



## CORUS ENTERTAINMENT ANNOUNCES FISCAL 2020 THIRD QUARTER RESULTS

- Consolidated revenues declined 24% for the quarter and 9% year-to-date
- Consolidated segment profit<sup>(1)(2)</sup> decreased 35% for the quarter and 13% year-to-date
- Consolidated segment profit margin<sup>(1)</sup> of 32% for the quarter and 34% year-to-date
- Net loss attributable to shareholders of \$752.3 million (\$3.61 loss per share basic) for the quarter and \$655.6 million (\$3.12 loss per share basic) year-to-date, which includes non-cash impairment charges related to broadcast licenses and goodwill of \$786.8 million
- Net debt to segment profit<sup>(1)(3)</sup> of 3.22 times at May 31, 2020 up from 3.00 times at February 28, 2020
- Free cash flow<sup>(1)(2)</sup> of \$90.8 million for the quarter and \$208.9 million year-to-date

**TORONTO, June 26, 2020 – Corus Entertainment Inc.** (TSX: CJR.B) announced its third quarter financial results today.

“Corus remains focused on our essential role in delivering news, information and entertainment to communities across Canada in the face of the challenges brought on by COVID and its significant impact on our third quarter results,” said Doug Murphy, President and Chief Executive Officer. “I am extremely proud of our team and their extraordinary dedication, at a time when it is critical to keep Canadians connected and informed.”

“In Q3, we saw increased viewership and engagement across all of our platforms, as Canadians rediscovered the power of television and Corus. With the economy materially impacted by the COVID pandemic, these audiences were not optimally monetized as advertising demand is tightly correlated to sales and economic activity,” continued Mr. Murphy. “This week we held our virtual Upfront, revealing a very strong fall schedule which, when coupled with these recent viewing trends, gives us reasons for optimism in the coming year. Notably, our subscriber revenue remained resilient, benefitting from the accelerated uptake of STACKTV. In this unprecedented environment, Corus remains intensely focused and disciplined as we manage the business, advance our strategic priorities and maintain a solid financial position.”

### Financial Highlights

	Three months ended		Nine months ended	
	2020	May 31, 2019	2020	May 31, 2019
<small>(in thousands of Canadian dollars except per share amounts)</small>				
<b>Revenues</b>				
Television	<b>331,322</b>	421,481	<b>1,109,116</b>	1,201,137
Radio	<b>17,645</b>	36,936	<b>83,724</b>	108,866
	<b>348,967</b>	458,417	<b>1,192,840</b>	1,310,003
<b>Segment profit (loss)<sup>(1)(2)</sup></b>				
Television	<b>115,838</b>	166,650	<b>409,928</b>	464,912
Radio	<b>(1,776)</b>	9,768	<b>14,828</b>	27,735
Corporate	<b>(2,749)</b>	(5,895)	<b>(13,419)</b>	(17,338)
	<b>111,313</b>	170,523	<b>411,337</b>	475,309
Net income (loss) attributable to shareholders	<b>(752,280)</b>	66,378	<b>(655,640)</b>	133,137
Adjusted net income attributable to shareholders <sup>(1)</sup>	<b>18,996</b>	66,077	<b>124,876</b>	153,077
Basic earnings (loss) per share	<b>(\$3.61)</b>	\$0.31	<b>(\$3.12)</b>	\$0.63
Adjusted basic earnings per share <sup>(1)</sup>	<b>\$0.09</b>	\$0.31	<b>\$0.59</b>	\$0.72
Diluted earnings (loss) per share	<b>(\$3.61)</b>	\$0.31	<b>(\$3.12)</b>	\$0.63
<b>Free cash flow<sup>(1)(2)</sup></b>	<b>90,773</b>	90,101	<b>208,894</b>	216,416

<sup>(1)</sup> 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 Third Quarter 2020 Report to Shareholders.

<sup>(2)</sup> Segment profit (loss) for the three and nine months ended May 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-to-date of approximately \$3.3 million and \$10.1 million, respectively, and an increase in free cash flow of approximately \$4.1 million and \$12.1 million, respectively. Further discussion of this can be found in the Impact of New Accounting Policies section of the Third Quarter 2020 Report to Shareholders.

