



CORUS ENTERTAINMENT ANNOUNCES FISCAL 2020 FOURTH QUARTER AND YEAR END RESULTS

- Consolidated revenues declined 16% for the quarter and 10% for the year
- Consolidated segment profit⁽¹⁾⁽²⁾ decreased 14% for both the quarter and the year
- Consolidated segment profit margin⁽¹⁾ of 30% for the quarter and 33% for the year
- Net income attributable to shareholders of \$30.3 million (\$0.15 per share basic) for the quarter and net loss attributable to shareholders of \$625.4 million (\$2.98 loss per share basic) for the year, which includes non-cash impairment charges recorded in the third quarter related to broadcast licenses and goodwill of \$786.8 million (\$769.3 million, net of tax)
- Net debt to segment profit⁽¹⁾ of 3.18 times at August 31, 2020, improved from 3.22 times at May 31, 2020
- Free cash flow⁽¹⁾⁽²⁾ of \$87.4 million for the quarter and \$296.2 million for the year

TORONTO, October 22, 2020 – Corus Entertainment Inc. (TSX: CJR.B) announced its fourth quarter and year end financial results today.

“We delivered fourth quarter results that exceeded our expectations in the current environment, reflecting sequential improvement in advertising demand, impressive STACKTV subscriber growth and strong free cash flow,” said Doug Murphy, President and Chief Executive Officer. “In the next few quarters, we expect advertising trends will continue to improve, with a return to growth in the second half of fiscal 2021.”

“As we enter this new fiscal year, we remain excited for the future. Our team is invigorated by our newly updated strategic plan, one that will position Corus to emerge from the current crisis in a position of strength. This plan underpins our ambition to build a high performance, diverse and inclusive culture, firmly focused on delivering consolidated revenue growth year after year. We intend to continue to demonstrate strategic and fiscal discipline in the quarters ahead as we invest to advance our strategic plan and de-leverage our balance sheet to provide more financial flexibility.”

Financial Highlights

	Three months ended		Year ended	
	2020	2019	2020	2019
<small>(in thousands of Canadian dollars except per share amounts)</small>				
Revenues				
Television	299,122	343,755	1,408,238	1,544,892
Radio	19,274	33,724	102,998	142,590
	318,396	377,479	1,511,236	1,687,482
Segment profit (loss)⁽¹⁾⁽²⁾				
Television	98,787	108,612	508,715	573,524
Radio	1,195	6,911	16,023	34,646
Corporate	(5,480)	(5,747)	(18,899)	(23,085)
	94,502	109,776	505,839	585,085
Net income (loss) attributable to shareholders	30,278	22,947	(625,362)	156,084
Adjusted net income attributable to shareholders ⁽¹⁾	33,181	27,930	158,057	181,006
Basic earnings (loss) per share	\$0.15	\$0.11	(\$2.98)	\$0.74
Adjusted basic earnings per share ⁽¹⁾	\$0.16	\$0.13	\$0.75	\$0.85
Diluted earnings (loss) per share	\$0.15	\$0.11	(\$2.98)	\$0.74
Free cash flow⁽¹⁾⁽²⁾	87,353	93,554	296,247	309,970

⁽¹⁾ Segment profit (loss), segment profit margin, adjusted net income attributable to shareholders, adjusted basic earnings per share, free cash flow and net debt to segment profit do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions, explanations and reconciliations see discussion under the Key Performance Indicators section of the Fourth Quarter 2020 Report to Shareholders and/or Management’s Discussion and Analysis in the Company’s August 31, 2019 Annual Report.

⁽²⁾ Segment profit (loss) for the three months and year ended August 31, 2020 was impacted by the adoption of the new accounting standard, IFRS 16 - Leases, effective September 1, 2019. This has resulted in an increase in segment profit for the quarter and year of approximately \$3.3 million and \$13.4 million, respectively, and an increase in free cash flow of approximately \$3.8 million and \$15.9 million, respectively. Further discussion of this can be found in the Impact of New Accounting Policies section of the Fourth Quarter 2020 Report to Shareholders.

