on the Company's business, financial condition, operating results, liquidity and prospects.

Global Economic Turmoil and Regional Economic Conditions Could Adversely Affect the Company's Business

Global economic turmoil, such as that being created by the ongoing COVID-19 global pandemic and its effects, as well as the effect of the Russo - Ukrainian war may cause a general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, varying degrees of intervention from governments, decreased consumer confidence, overall slower economic activity and extreme volatility in credit, equity and fixed income markets as well as an increase in cybersecurity attacks. A decrease in economic activity in the U.S. or in other regions of the world in which the Company does business could adversely affect demand for its content, thus reducing its revenues and earnings. A decline in economic conditions could reduce performance of the Company's theatrical, television and home entertainment releases. In addition, an increase in price levels generally could result in a shift in consumer demand away from the entertainment the Company offers, which could also adversely affect its revenues and, at the same time, increase its costs. For instance, lower household income and decreases in U.S. consumer discretionary spending, which is sensitive to general economic conditions, may affect cable television and other video service subscriptions, in particular with respect to digital programming packages on which the Company's networks are typically carried and premium video programming packages and premium a la carte services on which the Company's networks are typically carried. A reduction in spending may cause a decrease in subscribers to its networks, which could have a materially adverse impact on the Company's business, financial condition, operating results, liquidity and prospects. Moreover, financial institution failures may cause the Company to incur increased expenses or make it more difficult to finance any future acquisitions, or engage in other financing activities.

If a recession occurs globally or in any regions of the world in which the Company does business, it may adversely affect the Company's business, and such adverse effects may be material. The Company cannot guarantee that it will recover from any effects of global or regional economic turmoil as rapidly as companies in other industries, or that it will recover as rapidly as others within the industry. As a consequence, the Company cannot estimate the impact of any global or regional economic turmoil on its business, financial condition or near or longer-term financial or operational results with certainty.

It is likely that the current outbreak or continued spread of COVID-19 will cause a global recession, which will further adversely affect its business, and such adverse effects may be material. In addition, the magnitude, duration and speed of the global pandemic is uncertain. The Company cannot guarantee that it will recover as rapidly as other industries, or that it will recover as rapidly as others within the industry. As a consequence, the Company cannot estimate the impact on its business, financial condition or near or longer-term financial or operational results with certainty.

Furthermore, the ongoing conflict in Ukraine and the global response to this conflict as it relates to sanctions, trade embargos and military support has resulted in significant uncertainty as well as economic and supply chain disruptions. Should this conflict go on for an extended period of time, expand beyond Ukraine, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects to the Company.

Business Interruptions Could Adversely Affect the Company's Operations

The Company's operations are vulnerable to outages and interruptions due to fire, floods, power loss, telecommunications failures, pandemics such as COVID-19 and similar events beyond its control. There can be no assurance that they will be effective in the event of a specific disaster. In the event of a short-term power outage, the Company has installed uninterrupted power source equipment designed to protect its equipment. A long-term power outage, however, could disrupt the Company's operations. The Company has also experienced a disruption to its business as a result of the COVID-19 global pandemic which has suspended production of its programming. Although the Company currently carries business interruption insurance for potential losses (including earthquake-related losses), there can be no assurance that such insurance will be sufficient to compensate the Company for losses that may occur or that such insurance may continue to be available on affordable terms. Any losses or damages incurred by the Company could have a material adverse effect on its business, financial condition, operating results, liquidity and prospects.

The Company Faces Economic, Political, Regulatory, and Other Risks From Doing Business Internationally

The Company distributes content in the United Kingdom. and derives revenues from international sources. As a result, the Company's business is subject to certain risks inherent in international business, many of which are beyond its control. These risks may include: difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions; the loss of one or more of the major global partners that the Company relies upon to distribute its programming internationally; laws and policies adversely affecting trade, investment and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws; the impact of trade disputes; anti-corruption laws and regulations such as the Foreign Corrupt Practices Act and the U.K. Bribery Act that impose strict requirements on how the Company conducts its foreign operations and changes in these laws and regulations; changes in local regulatory requirements including regulations designed to stimulate local productions, promote and preserve local culture and economic activity (including local content quotas, investment obligations, local ownership requirements, and levies to support local film funds); or censorship requirements that may cause the Company to remove or edit popular content, leading to consumer disappointment, brand tarnishment or consumer dissatisfaction; regulatory requirements or government action against the Company's service, whether in response to enforcement of actual or purported legal and regulatory requirements or otherwise, that results in disruption or non-availability of the Company's service or particular content in the applicable jurisdiction; inability to adapt the Company's offerings successfully to differing languages, cultural tastes, and preferences in international markets; international jurisdictions where laws are less protective of intellectual property and varying attitudes towards the piracy of intellectual property; laws and policies relating to data privacy and security such as the European Union General Data Protection Regulation; establishing and protecting a new brand identity in competitive markets; financial instability and increased market concentration of buyers in foreign television markets, including in European pay television markets; the instability of foreign economies and governments; currency exchange restrictions, export controls and currency devaluation risks in some foreign countries; the spread of communicable diseases (such as COVID-19), which may impact business in such jurisdictions; and war and acts of terrorism.