## **Consolidated Results from Operations**

Consolidated revenues for the three months ended May 31, 2020 were \$349.0 million, down 24% from \$458.4 million last year, and consolidated segment profit was \$111.3 million, a decrease of 35% from \$170.5 million last year. Net loss attributable to shareholders for the quarter ended May 31, 2020 was \$752.3 million (\$3.61 loss per share basic), as compared to net income attributable to shareholders of \$66.4 million (\$0.31 per share basic) last year. Net loss attributable to shareholders for the third quarter of fiscal 2020 includes broadcast license and goodwill impairment charges of \$786.8 million (\$3.69 per share, net of income taxes) and integration, restructuring and other costs of \$2.6 million (\$0.01 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$19.0 million (\$0.09 per share basic) for the quarter. Net income attributable to shareholders for the prior year quarter includes integration, restructuring and other costs of \$2.3 million (\$0.01 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 Teletatino 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 \$66.1 million (\$0.31 per share basic) for the prior year quarter.

Consolidated revenues for the nine months ended May 31, 2020 were \$1,192.8 million, a decline of 9% from \$1,310.0 million last year, and consolidated segment profit was \$411.3 million, a decrease of 13% from \$475.3 million last year. Net loss attributable to shareholders for the nine months ended May 31, 2020 was \$655.6 million (\$3.12 loss per share basic), as compared to a net income attributable to shareholders of \$133.1 million (\$0.63 per share basic) last year. Net loss attributable to shareholders for the nine months ended May 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 \$15.2 million (\$0.05 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$124.9 million (\$0.59 per share basic) for the current fiscal year. Net income attributable to shareholders for the nine months ended May 31, 2019 includes integration, restructuring and other costs of \$19.5 million (\$0.07 per share, net of income taxes), an impairment of 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 Teletatino 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 \$153.1 million (\$0.72 per share basic) for the prior fiscal year.

## **Operational Results - Highlights for Q3 2020**

### **Television**

- Segment revenues decreased 21% in Q3 2020 and 8% year-to-date
- Advertising revenues decreased 31% in Q3 2020 and 12% year-to-date
- Subscriber revenues were flat in Q3 2020 and decreased 1% year-to-date
- Merchandising, distribution and other revenues decreased \$2.6 million (12%) in Q3 2020 and increased \$8.3 million (15%) year-to-date
- Segment profit<sup>(1)</sup> was down 30% in Q3 2020 and down 12% year-to-date
- Segment profit margin<sup>(1)</sup> of 35% in Q3 2020 and 37% year-to-date, compared to segment profit margin of 40% and 39%, respectively, in the prior year
- Non-cash goodwill impairment charge in Q3 2020 of \$673.0 million

### **Radio**

- Segment revenues decreased \$19.3 million (52%) in Q3 2020 and \$25.1 million (23%) year-to-date
- Segment profit (loss)<sup>(1)</sup> decreased \$11.5 million (118%) in Q3 2020 and \$12.9 million (47%) year-to-date
- Segment loss margin<sup>(1)</sup> of 10% in Q3 2020 and segment profit margin of 18% year-to-date, compared to segment profit margin of 26% and 25%, respectively, in the prior year
- Non-cash impairment charges in Q3 2020 on broadcast licenses of \$67.8 million and goodwill of \$46.0 million

<sup>(1)</sup> Segment profit (loss), segment profit (loss) 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 Third Quarter 2020 Report to Shareholders.

## Corporate

- Free cash flow<sup>(1)</sup> of \$90.8 million in Q3 2020 and \$208.9 million year-to-date, compared to \$90.1 million and \$216.4 million, respectively, in the prior year. The current year benefited from payment deferrals of Canadian income tax installments and sales tax remittances
- Net debt to segment profit<sup>(1)</sup> was 3.22 times at May 31, 2020, up from 2.82 times at August 31, 2019, due to reduction in segment profit and the implementation of IFRS 16 - *Leases* that added \$151.4 million to the net debt calculation as at May 31, 2020, offset by bank loan repayments of \$43.7 million in the quarter
- In Q3 an additional 1.15 million shares have been repurchased under the Normal Course Issuer Bid. As at May 31, 2020, 3.63 million shares have been repurchased since the implementation of the Normal Course Issuer Bid on November 13, 2019
- Consolidated segment profit margin<sup>(1)</sup> of 32% in Q3 2020 and 34% year-to-date, compared to 37% and 36%, respectively, in the prior year

<sup>(1)</sup> Segment profit (loss), segment profit (loss) 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 Third Quarter 2020 Report to Shareholders.