Consolidated Results from Operations

Consolidated revenues for the three months ended August 31, 2020 were \$318.4 million, down 16% from \$377.5 million last year, and consolidated segment profit was \$94.5 million, a decrease of 14% from \$109.8 million last year. Net income attributable to shareholders for the quarter ended August 31, 2020 was \$30.3 million (\$0.15 per share basic), as compared to net income attributable to shareholders of \$22.9 million (\$0.11 per share basic) last year. Net income attributable to shareholders for the fourth quarter of fiscal 2020 includes integration, restructuring and other costs of \$4.0 million (\$0.01 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$33.2 million (\$0.16 per share basic) for the quarter. Net income attributable to shareholders for the prior year quarter includes integration, restructuring and other costs of \$6.8 million (\$0.02 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$27.9 million (\$0.13 per share basic) for the prior year quarter.

Consolidated revenues for the year ended August 31, 2020 were \$1,511.2 million, a decline of 10% from \$1,687.5 million last year, and consolidated segment profit was \$505.8 million, a decrease of 14% from \$585.1 million last year. Net loss attributable to shareholders for the year ended August 31, 2020 was \$625.4 million (\$2.98 loss per share basic), as compared to a net income attributable to shareholders of \$156.1 million (\$0.74 per share basic) last year. Net loss attributable to shareholders for the year ended August 31, 2020 includes broadcast license and goodwill impairment charges of \$786.8 million (\$3.66 per share, net of income taxes) and integration, restructuring and other costs of \$19.2 million (\$0.07 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$158.1 million (\$0.75 per share basic) for the current fiscal year. Net income attributable to shareholders for the year ended August 31, 2019 includes integration, restructuring and other costs of \$26.3 million (\$0.09 per share, net of income taxes), an impairment on an investment in associates of \$8.7 million (\$0.03 per share, net of income taxes), a gain on debt modification of \$3.9 million (\$0.01 per share, net of income taxes) and a loss on disposal of the Telelatino Network of \$0.3 million (\$nil per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$181.0 million (\$0.85 per share basic) for the prior fiscal year.

Operational Results - Highlights for Q4 2020

Television

- Segment revenues decreased 13% in Q4 2020 and 9% for the year
- Advertising revenues decreased 25% in Q4 2020 and 15% for the year
- Subscriber revenues were down 1% in both Q4 2020 and for the year
- Merchandising, distribution and other revenues increased 15% in both Q4 2020 and for the year
- Segment profit⁽¹⁾ decreased 9% in Q4 2020 and 11% for the year
- Segment profit margin⁽¹⁾ of 33% in Q4 2020 and 36% for the year, compared to 32% and 37%, respectively, in the prior year

Radio

- Segment revenues decreased 43% in Q4 2020 and 28% for the year
- Segment profit⁽¹⁾ decreased \$5.7 million (83%) in Q4 2020 and \$18.6 million (54%) for the year
- Segment profit margin⁽¹⁾ of 6% in Q4 2020 and 16% for the year, compared to 20% and 24%, respectively, in the prior year

Corporate

- Free cash flow⁽¹⁾ of \$87.4 million in Q4 2020 and \$296.2 million for the year, compared to \$93.6 million and \$310.0 million, respectively, in the prior year. The current quarter and year benefited from Canadian Emergency Wage Subsidy receipts and payment deferrals of Canadian corporate income tax installments.
- Net debt to segment profit⁽¹⁾ was 3.18 times at August 31, 2020, up from 2.82 times at August 31, 2019, due to a reduction in segment profit and the implementation of IFRS 16 - *Leases* that added \$148.6 million to the net debt calculation as at August 31, 2020, offset by bank loan repayments of \$229.5 million in the year
- Consolidated segment profit margin⁽¹⁾ of 30% in Q4 2020 and 33% for the year, compared to 29% and 35%, respectively, in the prior year

⁽¹⁾Segment profit, segment profit margin, free cash flow and net debt to segment profit do not have standardized meanings prescribed by IFRS. The Company reports on these because they are key measures used to evaluate performance. For definitions and explanations, see the discussion under the *Key Performance Indicators* section of the Fourth Quarter 2020 Report to Shareholders and/or Management's Discussion and Analysis in the Company's August 31, 2019 Annual Report.