Additionally, with respect to the Company's direct-to-consumer offerings, these risks may include: differing technical architectural and payment processing systems and costs as well as consumer use and acceptance of electronic payment methods, such as credit cards; availability of reliable broadband connectivity and wide area networks in targeted areas for expansion; low usage and/or penetration of internet-connected consumer electronic devices; new and different sources of competition; and laws and policies relating to consumer protection.

Events or developments related to these and other risks associated with international trade could adversely affect the Company's revenues from international sources, which could have a material adverse effect on the Company's business, financial condition, operating results, liquidity and prospects. The Company is managing and adjusting its international business to address varied content offerings, consumer customs and practices, in particular those dealing with e-commerce and streaming video, as well as differing and changing legal and regulatory environments. As online streaming grows in international markets, governments may look to introduce new or extend legacy regulations to these services, in particular those related to broadcast media, consumer privacy and tax. While the Company believes its legal and regulatory positions are consistent with the laws and regulations in the jurisdictions in which it conducts its business, it is possible that it will be required to comply with new regulations or legislation or new interpretations of existing regulations or legislation. In such an event, increased jurisdictional legal or regulatory oversight and/or action could cause the Company to incur additional expenses or alter the Company's business model.

New Diseases and Epidemics (Such as COVID-19)

COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020, and remains ongoing. We cannot predict whether COVID-19 will cause future disruptions to the Company's business. Business disruptions as a result of COVID-19 could include delays in the production of film and television content and delays in distribution of our television and film productions. If the operation or development of one or more of the Company's properties is disrupted or suspended as a result of any restrictions or measures put in place as a result of COVID-19, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and stock price.

The duration and intensity of any business disruption caused by COVID-19 (or any other disease, epidemic or pandemic) and the related financial social impact will depend on future developments, which are highly uncertain and cannot be predicted.

Our Inability to Meet Regulatory Requirements and/or Stakeholders Expectations of Disclosure, Management and Implementation of Environmental, Social And Governance ("ESG") Initiatives and Standards, Could Have an Adverse Effect on Our Business.

Perceptions with respect to environmental, social and governance approaches have changed and certain shareholders, investors, clients, members and other stakeholders agree that these issues have become a current and imminent concern. As such, perceptions of our operations held by our stakeholders may depend, in part, on the ESG initiatives and standards that we have chosen to implement, and whether or not we meet them.

Although we actively manage a broad range of ESG matters, including the potential social and environmental impact of our business, there can be no certainty that we will manage such issues effectively, or that we will successfully meet evolving regulation and/or stakeholder expectations, which in turn could affect the Company's market outlook, brand, reputation, competitiveness and financial outlook. Increased public awareness, regulatory expectations, continuing reforms pertaining to mandatory ESG-related disclosure, and growing concerns about climate change and the global transition to a low carbon economy, create a new and evolving set of compliance risks.

We have set a number of ambitious ESG targets to monitor our ESG performance and align our strategic imperatives. Effective management of these ESG targets is a component of good ESG practices, which are an important measure of corporate performance and value creation. However, our ability to achieve these targets depends on many factors and is subject to many risks that could cause our assumptions or estimates to be inaccurate and cause actual results or events to differ materially from those expressed in, or implied by, these targets. Failure to effectively manage and sufficiently report ESG matters could lead to negative business, financial, legal and regulatory consequences for the Company.

Our Success is Dependent on Our Ability to Manage Growth from Financial and Human Resources Perspectives.

The growth of our operations places a strain on financial and human resources. Our success depends on our ability to manage growth from a financial and human resources perspective. Our ability to manage future growth will depend in large part upon a number of factors, including the ability to: build and train sales and marketing staff to create an expanding presence in the evolving marketplace for our products; attract and retain qualified technical personnel in order to continue to develop reliable and scalable products and services that respond to evolving customer needs; develop customer support capacity as sales increase, so that we can provide customer support without diverting resources from product development efforts; and expand our internal management and financial controls significantly, so that we can maintain control over our operations and provide support to other functional areas within the Company as the number of personnel and size of the Company increases. Our inability to achieve any of these objectives could harm our business and operating results.