## 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 gradually begun to lift in many provinces allowing the reopening of various sectors and businesses; however, the Company will not rush to return people to their work sites, as it has continued to operate with more than 70% of its workforce working remotely. 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 are being made to set out the appropriate pace and timing for each region and workplace to return-to-work gradually and safely over the next few months. Site-specific plans may include reduced occupancy at some sites, or modification of workspaces to provide the right level of protection to the Company's employees.

It is too soon to gauge the medium to long-term impacts of the current outbreak, given the many unknowns related to COVID-19. These include the duration, severity and possible resurgence of the outbreak as emergency measures are eased. 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, however, 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 and nine months ended May 31, 2020 and Management's Discussion and Analysis are available on the Company's website at [www.corusent.com](http://www.corusent.com) in the Investor Relations section.

A conference call with Corus senior management is scheduled for June 26, 2020 at 8:00 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](http://www.corusent.com) in the Investor Relations section.

### **Use of Non-IFRS Financial Measures**

This press release includes the non-IFRS financial measures of 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](http://www.corusent.com) as well as on SEDAR at [www.sedar.com](http://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 advertising, 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", "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 and 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 novel coronavirus ("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 third quarter ended May 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 CFOX. Visit Corus at [www.corusent.com](http://www.corusent.com).

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**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(unaudited - in thousands of Canadian dollars)	As at May 31, 2020	As at August 31, 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	79,632	82,568
Accounts receivable	403,213	372,828
Income taxes recoverable	—	13,772
Prepaid expenses and other assets	23,525	19,557
<b>Total current assets</b>	<b>506,370</b>	<b>488,725</b>
Tax credits receivable	39,890	25,035
Investments and other assets	70,745	51,707
Property, plant and equipment	341,061	225,927
Program rights	669,403	507,913
Film investments	54,546	53,336
Intangibles	1,815,577	1,876,235
Goodwill	664,958	1,383,958
Deferred income tax assets	63,217	59,463
	<b>4,225,767</b>	<b>4,672,299</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	535,836	429,483
Current portion of bank debt	76,339	76,339
Provisions	7,760	10,331
Income taxes payable	3,738	—
<b>Total current liabilities</b>	<b>623,673</b>	<b>516,153</b>
Bank debt	1,527,811	1,655,406
Other long-term liabilities	571,207	278,117
Provisions	9,168	7,686
Deferred income tax liabilities	447,548	472,700
<b>Total liabilities</b>	<b>3,179,407</b>	<b>2,930,062</b>
<b>EQUITY</b>		
Share capital	816,189	830,477
Contributed surplus	1,511,065	1,512,818
Accumulated deficit	(1,425,549)	(758,757)
Accumulated other comprehensive income (deficit)	(5,743)	12,187
Total equity attributable to shareholders	895,962	1,596,725
Equity attributable to non-controlling interest	150,398	145,512
<b>Total equity</b>	<b>1,046,360</b>	<b>1,742,237</b>
	<b>4,225,767</b>	<b>4,672,299</b>