COVID-19 Update

The Company continues to closely monitor the evolution of the novel coronavirus (“COVID-19”) situation. As the COVID-19 pandemic continues to significantly impact the wellbeing of individuals and the Canadian and global economies, the Company has implemented a specific response plan, informed by measures recommended by public health agencies, to continue providing its essential services and support to customers while safeguarding the health and safety of employees. Appropriate business continuity measures have been taken to ensure uninterrupted service of the Company’s television, digital and radio operations.

Restrictions have been reintroduced in some provinces to tackle recent surges of COVID-19 cases which will impact various sectors and businesses; however, the Company continues to operate with more than 70% of its workforce working remotely and will not rush to return people to their worksites. The Company has adopted an “ease back” approach to ensure that the health of its people and the communities they work in are protected. Development of company-wide principles and guidelines, informed by public health authorities’ recommendations, and site-specific plans have been made and continue to be adjusted, as necessary on a location-by-location basis. Site-specific plans include reduced occupancy at some sites and modification of workspaces to provide protection to the Company’s employees.

The impact of COVID-19 and measures to prevent its spread have affected the Company in a number of ways. Most significantly, advertising sales continue to be materially impacted by businesses that remain shut-down or have severely cut back on discretionary spending, such as advertising, which has resulted in an overall decrease of 16% in the Company’s consolidated revenues for the three months ended August 31, 2020. While COVID-19 continues to drive market-wide contraction of advertising demand, the rate of decline has improved in the Company’s fourth quarter compared to its third quarter. The Company continues to work closely with its advertisers and agencies to create relevant and innovative marketing and advertising opportunities, which has meant that revenue declines are not as pronounced as they were when strict quarantine measures were in place. This has resulted in a decrease in consolidated advertising revenues of 27% for the three months ended August 31, 2020 compared to the prior year. However, the Company has seen a modest bounce back of consolidated merchandising, distribution and other revenues in the fourth quarter of 2020 of 11% from the prior year. Increases in distribution revenues arose from licensing activity with U.S. broadcasters and streaming services.

The government-imposed restrictions and closure of many businesses has increased accounts receivable collection uncertainty for small to medium size businesses and as a result, the Company has increased its estimated credit losses related to those accounts, which resulted in small additional provisions for collections risk.

In addition, there have been disruptions in the production and availability of content, including suspension of production of most film and television content. This has led to a larger number of repeats and fewer new episodes on all networks that has resulted in lower programming costs. For Canadian original programming, the Company continues to work with industry groups to safely restart Canadian productions successfully and to manage incremental costs associated with enhanced COVID-19 precautions. Scarcity of producers, cast, crew, and studio space, together with the costs of personal protective equipment and insurance, are currently estimated to increase the cost of productions by up to 15%.

The shut-down and slow restart of Canadian productions has also meant that the Company’s ability to meet its current year regulatory requirements on Canadian programming expenditure (“CPE”) has been significantly hampered. Corus is currently assessing its obligations and the potential implications of not fulfilling its CRTC obligations in light of the ongoing pandemic. The Company is exploring relief in respect of its CRTC obligations.

The CRTC launched a public consultation on September 17, 2020 to consider possible regulatory flexibility measures for licensed broadcasters in response to COVID-19. In its initial Notice of Consultation document, the CRTC expressed willingness to determine broadcasters’ compliance with certain requirements based on whether they have fulfilled those obligations over “a more protracted period of time.” The Company expects this issue to be resolved through the CRTC consultation process in the coming months but is unable to predict the outcome at this time.

