report to shareholders

First Quarter 2023

For the Three Months Ended November 30, 2022
(Unaudited)

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FINANCIAL HIGHLIGHTS

(These highlights are derived from the unaudited interim condensed consolidated financial statements)

(in thousands of Canadian dollars except per share amounts)

	Three months ended November 30, 2022	2021
Revenue		
Television	**401,529**	434,747
Radio	**29,662**	29,126
	431,191	463,873
Segment profit (loss) [1]		
Television	**131,759**	178,886
Radio	**6,022**	5,746
Corporate	**(6,089)**	(7,462)
	131,692	177,170
Segment profit margin [1]		
Television	**33%**	41%
Radio	**20%**	20%
Consolidated	**31%**	38%
Net income attributable to shareholders	**31,387**	76,165
Basic earnings per share	**$0.16**	$0.37
Diluted earnings per share	**$0.16**	$0.36
Free cash flow [1]	**20,810**	79,987

[1] In addition to disclosing results in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Company also provides supplementary non-IFRS measures as a method of evaluating the Company's performance and to provide a better understanding of how management views the Company's performance. These non-IFRS or non-GAAP measures can include: segment profit (loss), segment profit margin, free cash flow, adjusted net income attributable to shareholders, adjusted basic earning per share, net debt to segment profit, optimized advertising revenue and new platform revenue. These are not measurements in accordance with IFRS and should not be considered as an alternative to any other measure of performance under IFRS. Please see additional discussion and reconciliations under the Key Performance Indicators and Non-GAAP Financial Measures section of the Company's First Quarter 2023 Report to Shareholders.

BUSINESS HIGHLIGHTS

Premium Digital Video Business

- **Corus and Paramount Global launch Pluto TV in Canada**. Pluto TV, the world's leading FAST (free ad-supported streaming television) service, launched in Canada on December 1, 2022. Corus' leading ad sales capabilities have combined with Pluto TV's best-in-class platform and technology to serve compelling content to audiences and provide a differentiated model for advertisers. The service launched with more than 110 unique free channels and over 20,000 hours of content, including access to a selection of Canadian series and shows from Corus' portfolio, spanning a variety of genres. Pluto TV is available on all major platforms including web, mobile and connected TVs.
- **Corus Expanded STACKTV Content Offering with Addition of Three Disney Channels.** Disney Channel, Disney Junior and Disney XD launched December 14, 2022 on STACKTV, Corus' premium multi-channel streaming service, providing added value for subscribers.

Advanced Focus on Sustainability

- **Release of Inaugural Sustainability Report.** Corus released its 2022 Sustainability Report, which outlines the Company's focused approach to build a more sustainable future through Environment, Social and Governance (ESG) initiatives. Centred on Corus' three key pillars – People, Planet and Responsibility – and the inaugural Sustainability Report outlines the progress made to-date as well as a set of foundational goals that anchor Corus' ambition and approach to sustainability.
- **Corus gives back to local communities**. In the first quarter, Corus helped raise $10.3 million for over 225 community giving initiatives as well as provided over 1,105 volunteer hours to 40 local organizations across Canada.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the three months ended November 30, 2022 is prepared as at January 12, 2023. The following should be read in conjunction with Management's Discussion and Analysis, consolidated financial statements and the notes thereto included in the Company's Annual Report for the year ended August 31, 2022 and the interim condensed consolidated financial statements and notes of the current quarter. The financial highlights included in the discussion of the segmented results are derived from the unaudited interim condensed consolidated financial statements. All amounts are stated in Canadian dollars unless specified otherwise.

Corus Entertainment Inc. ("Corus" or the "Company") reports its interim financial results under International Accounting Standard ("IAS") 34 - *Interim Financial Reporting*, as issued by International Financial Reporting Standards ("IFRS") in Canadian dollars. Per share amounts are calculated using the weighted average number of shares outstanding for the applicable period.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document 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"). This forward-looking information relates to, among other things, the Company's objectives, goals, strategies, targets, intentions, plans, estimates and outlook, including the adoption and anticipated impact of the Company's strategic plan, advertising and expectations of advertising trends for fiscal 2023, subscriber revenue and anticipated subscription trends, distribution, production and other revenue, the Company's dividend policy and the payment of future dividends; the Company's leverage target; the Company's proposed share purchases, including the number of Class B non-voting shares to be repurchased under its normal course issuer bid, if any, and timing thereof; the Company's ability to manage retention and reputation risks related to its on-air talent; expectations regarding financial performance, including capital allocation strategy and capital structure management, 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" or the negatives of these terms 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 including: the impact of recessionary conditions and continuing supply chain constraints; the potential impact of new competition and industry mergers and acquisitions; changes to applicable tax, licensing and regulatory regimes; inflation and interest rates, stability of the advertising, subscription, production and distribution markets; changes to key suppliers or clients; operating and capital costs and tariffs, taxes and fees, the Company's ability to source, produce or sell desirable content and the Company's capital and operating results being consistent with its 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: the Company's ability to attract, retain and manage fluctuations in advertising revenue; the Company's ability to maintain relationships with key suppliers and clients and on anticipated financial terms and conditions; audience acceptance of the Company's television programs and cable networks; the Company's ability to manage retention and reputation risks related to its on-air talent; the Company's ability to recoup production costs; the availability of tax credits; the availability of expected news, production and related credits, programs and funding; the existence of co-production treaties; the Company's ability to compete in any of the industries in which it does business including with competitors which may not be regulated in the same way or to the same degree; the business and strategic opportunities (or lack thereof) that may be presented to and pursued by the Company; 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 including statements, decisions or positions by applicable regulators including, without limitation, the Canadian Radio-television and Telecommunications Commission ("CRTC"), Canadian Heritage and Innovation, Science and Economic Development Canada ("ISED"); changes to licensing status or conditions; unanticipated or un-mitigatable programming costs; the Company's ability to integrate and realize anticipated benefits from its acquisitions and to effectively manage its growth; the Company's ability to successfully defend itself against litigation matters and complaints; failure to meet covenants under the Company's senior credit facility, senior unsecured notes or other instruments or facilities; epidemics, pandemics or other public health and safety crises in Canada and globally, including COVID-19; physical and operational changes to the Company's key facilities and infrastructure; cybersecurity threats or incidents to the Company or its key suppliers and vendors; 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 Company's Management's Discussion and Analysis for the year ended August 31, 2022 (the "2022 MD&A") and under the heading "Risk Factors" in the Company's Annual Information Form for the year ended August 31, 2022 (the "AIF"). Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on the Company's 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 and may be updated or amended from time to time. Except as 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. For a discussion on the Company's results of operations for fiscal 2022, we refer you to the Company's Annual Report for the year ended August 31, 2022, filed on SEDAR on December 9, 2022. Additional information relating to the Company, including the AIF, is available on SEDAR at www.sedar.com.