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

	Three months ended		Nine months ended	
		May 31,		May 31,
(unaudited - in thousands of Canadian dollars except per share amounts)	2020	2019	2020	2019
Revenues	348,967	458,417	1,192,840	1,310,003
Direct cost of sales, general and administrative expenses	237,654	287,894	781,503	834,694
Depreciation and amortization	39,485	35,899	119,751	145,028
Interest expense	29,378	28,220	87,984	91,405
Broadcast licenses and goodwill impairment	786,790	—	786,790	—
Gain on debt modification	—	(3,889)	—	(3,889)
Integration, restructuring and other costs	2,636	2,309	15,194	19,537
Other expense, net	10,251	4,171	13,636	11,929
Income (loss) before income taxes	(757,227)	103,813	(612,018)	211,299
Income tax expense (recovery)	(8,947)	30,168	29,479	59,158
<b>Net income (loss) for the period</b>	<b>(748,280)</b>	<b>73,645</b>	<b>(641,497)</b>	<b>152,141</b>
<b>Other comprehensive income (loss), net of income taxes:</b>				
<b>Items that may be reclassified subsequently to income (loss):</b>				
Unrealized change in fair value of cash flow hedges	(13,663)	(12,905)	(17,871)	(27,651)
Unrealized foreign currency translation adjustment	656	395	834	515
	(13,007)	(12,510)	(17,037)	(27,136)
<b>Items that will not be reclassified to income (loss):</b>				
Unrealized change in fair value of financial assets	(7,458)	(1,735)	(893)	(1,639)
Actuarial gain (loss) on post-retirement benefit plans	21,750	(9,766)	14,035	(10,942)
	14,292	(11,501)	13,142	(12,581)
Other comprehensive income (loss), net of income taxes	1,285	(24,011)	(3,895)	(39,717)
<b>Comprehensive income (loss) for the period</b>	<b>(746,995)</b>	<b>49,634</b>	<b>(645,392)</b>	<b>112,424</b>
<b>Net income (loss) attributable to:</b>				
Shareholders	(752,280)	66,378	(655,640)	133,137
Non-controlling interest	4,000	7,267	14,143	19,004
	(748,280)	73,645	(641,497)	152,141
<b>Comprehensive income (loss) attributable to:</b>				
Shareholders	(750,995)	42,367	(659,535)	93,420
Non-controlling interest	4,000	7,267	14,143	19,004
	(746,995)	49,634	(645,392)	112,424
<b>Earnings (loss) per share attributable to shareholders:</b>				
Basic	(\$3.61)	\$0.31	(\$3.12)	\$0.63
Diluted	(\$3.61)	\$0.31	(\$3.12)	\$0.63

**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)	—	—	(655,640)	(3,895)	(659,535)	14,143	(645,392)
Dividends declared	—	—	(25,187)	—	(25,187)	(14,668)	(39,855)
Share repurchase under normal course issuer bid ("NCIB")	(14,288)	(2,605)	—	—	(16,893)	—	(16,893)
Actuarial gain on post-retirement benefit plans	—	—	14,035	(14,035)	—	—	—
Share-based compensation expense	—	852	—	—	852	—	852
Equity funding	—	—	—	—	—	5,411	5,411
<b>As at May 31, 2020</b>	<b>816,189</b>	<b>1,511,065</b>	<b>(1,425,549)</b>	<b>(5,743)</b>	<b>895,962</b>	<b>150,398</b>	<b>1,046,360</b>

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	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)	—	—	133,137	(39,717)	93,420	19,004	112,424
Dividends declared	—	—	(38,147)	—	(38,147)	(21,409)	(59,556)
Reduction of stated capital	(1,500,000)	1,500,000	—	—	—	—	—
Actuarial loss on post-retirement benefit plans	—	—	(10,942)	10,942	—	—	—
Share-based compensation expense	—	485	—	—	485	—	485
Divestiture of subsidiary with a non-controlling equity interest	—	—	—	—	—	(5,120)	(5,120)
As at May 31, 2019	830,477	1,512,604	(770,635)	17,081	1,589,527	146,890	1,736,417