It is too soon to gauge the medium to long-term impacts of the pandemic, given the many unknowns related to COVID-19. These include the duration, severity and the impact of a resurgence of the outbreak as emergency measures are eased or reintroduced. COVID-19 is altering business and consumer activity in many ways. The global response to the COVID-19 pandemic has resulted in, among other things, border closures, severe travel restrictions, the temporary shut-down of non-essential services and extreme fluctuations in financial and commodity markets. Restrictive measures may be re-implemented by one or more governments in jurisdictions where the Company operates. Labour shortages due to illness, Company or government imposed isolation programs, or restrictions on the movement of personnel or possible supply chain disruptions could result in a reduction or cessation of all or a portion of the Company’s operations. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company’s business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to continue to contain the COVID-19 virus or remedy its impact, among others.

The Company's financial priorities remain unchanged. Importantly, the Company remains committed to increasing its financial flexibility over the longer term. In this environment, the Company believes it is prudent to conserve cash out of an abundance of caution. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.

Corus Entertainment Inc. reports its financial results in Canadian dollars.

The unaudited interim condensed consolidated financial statements and accompanying notes for the three months and year ended August 31, 2020 and Management's Discussion and Analysis are available on the Company's website at www.corusent.com in the Investor Relations section.

A conference call with Corus senior management is scheduled for October 22, 2020 at 10:00 a.m. ET. While this call is directed at analysts and investors, members of the media are welcome to listen in. The dial-in number for the conference call for local and international callers is 1.647.427.7450 and for North America is 1.888.231.8191. More information can be found on the Corus Entertainment website at www.corusent.com in the Investor Relations section.

Use of Non-IFRS Financial Measures

This press release includes the non-IFRS financial measures of segment profit, segment profit margin, adjusted net income attributable to shareholders, adjusted basic earnings per share, free cash flow and net debt to segment profit that are not in accordance with, nor an alternate to, generally accepted accounting principles ("IFRS") and may be different from non-IFRS measures used by other companies. In addition, these non-IFRS measures are not based on any comprehensive set of accounting rules or principles.

Non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-IFRS financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial results. A reconciliation of the Company's non-IFRS measures is included in the Company's most recent Report to Shareholders which is available on Corus' website at www.corusent.com as well as on SEDAR at www.sedar.com.

Caution Concerning Forward-Looking Information

This press release contains forward-looking information and should be read subject to the following cautionary language:

To the extent any statements made in this report contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). These forward-looking statements relate to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including the adoption and anticipated impact of our new strategic plan, advertising and our expectations of advertising trends for fiscal 2021, distribution, merchandise and subscription revenues, operating costs and tariffs, taxes and fees, and can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "plan", including the adoption and anticipated impact of our new strategic plan, "will", "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances may be considered forward-looking information. Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such information involves assumptions, risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including without limitation, factors and assumptions regarding the general market conditions and general outlook for the industry, interest rates, stability of the advertising, distribution, merchandise and subscription markets, operating and capital costs and tariffs, taxes and fees, our ability to source desirable content and our capital and operating results being consistent with our expectations. Actual results may differ materially from those expressed or implied in such information. Important factors that could cause actual results to differ materially from these expectations include, among other things: our ability to attract and retain advertising revenues; audience acceptance of our television programs and cable networks; our ability to recoup production costs, the availability of tax credits and the existence of co-production treaties; our ability to compete in any of the industries in which we do business; the opportunities (or lack thereof) that may be presented to and pursued by us; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations; our ability to integrate and realize anticipated benefits from our acquisitions and to effectively manage our growth; our ability to successfully defend ourselves against litigation matters arising out of the ordinary course of business; failure to meet covenants under our senior credit facility; epidemics, pandemics or other public health crises, including the current outbreak of COVID-19 and changes in accounting standards. Additional information about these factors and about the material assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in the

Management's Discussion and Analysis for the year ended August 31, 2019 and the fourth quarter ended August 31, 2020 and under the heading "Risk Factors" in our Annual Information Form. Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document. Unless otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events or circumstances that arise after the date thereof or otherwise.