The Company Is Subject to Payment Processing Risk

The Company's subscribers pay for its services using a variety of different payment methods, including credit and debit cards. The Company relies on internal systems as well as those of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations, including additional authentication requirements for certain payment methods, and require payment of interchange and other fees. To the extent there are increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors, changes to rules or regulations concerning payments, loss of payment partners and/or disruptions or failures in the Company's payment processing systems, partner systems or payment products, including products it uses to update payment information, its revenue, operating expenses and results of operation could be adversely impacted. In certain instances, the Company leverages third parties such as its cable and other partners to bill subscribers on its behalf. If these third parties become unwilling or unable to continue processing payments on the Company's behalf, it would have to transition subscribers or otherwise find alternative methods of collecting payments, which could adversely impact subscriber acquisition and retention. In addition, from time to time, the Company encounters fraudulent use of payment methods, which could impact its results of operations and if not adequately controlled and managed could create negative consumer perceptions of its service. If the Company is unable to maintain its fraud and chargeback rate at acceptable levels, card networks may impose fines, its card approval rate may be impacted and it may be subject to additional card authentication requirements. The termination of the Company's ability to process payments on any major payment method would significantly impair its ability to operate its business.

Economic Conditions and Regulatory Changes Leading up to and Following the United Kingdom's Exit From the European Union Could Have a Material Adverse Effect on the Company's Business and Results of Operations

On January 31, 2020, the United Kingdom formally withdrew from the European Union, and the United Kingdom government commenced the legal process of leaving the European Union, typically referred to as Brexit. While the full effects of Brexit will not be known for some time, Brexit could cause disruptions to, and create uncertainty surrounding, the Company's business and results of operations. The most immediate effect has been significant volatility in global equity and debt markets and currency exchange rate fluctuations. Ongoing global market volatility and a deterioration in economic conditions due to uncertainty surrounding Brexit could continue to disrupt the markets in which the Company operates and lead its customers to closely monitor their costs and delay financial spending decisions. On December 24, 2020, the United Kingdom and the European Union entered into a trade and cooperation agreement (the "**Trade and Cooperation Agreement**") which was applied on a provisional basis from January 1, 2021. Negotiations between the United Kingdom and the European Union are expected to continue in relation to the areas which are not covered by the Trade and Cooperation Agreement. The effects of Brexit will depend in part on any additional agreements the United Kingdom makes to retain access to European Union markets, either during a transitional period or more permanently. The measures could potentially disrupt the markets Trinity serves and may cause it to lose customers and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit could materially adversely affect, through Trinity and its subsidiaries, the Company's business, results of operations and financial condition.

The Company's Leverage Could Affect Its Ability to Obtain Financing, Restrict Operational Flexibility, Restrict Payment of Dividends, Divert Cash Flow to Interest Payments, and Make It More Vulnerable to Competitors and Economic Downturns

The Company incurred a significant amount of indebtedness in connection with previous acquisitions. The Company's degree of current and future leverage, particularly if increased to complete potential acquisitions, could materially and adversely affect the Company in several ways, including:

- limiting the Company's ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions, and general corporate or other purposes;
- restricting the Company's flexibility and discretion to operate its business;
- limiting the ability of the Company to complete acquisitions or enter into other strategic transactions;
- limiting the Company's ability to declare dividends on its shares;
- having to dedicate a portion of the Company's cash flows from operations to the payment of interest on its existing indebtedness and not having such cash flows available for other purposes, including operations, capital expenditures, and future business opportunities;
- exposing the Company to increased interest expense on borrowings at variable rates;
- limiting the Company's flexibility to plan for, or react to, changes in its business or market conditions;
- placing the Company at a competitive disadvantage compared to its competitors that have less debt;
- making the Company vulnerable to the impact of adverse economic, industry and the Company-specific conditions; and
- making the Company unable to make capital expenditures that are important to its growth and strategies.

In addition, the Company may not be able to generate sufficient cash flows from operations to service its indebtedness, in which case it may be required to sell assets, reduce capital expenditures, reduce spending on new production, refinance all or a portion of its existing indebtedness or obtain additional financing, any of which would materially adversely affect the Company's operations and ability to implement its business strategy.

The Company Manages Liquidity Carefully to Address Fluctuating Quarterly Revenues. Any Failure of the Company to Adequately Manage Such Liquidity Could Adversely Affect Its Business and Results of Operations

The Company's production revenues for any period are dependent on the number and timing of programs delivered, which cannot be predicted with certainty. The Company's distribution revenues vary significantly from quarter to quarter driven by contracted deliveries with television and other services. Distribution revenues are contract and demand driven and can fluctuate significantly from period to period. The Company manages liquidity by forecasting and monitoring operating cash flows and through the use of capital leases and maintenance of credit facilities. Any failure to adequately manage liquidity could adversely affect the Company's business and results of operations, including by limiting the Company's ability to meet its working capital needs, make necessary or desirable capital expenditures, satisfy its debt service requirements, make acquisitions, and declare dividends on its shares. There can be no assurance that the Company will continue to have access to sufficient short and long -term capital resources, on acceptable terms or at all, to meet its liquidity requirements.