**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended		Nine months ended	
		May 31,		May 31,
(unaudited - in thousands of Canadian dollars)	2020	2019	2020	2019
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	(748,280)	73,645	(641,497)	152,141
Adjustments to reconcile net income (loss) to cash flow from operations:				
Amortization of program rights	130,661	137,002	386,224	394,130
Amortization of film investments	3,333	6,059	14,414	12,444
Depreciation and amortization	39,485	35,899	119,751	145,028
Broadcast licenses and goodwill impairment	786,790	—	786,790	—
Deferred income tax expense (recovery)	(21,529)	821	(27,607)	(19,126)
Impairment of investment in associate	—	—	—	8,720
Share-based compensation expense	291	238	852	485
Imputed interest	13,564	10,325	39,802	31,990
Gain on debt modification	—	(3,889)	—	(3,889)
Payment of program rights	(138,195)	(157,264)	(405,196)	(394,068)
Net spend on film investments	(12,527)	(14,847)	(46,007)	(43,232)
CRTC benefit payments	(312)	(312)	(1,045)	(1,223)
Other	(2,553)	(2,893)	(5,761)	(6,701)
Cash flow from operations	50,728	84,784	220,720	276,699
Net change in non-cash working capital balances related to operations	45,131	12,039	(1,646)	(48,185)
<b>Cash provided by operating activities</b>	<b>95,859</b>	<b>96,823</b>	<b>219,074</b>	<b>228,514</b>
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(3,801)	(5,418)	(10,091)	(11,578)
Proceeds from sale of property	249	—	288	—
Business divestiture, net of divested cash	—	12,529	—	12,529
Business acquisition	—	(6,011)	—	(6,011)
Net cash flows for intangibles, investments and other assets	(2,237)	(1,156)	(2,207)	(3,670)
<b>Cash used in investing activities</b>	<b>(5,789)</b>	<b>(56)</b>	<b>(12,010)</b>	<b>(8,730)</b>
<b>FINANCING ACTIVITIES</b>				
Decrease in bank loans	(43,691)	(72,425)	(130,660)	(189,973)
Deferred financing costs	—	(3,342)	—	(3,342)
Shares repurchased under NCIB	(3,930)	—	(16,893)	—
Payments of lease liabilities	(4,058)	—	(12,105)	—
Equity funding by a non-controlling interest	—	—	5,411	—
Dividends paid	(12,535)	(12,715)	(37,901)	(25,432)
Dividends paid to non-controlling interest	(4,007)	(6,245)	(14,668)	(23,408)
Other	(675)	(469)	(3,184)	(3,209)
<b>Cash used in financing activities</b>	<b>(68,896)</b>	<b>(95,196)</b>	<b>(210,000)</b>	<b>(245,364)</b>
Net change in cash and cash equivalents during the period	21,174	1,571	(2,936)	(25,580)
Cash and cash equivalents, beginning of the period	58,458	67,650	82,568	94,801
<b>Cash and cash equivalents, end of the period</b>	<b>79,632</b>	<b>69,221</b>	<b>79,632</b>	<b>69,221</b>

**CORUS ENTERTAINMENT INC.**  
**BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

**Three months ended May 31, 2020**

	Television	Radio	Corporate	Consolidated
Revenues	331,322	17,645	—	348,967
Direct cost of sales, general and administrative expenses	215,484	19,421	2,749	237,654
<b>Segment profit (loss)<sup>(1)(2)</sup></b>	<b>115,838</b>	<b>(1,776)</b>	<b>(2,749)</b>	<b>111,313</b>
Depreciation and amortization				39,485
Interest expense				29,378
Broadcast licenses and goodwill impairment				786,790
Integration, restructuring and other costs				2,636
Other expense, net				10,251
<b>Loss before income taxes</b>				<b>(757,227)</b>

Three months ended May 31, 2019

	Television	Radio	Corporate	Consolidated
Revenues	421,481	36,936	—	458,417
Direct cost of sales, general and administrative expenses	254,831	27,168	5,895	287,894
<b>Segment profit (loss)<sup>(1)</sup></b>	<b>166,650</b>	<b>9,768</b>	<b>(5,895)</b>	<b>170,523</b>
Depreciation and amortization				35,899
Interest expense				28,220
Gain on debt modification				(3,889)
Integration, restructuring and other costs				2,309
Other expense, net				4,171
<b>Income before income taxes</b>				<b>103,813</b>

**Nine months ended May 31, 2020**

	Television	Radio	Corporate	Consolidated
Revenues	1,109,116	83,724	—	1,192,840
Direct cost of sales, general and administrative expenses	699,188	68,896	13,419	781,503
<b>Segment profit (loss)<sup>(1)(2)</sup></b>	<b>409,928</b>	<b>14,828</b>	<b>(13,419)</b>	<b>411,337</b>
Depreciation and amortization				119,751
Interest expense				87,984
Broadcast licenses and goodwill impairment				786,790
Integration, restructuring and other costs				15,194
Other expense, net				13,636
<b>Loss before income taxes</b>				<b>(612,018)</b>

<sup>(1)</sup> 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 Third Quarter 2020 Report to Shareholders.

<sup>(2)</sup> Segment profit (loss) for the three and nine months ended May 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-to-date of approximately \$3.3 million and \$10.1 million, respecti. Further discussion of this can be found in the Impact of New Accounting Policies section of the Third Quarter 2020 Report to Shareholders.