About Corus Entertainment Inc.

Corus Entertainment Inc. (TSX: CJR.B) is a leading media and content company that develops and delivers high quality brands and content across platforms for audiences around the world. Engaging audiences since 1999, the company's portfolio of multimedia offerings encompass 34 specialty television services, 39 radio stations, 15 conventional television stations, a suite of digital assets, animation software, technology and media services. Corus is an established creator of globally distributed content through Nelvana animation studio, Corus Studios, and children's book publishing house Kids Can Press. The company also owns innovative full-service social digital agency so.da, and lifestyle entertainment company Kin Canada. Corus' roster of premium brands includes Global Television, W Network, HGTV Canada, Food Network Canada, HISTORY®, Showcase, Adult Swim, National Geographic, Disney Channel Canada, YTV, Global News, Globalnews.ca, Q107, Country 105, and Rock 101. Visit Corus at www.corusent.com.

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CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at August 31, 2020	As at August 31, 2019
ASSETS		
Current		
Cash and cash equivalents	45,900	82,568
Accounts receivable	297,585	372,828
Income taxes recoverable	—	13,772
Prepaid expenses and other assets	17,112	19,557
Total current assets	360,597	488,725
Tax credits receivable	26,745	25,035
Investments and other assets	59,424	51,707
Property, plant and equipment	333,762	225,927
Program rights	637,819	507,913
Film investments	44,891	53,336
Intangibles	1,789,018	1,876,235
Goodwill	664,958	1,383,958
Deferred income tax assets	53,668	59,463
	3,970,882	4,672,299
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	451,682	429,483
Current portion of bank debt	76,339	76,339
Provisions	8,621	10,331
Income taxes payable	12,698	—
Total current liabilities	549,340	516,153
Bank debt	1,429,750	1,655,406
Other long-term liabilities	492,956	278,117
Provisions	9,494	7,686
Deferred income tax liabilities	440,923	472,700
Total liabilities	2,922,463	2,930,062
EQUITY		
Share capital	816,189	830,477
Contributed surplus	1,511,325	1,512,818
Accumulated deficit	(1,425,432)	(758,757)
Accumulated other comprehensive income (deficit)	(2,258)	12,187
Total equity attributable to shareholders	899,824	1,596,725
Equity attributable to non-controlling interest	148,595	145,512
Total equity	1,048,419	1,742,237
	3,970,882	4,672,299

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three months ended		Year ended	
	August 31,		August 31,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2020	2019	2020	2019
Revenues	318,396	377,479	1,511,236	1,687,482
Direct cost of sales, general and administrative expenses	223,894	267,703	1,005,397	1,102,397
Depreciation and amortization	38,798	37,326	158,549	182,354
Interest expense	27,201	26,313	115,185	117,718
Broadcast licenses and goodwill impairment	—	—	786,790	—
Gain on debt modification	—	—	—	(3,889)
Integration, restructuring and other costs	3,961	6,779	19,155	26,316
Other expense (income), net	(21,713)	(1,455)	(8,077)	10,474
Income (loss) before income taxes	46,255	40,813	(565,763)	252,112
Income tax expense	12,465	12,287	41,944	71,445
Net income (loss) for the period	33,790	28,526	(607,707)	180,667
Other comprehensive income (loss), net of income taxes:				
Items that may be reclassified subsequently to income (loss):				
Unrealized change in fair value of cash flow hedges	2,405	(3,887)	(15,466)	(31,538)
Unrealized foreign currency translation adjustment	(921)	(206)	(87)	309
	1,484	(4,093)	(15,553)	(31,229)
Items that will not be reclassified to income (loss):				
Unrealized change in fair value of financial assets	2,001	(801)	1,108	(2,440)
Actuarial gain (loss) on post-retirement benefit plans	(5,164)	1,647	8,871	(9,295)
	(3,163)	846	9,979	(11,735)
Other comprehensive loss, net of income taxes	(1,679)	(3,247)	(5,574)	(42,964)
Comprehensive income (loss) for the period	32,111	25,279	(613,281)	137,703
Net income (loss) attributable to:				
Shareholders	30,278	22,947	(625,362)	156,084
Non-controlling interest	3,512	5,579	17,655	24,583
	33,790	28,526	(607,707)	180,667
Comprehensive income (loss) attributable to:				
Shareholders	28,599	19,700	(630,936)	113,120
Non-controlling interest	3,512	5,579	17,655	24,583
	32,111	25,279	(613,281)	137,703
Earnings (loss) per share attributable to shareholders:				
Basic	\$0.15	\$0.11	(\$2.98)	\$0.74
Diluted	\$0.15	\$0.11	(\$2.98)	\$0.74