Changes in the Methodologies, Policies, or Contractual Terms Applicable to Youtube or Other AVOD Platforms, Changes in Laws or Regulations Applicable to Such Platforms, or a Governmental or Third-Party Claim Against Youtube or Other AVOD Platforms or In Respect of The Company's Use of Such Platforms Could Have a Material Adverse Effect on The Growth and Revenues of The Company

A portion of the Company's revenue from digital distribution is derived from advertising revenue from YouTube. YouTube or other AVOD platforms, or the Company directly, may be subject to claims or proceedings initiated by a third party, including claims or proceedings relating to advertising to children, whether instituted by a governmental entity or otherwise. In any such case or even independent of any such claims or proceedings, YouTube or other AVOD platforms may, among other things, cease providing content with advertising to children, change their approach to providing content with advertising to children, including amending or otherwise modifying methodologies, policies and/or contractual terms applicable to the platform and use thereof, or remove content. In any of such instances, the

Company's revenue from digital distribution and the growth of such business (including the Company) may be materially adversely impacted.

In the event that laws or regulations are changed or instituted which impact the ability of YouTube to generate advertising revenue through its service and pass a portion of such revenue on to the copyright owners of content distributed via any such platforms, the Company's revenue from digital distribution and the growth of such business (including the Company) may be materially adversely impacted.

Reliance on Television Distribution and Financing

The Company's revenues are currently overly reliant on television distribution and financing to meet topline revenue expectations. Due to continued productions delays and weaker than expected performance by the Company, in the event this trend continues and the Company experienced a decrease in its distribution operations, the Company could suffer a significant decrease in revenue and net loss for a given period.

Holding Company Structure

Substantially all of the Company's business activities are operated by its subsidiaries. As a holding company, the Company's ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal payments on intercompany advances, management fees, cash dividends and other payments from its subsidiaries together with proceeds raised by the Company through the issuance of equity and the incurrence of debt, and from proceeds received on the sale of assets. The payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries and are subject to various business and other considerations.

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. An active public market for the Common Shares might not develop or be sustained now or in the future. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the share price may decline.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the value and the price of the Common Shares could continue to be adversely affected.

Climate Change May Have an Impact on Our Business.

While we seek to mitigate our business risks associated with climate change, we recognize that there are inherent climate-related risks wherever business is conducted. Any of our locations may be vulnerable to the adverse effects of climate change. Furthermore, it is more difficult to mitigate the impact of these events on our employees, as the Company's employees are geographically spread. Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure in the United States, Canada and elsewhere have the potential to disrupt our business, the business of our suppliers, and the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. In particular, we rely on data centers to deliver our solutions, which consume significant amounts of energy. To the extent that energy prices increase as a result of carbon pricing or other measures, this could affect our cost structure.

DIVIDENDS

To date Amcomri has not paid cash dividends and it is not anticipated that Amcomri will pay any cash dividends in the foreseeable future. It is expected that the Amcomri will use its earnings to finance further business development. Any future determination to pay dividends will be at the discretion of the Board and will depend on, among other things, the results of Amcomri's operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. Apart from those imposed by statute, there are no restrictions on Amcomri's ability to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The Company has an authorized share capital consisting of an unlimited number of Common Shares without par value. As at the date hereof, the Company has 73,606,424 Common Shares outstanding.

Common Shares

The holders of the Common Shares are entitled to attend and vote at all meetings of shareholders of the Company. The holders of the Common Shares will receive one vote for each Common Share held and may exercise that vote either in person or by proxy at all meetings of the shareholders of the Company.

All of the Common Shares rank equally within their class as to dividends, voting rights, participation in assets upon dissolution or winding-up of the Company and in all other respects. None of the Common Shares are subject to any call or assessment nor pre-emptive or conversion rights. There are no provisions attached to the Common Shares for redemption, purchase for cancellation, surrender, or sinking or purchase funds.

MARKET FOR SECURITIES

Trading Price and Volume

The Appreciated Common Shares were listed on the TSXV under the symbol "AMH" and halted on November 4, 2020. The Appreciated Common Shares remained halted for the duration of the year ended December 31, 2021. On January 4, 2022, in advance of the closing of the Arrangement, the Company voluntarily delisted the Appreciated Common Shares from the TSXV.