(unaudited - in thousands of Canadian dollars)

### Nine months ended May 31, 2019

	Television	Radio	Corporate	Consolidated
Revenues	1,201,137	108,866	—	1,310,003
Direct cost of sales, general and administrative expenses	736,225	81,131	17,338	834,694
<b>Segment profit (loss)<sup>(1)</sup></b>	464,912	27,735	(17,338)	475,309
Depreciation and amortization				145,028
Interest expense				91,405
Gain on debt modification				(3,889)
Integration, restructuring and other costs				19,537
Other expense, net				11,929
<b>Income before income taxes</b>				211,299

<sup>(1)</sup> 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 Third Quarter 2020 Report to Shareholders.

### REVENUES BY TYPE

	Three months ended		Nine months ended	
	2020	May 31, 2019	2020	May 31, 2019
(unaudited - in thousands of Canadian dollars)				
Advertising	207,862	314,162	756,131	875,781
Subscriber fees	121,500	121,096	368,919	373,419
Merchandising, distribution and other	19,605	23,159	67,790	60,803
	<b>348,967</b>	458,417	<b>1,192,840</b>	1,310,003

### NON-IFRS FINANCIAL MEASURES

	Three months ended		Nine months ended	
	2020	May 31, 2019	2020	May 31, 2019
(unaudited - in thousands of Canadian dollars, except per share amounts)				
<b>Adjusted Net Income Attributable to Shareholders</b>				
<b>Net income (loss) attributable to shareholders</b>	<b>(752,280)</b>	66,378	<b>(655,640)</b>	133,137
<b>Adjustments, net of income tax:</b>				
Impairment of investment in associates	—	—	—	7,565
Broadcast licences and goodwill impairment	769,338	—	769,338	—
Gain on debt modification	—	(2,856)	—	(2,856)
Loss from disposition of the Telelatino Network	—	814	—	814
Integration, restructuring and other costs	1,938	1,741	11,178	14,417
<b>Adjusted net income attributable to shareholders</b>	<b>18,996</b>	66,077	<b>124,876</b>	153,077
<b>Basic earnings (loss) per share</b>	<b>(\$3.61)</b>	\$0.31	<b>(\$3.12)</b>	\$0.63
<b>Adjustments, net of income tax:</b>				
Impairment of investment in associates	—	—	—	\$0.03
Broadcast licences and goodwill impairment	\$3.69	—	\$3.66	—
Gain on debt modification	—	(\$0.01)	—	(\$0.01)
Loss from disposition of the Telelatino Network	—	—	—	—
Integration, restructuring and other costs	\$0.01	\$0.01	\$0.05	\$0.07
<b>Adjusted basic earnings per share</b>	<b>\$0.09</b>	\$0.31	<b>\$0.59</b>	\$0.72

(unaudited - in thousands of Canadian dollars)	Three months ended		Nine months ended	
	2020	May 31, 2019	2020	May 31, 2019
<b>Free Cash Flow</b>				
Cash provided by (used in):				
Operating activities <sup>(1) (3)</sup>	<b>95,859</b>	96,823	<b>219,074</b>	228,514
Investing activities	<b>(5,789)</b>	(56)	<b>(12,010)</b>	(8,730)
	<b>90,070</b>	96,767	<b>207,064</b>	219,784
Add: cash used in business acquisitions, strategic investments and non-controlling interest <sup>(2)</sup>	<b>703</b>	5,863	<b>1,830</b>	9,161
Deduct: cash provided by business divestiture, net of divested cash <sup>(2)</sup>	<b>—</b>	(12,529)	<b>—</b>	(12,529)
<b>Free cash flow</b>	<b>90,773</b>	90,101	<b>208,894</b>	216,416

<sup>(1)</sup> Free cash flow for the three and nine months ended May 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 \$4.1 million for the quarter and \$12.1 million for the year-to-date. Further discussion of this can be found in the Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders.

<sup>(2)</sup> Strategic investments are comprised of investments in venture funds and associated companies.

(unaudited - in thousands of Canadian dollars)	Nine months ended	
	May 31, 2020	August 31, 2019
<b>Net Debt and Net Debt to Segment Profit</b>		
Total bank loans, net of unamortized financing fees	<b>1,604,150</b>	1,731,745
Lease liabilities	<b>151,399</b>	—
Cash and cash equivalents	<b>(79,632)</b>	(82,568)
<b>Net debt</b>	<b>1,675,917</b>	1,649,177
Segment profit (denominator) <sup>(1)</sup>	<b>521,113</b>	585,085
<b>Net debt to segment profit</b>	<b>3.22</b>	2.82

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