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2019	830,477	1,512,818	(758,757)	12,187	1,596,725	145,512	1,742,237
Comprehensive income (loss)	—	—	(625,362)	(5,574)	(630,936)	17,655	(613,281)
Dividends declared	—	—	(50,184)	—	(50,184)	(19,983)	(70,167)
Shares repurchased under normal course issuer bid ("NCIB")	(14,288)	(2,605)	—	—	(16,893)	—	(16,893)
Actuarial gain on post-retirement benefit plans	—	—	8,871	(8,871)	—	—	—
Share-based compensation expense	—	1,112	—	—	1,112	—	1,112
Equity funding by a non-controlling interest	—	—	—	—	—	5,411	5,411
As at August 31, 2020	816,189	1,511,325	(1,425,432)	(2,258)	899,824	148,595	1,048,419

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2018, as previously presented	2,330,477	12,119	(856,668)	36,460	1,522,388	154,415	1,676,803
IFRS 9 transitional adjustment	—	—	—	9,396	9,396	—	9,396
IFRS 15 transitional adjustment	—	—	1,985	—	1,985	—	1,985
Adjusted balance as at September 1, 2018	2,330,477	12,119	(854,683)	45,856	1,533,769	154,415	1,688,184
Comprehensive income (loss)	—	—	156,084	(42,964)	113,120	24,583	137,703
Dividends declared	—	—	(50,863)	—	(50,863)	(28,366)	(79,229)
Reduction of stated capital	(1,500,000)	1,500,000	—	—	—	—	—
Actuarial loss on post-retirement benefit plans	—	—	(9,295)	9,295	—	—	—
Share-based compensation expense	—	699	—	—	699	—	699
Divestiture of subsidiary with a non-controlling equity interest	—	—	—	—	—	(5,120)	(5,120)
As at August 31, 2019	830,477	1,512,818	(758,757)	12,187	1,596,725	145,512	1,742,237