Following the completion of the Arrangement, on January 13, 2022, the Common Shares of Amcomri were listed for and commenced trading on the NEO under the symbol "AMEN".

The Common Shares of Amcomri are listed for trading on the NEO under the symbol "AMEN". The following table sets forth information relating to the trading of the Common Shares on the NEO for the Company's last completed fiscal year and up to February 28, 2023.

Month	High ($)	Low ($)	Volume
January 2022	1.14	0.60	51,041
February 2022	0.66	0.25	72,797
March 2022	0.405	0.270	122,510
April 2022	0.40	0.295	27,468
May 2022	0.650	0.20	125,395
June 2022	0.620	0.50	21,734

July 2022	0.560	0.44	21,615
August 2022	0.465	0.30	265,488
September 2022	0.60	0.35	382,479
October 2022	0.50	0.25	39,700
November 2022	0.435	0.29	91,274
December 2022	0.435	0.32	66,038
January 2023	0.39	0.29	43,433
February 2023	0.39	0.28	18,429

Prior Sales

Since the beginning of the most recently completed financial year, the Company has not issued any securities that were not listed or quoted on a marketplace other than as set out in the following chart:

Date	Number and Type of Securities	Issue Price/Exercise Price
March 23, 2022	100,000 incentive stock options	The incentive stock options were issued at the following exercise prices: (i) 20,000 options at \$0.50, (ii) 20,000 options at \$0.75, (iii) 20,000 at \$1.00, (iv) 20,000 options at \$1.50, and (v) 20,000 at \$2.00.
October 3, 2022	2,500,000 incentive stock options	\$0.50

ESCROWED SECURITIES

On January 7, 2022, in accordance with NEO's Listing Manual Policy 9.03(4), securities of Amcomri held by Principals (as such term is defined in National Policy 46-201 – *Escrow for Initial Public Offerings*) were deposited into escrow under the terms of a Form 46-201 - *Escrow Agreement*. To date, seventy-five percent (75%) of the original Common Shares in escrow have released with the remaining tranche of twenty-five percent (25%) realising on July 7, 2023.

The following table sets out, as of the date hereof and the knowledge of Amcomri, the name and municipality of residence of the holders of securities of the Company currently in escrow:

Name and Municipality of Residence of Securityholder	Designation of Class	Number of Common Shares to be held in Escrow	Percentage of Class
Amcomri Holdings Limited(1) Road Town, British Virgin Islands	Common	7,710,512	10.48%
Amcomri GP BVI Limited(1) Road Town, British Virgin Islands	Common	12,002	0.02%
Martin Andrew (Andy) Lyon Wigan, United Kingdom	Common	1,656,089	2.25%
Laurence Howard Wicklow, Ireland	Common	2,397,811	3.26%
Total:		11,776,414	16.01%

Note:
(1) Controlled by Paul McGowan who is a director of the Company.

DIRECTORS AND OFFICERS

The Company's directors are elected by the shareholders of the Company at each annual meeting of shareholders and hold office until the next annual meeting of shareholders at which time they may be re-elected or replaced. Casual vacancies on the Board are filled by the remaining directors, in accordance with the articles of the Company, and the persons filling those vacancies hold office until the next annual meeting of shareholders at which time they may be re-elected or replaced. The officers are appointed by the Board and hold office at the pleasure of the Board. The Board may, at any time, terminate any officer.

The following table sets forth the name of each of our directors and executive officers, their province or state and country of residence, their position(s) with the Company, their principal occupation during the preceding (5) five years, and the date they first became a director or officer of the Company.

Name, Position(s) with the Company and Place of Residence	Principal Occupation During Past 5 Years	Date(s) Served as a Director or Officer Since	Ownership or Control Over Voting Common Shares Held
Paul McGowan Non-Executive Chairman and Director Monaco, Monaco	Executive Chairman of Amcomri Holdings Limited and Executive Chairman Hilco Capital Limited. Previously Chairman of the entertainment retailer HMV in the United Kingdom, Ireland and Canada and non-executive director of 7Digital Group PLC, a digital music and radio services company listed on the Alternative Investment Market of the London Stock Exchange from January 2016 to September 2018.	December 17, 2021	29,077,436 [(1)] (39.50%)
Robert Stephen Price Chief Executive Officer and Director Somerset, United Kingdom	Chief Executive Officer of the Company, previously SVP & Managing Director for 20th Century Fox Home Media and prior to that United Kingdom CEO for Future Plc.	November 27, 2020	296,000 (0.40%)
Laurence (Larry) Howard Chief Financial Officer and Director Wicklow, Republic of Ireland	Chief Financial Officer and Corporate Secretary of the Company and Investment Director with Amcomri Limited Partnership, previously Managing Director of Hilco Capital Ireland Limited.	November 27, 2020	9,591,240 (13.03%)
Alexander Stojanovic Independent Director Toronto, Ontario	Vice-President of Finance and Accounting at OrganiGram Holdings Inc., former Chief Financial Officer at Perfect Plants Inc., previously Chief Financial Officer of Emblem Corp. and several senior finance positions in Barrick Gold Corporation and Teranga Gold Corporation.	October 26, 2021	256,000 (0.35%)

Name, Position(s) with the Company and Place of Residence	Principal Occupation During Past 5 Years	Date(s) Served as a Director or Officer Since	Ownership or Control Over Voting Common Shares Held
Michèle Maheux Independent Director Hillier, Ontario	Industry Consultant and Director of Festival Players of Prince Edward County. Former Executive Director and Chief Operating Officer of TIFF (Toronto International Film Festival), previously Vice-Chair of the Board of Governors of Ryerson University, past Director of the Movie Theatre Association of Canada, past Director of the Board of the TD Toronto Jazz Society and Festival.	October 26, 2021	256,000 (0.35%)
Michael Walker Director Stoney Creek, Ontario	Vice-President of Sales and Production of 101 Films International, previously President of Cloud Ten Pictures.	November 12, 2020	525,163 (0.71%)
Martin Andrew Lyon Director Wigan, United Kingdom	Managing Director of Trinity Creative Partnership Limited and is also a founder and CEO of 101 Films, 101 Films International and HCI.	November 12, 2020	6,259,356 (8.50%)
Michelle Kowalchuk Independent Director Cambridge, Ontario	Managing Director of Accenture Industry X, a subsidiary of Accenture plc. Former Chief Human Resources Officer of Eclipse Automation and former Vice-President of Human Resources of Kraus Carpets.	June 1, 2022	256,000 (0.35%)

Note:

(1) Owned by Amcomri GP BVI Limited as General Partner of Amcomri Limited Partnership as well as Amcomri Media Group Limited and Oranmore Limited, all entities being controlled by Mr. McGowan.

As at the date hereof, the directors and executive officers of the Company, collectively, beneficially own, directly and indirectly, or exercise control or direction over 46,517,195 Common Shares, representing approximately 63.20% of the total number of Common Shares outstanding. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

The Board has an Audit Committee comprised of Michèle Maheux, Alexander Stojanovic and Michelle Kowalchuk, with Alexander Stojanovic acting as the independent chair of the Audit Committee. As defined in NI 52-110, each member is considered to be an independent member of the Audit Committee and all members of the Audit Committee members are considered “financially literate”. See “*Audit Committee*”.

The Board has a compensation committee composed of Robert Price, Larry Howard, Michèle Maheux, Alexander Stojanovic and Michelle Kowalchuk, with Michelle Kowalchuk acting as the independent chair of the committee. The compensation committee assists the Board in the oversight of the business and affairs of the Company through policies and procedures to aid the Board in setting fair compensation to each of its directors and officers in accordance with NEO requirements.

The Board has a nominating and governance committee composed of Robert Price, Michèle Maheux and Alexander Stojanovic, with Robert Price acting as the chair of the committee. The governance committee assists the Board in the oversight of the business and affairs of the Company through policies and procedures to facilitate the practice of good corporate governance in accordance with NEO requirements.

Cease Trade Orders

Other than has set forth below, no director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On November 4, 2020, the British Columbia Securities Commission and the Ontario Securities Commission issued cease trade orders against the Company for failure to file the Company's annual financial statements, management discussion and analysis and associated officer certificates for the year ended June 30, 2020. On November 4, 2020, the last trading day prior to the suspension of trading, the closing price of the Appreciated Common Shares on the TSXV was $0.05 per share. The Company received a revocation of the cease trade orders on July 28, 2021. Each of Messrs. Price, Lyon, Walker and Howard became directors of the Company after the cease trade order came into effect.

Bankruptcies

Other than as set forth below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer, or shareholder.

Mr. McGowan and Mr. Howard are regularly involved in the financing, management and restructuring of distressed, insolvent and bankrupt companies. In connection with their involvement, they are regularly appointed as directors and officers of such companies. As a result, Mr. McGowan and Mr. Howard have often been a director or executive officer of companies that, while Mr. McGowan and Mr. Howard were acting in that capacity, or within one (1) year of Mr. McGowan and Mr. Howard ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Paul McGowan has served on the board of directors of Hilco Capital Limited ("**Hilco**") for the past 25 years. Larry Howard was previously Managing Director of Hilco Capital Ireland from 2012-2017. Hilco is the largest retail restructuring firm in the United Kingdom investing in distressed assets, often investing in companies that are near or at bankruptcy or insolvency. As a means of ensuring oversight, Messrs. McGowan or Howard previously sat on a number of those company's boards of directors. Over the last 10 years Hilco has made close to 100 investments. The following is a list of those companies that were acquired while distressed and entered administration and/or liquidation proceedings under United Kingdom law:

(a) Mr. McGowan was a director of Stoke Clearance Operations Ltd. ("**Stoke**"), a United Kingdom privately owned company engaged in small wholesale business. Stoke went into Administration in 2014.