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended	
	August 31,		August 31,	
(unaudited - in thousands of Canadian dollars)	2020	2019	2020	2019
OPERATING ACTIVITIES				
Net income (loss) for the period	33,790	28,526	(607,707)	180,667
Adjustments to reconcile net income (loss) to cash flow from operations:				
Amortization of program rights	109,590	122,301	495,814	516,431
Amortization of film investments	5,649	3,591	20,063	16,035
Depreciation and amortization	38,798	37,326	158,549	182,354
Deferred income tax expense	3,615	8,960	(23,992)	(10,166)
Broadcast licenses and goodwill impairment	—	—	786,790	—
Gain on debt modification	—	—	—	(3,889)
Impairment of investment in associate	—	—	—	8,720
Share-based compensation expense	260	214	1,112	699
Imputed interest	12,569	9,219	52,371	41,209
Payment of program rights	(142,290)	(143,886)	(547,486)	(537,954)
Net spend on film investments	2,829	(1,797)	(43,178)	(45,029)
CRTC benefit payments	(1,403)	(1,338)	(2,448)	(2,561)
Other	4,103	780	(1,658)	(5,921)
Cash flow from operations	67,510	63,896	288,230	340,595
Net change in non-cash working capital balances related to operations	26,688	51,143	25,042	2,958
Cash provided by operating activities	94,198	115,039	313,272	343,553
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(5,294)	(18,477)	(15,385)	(30,055)
Proceeds from sale of property	26	—	314	—
Business divestiture, net of divested cash	—	—	—	12,529
Business acquisition	—	—	—	(6,011)
Net cash flows for intangibles, investments and other assets	(1,727)	(3,008)	(3,934)	(6,678)
Cash used in investing activities	(6,995)	(21,485)	(19,005)	(30,215)
FINANCING ACTIVITIES				
Decrease in bank loans	(98,854)	(59,976)	(229,514)	(249,949)
Deferred financing costs	—	(98)	—	(3,440)
Shares repurchased under NCIB	—	—	(16,893)	—
Payments of lease liabilities	(3,840)	—	(15,945)	—
Equity funding by a non-controlling interest	—	—	5,411	—
Dividends paid	(12,498)	(12,718)	(50,399)	(38,150)
Dividends paid to non-controlling interest	(5,315)	(6,957)	(19,983)	(30,365)
Other	(428)	(458)	(3,612)	(3,667)
Cash used in financing activities	(120,935)	(80,207)	(330,935)	(325,571)
Net change in cash and cash equivalents during the period	(33,732)	13,347	(36,668)	(12,233)
Cash and cash equivalents, beginning of the period	79,632	69,221	82,568	94,801
Cash and cash equivalents, end of the period	45,900	82,568	45,900	82,568

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended August 31, 2020

	Television	Radio	Corporate	Consolidated
Revenues	299,122	19,274	—	318,396
Direct cost of sales, general and administrative expenses	200,335	18,079	5,480	223,894
Segment profit (loss)⁽¹⁾⁽²⁾	98,787	1,195	(5,480)	94,502
Depreciation and amortization				38,798
Interest expense				27,201
Integration, restructuring and other costs				3,961
Other income, net				(21,713)
Income before income taxes				46,255

Three months ended August 31, 2019

	Television	Radio	Corporate	Consolidated
Revenues	343,755	33,724	—	377,479
Direct cost of sales, general and administrative expenses	235,143	26,813	5,747	267,703
Segment profit (loss)⁽¹⁾	108,612	6,911	(5,747)	109,776
Depreciation and amortization				37,326
Interest expense				26,313
Integration, restructuring and other costs				6,779
Other income, net				(1,455)
Income before income taxes				40,813

Year ended August 31, 2020

	Television	Radio	Corporate	Consolidated
Revenues	1,408,238	102,998	—	1,511,236
Direct cost of sales, general and administrative expenses	899,523	86,975	18,899	1,005,397
Segment profit (loss)⁽¹⁾⁽²⁾	508,715	16,023	(18,899)	505,839
Depreciation and amortization				158,549
Interest expense				115,185
Broadcast licenses and goodwill impairment				786,790
Integration, restructuring and other costs				19,155
Other income, net				(8,077)
Loss before income taxes				(565,763)

⁽¹⁾ Segment profit (loss) does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the Management's Discussion and Analysis in the Company's August 31, 2019 Annual Report.

⁽²⁾ Segment profit (loss) for the three months and year ended August 31, 2020 was impacted by the adoption of the new accounting standard, IFRS 16 - Leases, effective September 1, 2019. This has resulted in an increase in segment profit for the quarter and year of approximately \$3.3 million and \$13.4 million, respectively. Further discussion of this can be found in the Impact of New Accounting Policies section of the Fourth Quarter 2020 Report to Shareholders.

(unaudited - in thousands of Canadian dollars)

Year ended August 31, 2019

	Television	Radio	Corporate	Consolidated
Revenues	1,544,892	142,590	—	1,687,482
Direct cost of sales, general and administrative expenses	971,368	107,944	23,085	1,102,397
Segment profit (loss)⁽¹⁾	573,524	34,646	(23,085)	585,085
Depreciation and amortization				182,354
Interest expense				117,718
Gain on debt modification				(3,889)
Integration, restructuring and other costs				26,316
Other expense, net				10,474
Income before income taxes				252,112

⁽¹⁾Segment profit (loss) does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the Management's Discussion and Analysis in the Company's August 31, 2019 Annual Report.