(b) Mr McGowan was a director of Revolver Records Limited ("**Revolver**"), a United Kingdom privately owned company, carrying out the business of a music retailer operating 3 stores. Revolver went into Liquidation in 2013.

(c) Mr. McGowan was a director of Mortimer Management Group Limited ("**Mortimer**"), a United Kingdom privately owned company, operating a jewellery chain with approximately 15 stores. Mortimer went into Administration in 2019 and its assets were sold, but it continues to operate.

(d) Messrs. McGowan and Howard were directors of Xtravision Entertainment Limited ("**Xtravision**"), an Irish privately owned company in the DVD retail rental business, previously owned by Blockbuster, and acquired out of bankruptcy. Xtravision went into Liquidation in 2014.

(e) Messrs. McGowan and Howard were directors of HMV Retail Limited ("**HMV**"), a United Kingdom privately owned company in the business of retail sales of CDs and DVDs. HMV was acquired out of bankruptcy and went into Administration in 2018. Its assets were sold but it continues operating today.

Penalties or Sanctions

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and/or executive officers of the Company serve (and may in the future serve) as directors and/or executive officers of other companies and therefore, it is possible that a conflict may arise between their duties as a director and/or executive officer or member of management of the Company and their duties as a director and/or executive officer of such other companies. The directors and executive officers of the Company are aware of the existence of laws governing accountability of directors and executive officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and executive officers' conflicts of interest or in respect of any breaches of duty by any of its directors or executive officers. All such conflicts will be disclosed by such directors or executive officers in accordance with the BCBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

PROMOTERS

Paul McGowan, the Non-Executive Chairman and a director of the Company, and Larry Howard, the Company's Chief Financial Officer and a director of the Company, are considered to be promoters of the Company as they took the initiative in facilitating the Arrangement between the Company and Trinity. As of the date of this AIF, Mr. Howard beneficially owns , or controls or directs, directly or indirectly a total of 9,591,240 Common Shares, representing approximately 13.03% of the Company's outstanding Common Shares. As of the date of this AIF, Mr. McGowan beneficially owns, or controls or directs, directly or indirectly a total of 29,077,436 Common Shares, representing 39.50% of the Company's outstanding Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of Company's knowledge, there are no material legal proceedings by or against the Company or affecting any of its interests as at December 31, 2022 or the date hereof nor are we aware that any such proceedings are contemplated.

Furthermore, there are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed fiscal year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision in the Company; or (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed fiscal year.

AUDIT COMMITTEE

The Audit and Risk Committee Charter

The Company's Audit Committee is governed by an Audit and Risk Committee Charter. A copy of the Company's Audit and Risk Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is comprised of Michèle Maheux, Alexander Stojanovic and Michelle Kowalchuk, with Alexander Stojanovic acting as the independent chair of the Audit Committee. Each of member of the Audit Committee is independent within the meaning of NI 52-110 as of the date of this AIF.

All members of the Audit Committee are "financially literate", as defined in NI 52-110, and have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and have an understanding of internal controls.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience of Members of the Audit Committee

Every member in the Audit Committee has sufficient education and experience to perform their responsibilities in relation to the Audit Committee, including: (i) understanding the accounting principles used by the Company to prepare its financial statements; (ii) having the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; (iii) experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting.

The relevant education and/or experience of each member of the Audit Committee is as follows:

Alexander Stojanovic: Mr. Stojanovic has been the Chief Financial Officer for numerous publicly listed companies and privately held companies and has held several senior finance positions in Barrick Gold Corporation and Teranga Gold Corporation. Mr. Stojanovic has extensive experience in external financial reporting and compliance, business planning, capital markets activities, internal controls and corporate governance. He began his career in public accounting, managing audit engagements and corporate tax assignments. He holds a Bachelor of Commerce degree from the University of Western Ontario and is a Chartered Professional Accountant as well as a Chartered Financial Analyst charter holder. Accordingly, Mr. Stojanovic has the ability to understand financial statements.

Michelle Kowalchuk: Ms. Kowalchuk is the Managing Director of Accenture Industry X, a subsidiary of Accenture plc, the former Chief Human Resources Officer of Eclipse Automation and former Vice-President of Human Resources of Kraus Carpets. Accordingly, Ms. Kowalchuk has the ability to understand financial statements.

Michèle Maheux: Ms. Maheux has served fulltime as the Executive Director and Chief Operating Officer of Toronto International Film Festival) and is the past Vice-Chair of the Board of Governors of Ryerson University, past Director of the Movie Theatre Association of Canada, past Director of the Board of the TD Toronto Jazz Society and Festival. She holds the ICD.D designation of the Directors' Education Program of the Rotman School of Management and currently serves on the Board of Festival Players, in Prince Edward County. Accordingly, Ms. Maheux has the ability to understand financial statements.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Fiscal year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2022	$200,000	$50,000	$50,000	$70,000
December 31, 2021	$68,000	$30,000	$25,500	$35,000

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed below and elsewhere in this AIF, to the knowledge of management of the Company, no director, senior officer or principal shareholder of the Company and no associate or affiliate of the foregoing have had a material interest, direct or indirect, in any transaction in which the Company has participated within the last three year period prior to the date of this AIF, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.

On August 9, 2021, the Company, Trinity and the Trinity Shareholders executed the Arrangement Agreement in respect of the Arrangement. The Arrangement did not constitute an arm's length transaction as each of Laurence Howard, Michael Walker and Andrew Martin (Andy) Lyon owned Trinity Shares which were sold to the Company in connection with the Arrangement. In addition, Messrs. Howard, Walker and Lyon were at the time of the Arrangement directors and/or officers of Trinity or its subsidiaries. Mr. McGowan was also a director of Trinity and held Trinity Shares. As a result of such positions and ownership, Messrs. Howard, Walker, Lyon and McGowan were non-arm's length parties for the purposes of the Arrangement as they are shareholders of Trinity, and sold their Trinity Shares to the Company in connection with the Arrangement. Upon completion of the Arrangement, Messrs. Howard and McGowan beneficially owned, or controlled or directed, directly or indirectly a total of 9,591,240 Common Shares, representing approximately 13.26% of the Company's issued and outstanding Common Shares and 28,871,436 Common Shares, representing 39.92% of the Company's issued and outstanding Common Shares, respectively. For further description of the Arrangement see "*Description of the Business – Re-organization*".

In addition, pursuant to a loan exchange agreement dated August 9, 2021 entered into between the Company and Oranmore, the Company settled debt with Amcomri Limited Partnership and Oranmore, both controlled by Paul McGowan, a director of the Company, by exchanging $1,486,034 of debt for 1,981,379 Common Shares at a deemed price of $0.75 per share.

On October 26, 2021, the Company entered into a USD $3.2 million credit facility with Oranmore. In connection with the credit facility, the Company agreed to pay an arrangement fee of USD $250,000 and USD $400,000 of interest and fees through March 31, 2023. In addition, on November 29, 2022, the Company entered into a second credit facility with Oranmore pursuant to which Oranmore agreed to provide up to USD $750,000 of financing to the Company for use in connection with the marketing and promotion of the Company's film project, "Left Behind: Rise of the Antichrist". The Company and Oranmore agreed that amounts drawn under the facility shall accrue at a rate of 3.0% per month and shall be secured against the assets of the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Odyssey Trust Company, at 350-409 Granville Street, Vancouver BC, V6C 1T2.

MATERIAL CONTRACTS

Amcomri did not enter into any material contracts, other than contracts entered into in the ordinary course of business, during its most recent fiscal year.

Copies of the contracts may be inspected, without charge, during business hours at the offices of Norton Rose Fulbright Canada LLP at 1800 - 510 West Georgia St, Vancouver, BC V6B 0M3.

NAMES AND INTERESTS OF EXPERTS

To the best of the Company's knowledge, no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by the person or company and who is named as having prepared or certified the report, valuation, statement or opinion described in or included in this AIF or a filing made under National Instrument 51-102 by the Company, during, or relating to, the Company's most recently completed financial year holds more than 1% beneficial interest, direct or indirect, in any securities or other property of the Company or of an associate or affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company.

The Company's auditors are MNP LLP, Chartered Professional Accountants, at Suite 2200, 1021 Hastings St W, Vancouver, BC V6E 0C3. MNP LLP is independent of the Company according to its rules of professional conduct.

ADDITIONAL INFORMATION

Additional information relating to Amcomri may be obtained from SEDAR at www.sedar.com under the Company's profile.

Additional financial information is provided in the Amcomri's audited financial statements and Management's Discussion & Analysis for the year ended December 31, 2022 which are available on SEDAR at www.sedar.com.

SCHEDULE A
AMCOMRI ENTERTAINMENT INC.
CHARTER OF THE AUDIT AND RISK COMMITTEE

(See attached)