REVENUES BY TYPE

	Three months ended			Year ended
	August 31,			August 31,
(unaudited - in thousands of Canadian dollars)	2020	2019	2020	2019
Advertising	164,718	226,033	920,849	1,101,814
Subscriber fees	122,066	123,028	490,985	496,447
Merchandising, distribution and other	31,612	28,418	99,402	89,221
	318,396	377,479	1,511,236	1,687,482

NON-IFRS FINANCIAL MEASURES

	Three months ended			Year ended
(unaudited - in thousands of Canadian dollars, except per share amounts)	August 31,			August 31,
	2020	2019	2020	2019
Adjusted Net Income Attributable to Shareholders				
Net income (loss) attributable to shareholders	30,278	22,947	(625,362)	156,084
Adjustments, net of income tax:				
Impairment of investment in associates	—	—	—	7,565
Broadcast licences and goodwill impairment	—	—	769,338	—
Gain on debt modification	—	—	—	(2,856)
Loss from disposition of the Telelatino Network	—	—	—	814
Integration, restructuring and other costs	2,903	4,983	14,081	19,399
Adjusted net income attributable to shareholders	33,181	27,930	158,057	181,006
Basic earnings (loss) per share	\$0.15	\$0.11	(\$2.98)	\$0.74
Adjustments, net of income tax:				
Impairment of investment in associates	—	—	—	\$0.03
Broadcast licences and goodwill impairment	—	—	\$3.66	—
Gain on debt modification	—	—	—	(\$0.01)
Loss from disposition of the Telelatino Network	—	—	—	—
Integration, restructuring and other costs	\$0.01	\$0.02	\$0.07	\$0.09
Adjusted basic earnings per share	\$0.16	\$0.13	\$0.75	\$0.85

(unaudited - in thousands of Canadian dollars)	Three months ended		Year ended	
		August 31,		August 31,
Free Cash Flow	2020	2019	2020	2019
Cash provided by (used in):				
Operating activities ⁽¹⁾	94,198	115,039	313,272	343,553
Investing activities	(6,995)	(21,485)	(19,005)	(30,215)
	87,203	93,554	294,267	313,338
Add: cash used in business acquisitions and strategic investments ⁽²⁾	150	—	1,980	9,161
Deduct: cash provided by business divestiture, net of divested cash ⁽²⁾	—	—	—	(12,529)
Free cash flow	87,353	93,554	296,247	309,970

⁽¹⁾ Free cash flow for the three months and year ended August 31, 2020 was impacted by the adoption of IFRS 16, effective September 1, 2019. This has resulted in an increase in free cash flow of approximately \$3.8 million for the quarter and \$15.9 million for the year. Further discussion of this can be found in the Impact of New Accounting Policies section of the Fourth Quarter 2020 Report to Shareholders.

⁽²⁾ Strategic investments are comprised of investments in venture funds and associated companies.

(unaudited - in thousands of Canadian dollars)	Year ended	
	August 31,	August 31,
Net Debt and Net Debt to Segment Profit	2020	2019
Total bank loans, net of unamortized financing fees	1,506,089	1,731,745
Lease liabilities	148,580	—
Cash and cash equivalents	(45,900)	(82,568)
Net debt	1,608,769	1,649,177
Segment profit (denominator) ⁽¹⁾	505,839	585,085
Net debt to segment profit	3.18	2.82

⁽¹⁾ Reflects aggregate amounts for the most recent four quarters, as detailed in the table in the “Quarterly Consolidated Financial Information” section of the Fourth Quarter 2020 Report to Shareholders. Effective September 1, 2019, the Company adopted IFRS 16. There has been no restatement of segment profit for the fiscal 2019 quarters that were prior to adoption. Refer to Impact of New Accounting Policies section of the Fourth Quarter 2020 Report to Shareholders for more information.