OVERVIEW OF CONSOLIDATED RESULTS

REVENUE

Consolidated revenue for the three months ended November 30, 2022 of $431.2 million decreased 7% from $463.9 million in the prior year's quarter. On a consolidated basis, advertising revenue decreased 10%, subscriber revenue remained consistent with the prior year and distribution, production and other revenue decreased 3%. Revenue decreased in Television by 8% and increased by 2% in Radio, compared to the same period in the prior year. Further analysis of revenue is provided in the discussion of segmented results.

DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Direct cost of sales, general and administrative expenses for the three months ended November 30, 2022 of $299.5 million increased from $286.7 million in the prior year's quarter. On a consolidated basis, direct cost of sales increased 8% and general and administrative expenses (which includes employee costs and other general and administrative costs) increased 1%. The increase in direct cost of sales arises principally from increases in amortization of program rights in the quarter as a result of increased original programming deliveries compared to the prior year's quarter and the extension of long-term output deals in the current quarter and the third quarter of the prior year. Employee costs decreased 3% primarily due to decreases to share-based compensation expense, short-term compensation accruals and lower commissions, partially offset by salary and benefit increases resulting from headcount additions made throughout the prior year. Other general and administrative expenses increased 8%. This was a result of costs related to the supplementary executive retirement plan recorded in the current quarter and increases in marketing costs, digital services and system fees, travel and entertainment, and facilities costs, offset by decreases in news production and certain discretionary costs including consulting. Further analysis of expenses is provided in the discussion of segmented results.

SEGMENT PROFIT

Consolidated segment profit for the three months ended November 30, 2022 was $131.7 million, a decrease of 26% from $177.2 million in the prior year's quarter. Segment profit margin for the first quarter of fiscal 2023 was 31%, a decrease from 38% in the prior year. Further analysis is provided in the discussion of segmented results.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the three months ended November 30, 2022 was $40.1 million, an increase from $37.4 million in the prior year's quarter. The increase in the quarter was principally a result of higher amortization of trade marks of $2.4 million and higher depreciation of capitalized assets of $0.3 million.

INTEREST EXPENSE
Interest expense for the three months ended November 30, 2022 was $34.4 million, up from $25.5 million in the prior year's quarter. The increase results primarily from higher imputed interest of $4.9 million on long-term liabilities associated with program rights, trade marks and right-of-use assets and higher interest on long-term debt of $3.8 million.

The effective interest rate on bank debt, the 5.0% Senior Unsecured Notes of $500.0 million due 2028 (the "2028 Notes") and the 6.0% Senior Unsecured Notes of $250.0 million due 2030 (the "2030 Notes", together with the 2028 Notes collectively referred to hereafter as the "Notes") for the three months ended November 30, 2022 was 5.6% compared to 4.1% in the prior year's quarter. The increase in the effective rate for the first quarter of fiscal 2023 is due to the addition of the 2030 Notes in the second quarter of the prior year and higher overall floating interest rates on the bank debt.

RESTRUCTURING AND OTHER COSTS
For the three months ended November 30, 2022, the Company incurred $2.8 million of restructuring and other costs, compared to $1.0 million in the prior year's quarter. The current fiscal year costs are related to restructuring costs associated with employee exits and system integration costs.

OTHER EXPENSE, NET
Other expense for the three months ended November 30, 2022 was $7.0 million, compared to $3.1 million in the prior year's quarter. The current quarter includes a net foreign exchange loss of $4.9 million primarily related to the translation of USD denominated liabilities, a fair value loss on the Notes prepayment options of $1.6 million and other expense of $0.6 million. The prior year's quarter included a net foreign exchange loss of $3.6 million and other income of $0.5 million.

INCOME TAX EXPENSE
The effective income tax rates for the three months ended November 30, 2022 and 2021 were consistent with the Company's statutory income tax rates.

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS AND EARNINGS PER SHARE
Net income attributable to shareholders for the three months ended November 30, 2022 was $31.4 million ($0.16 per share basic) compared to $76.2 million ($0.37 per share basic) in the prior year's quarter. Net income attributable to shareholders for the first quarter of fiscal 2023 included restructuring and other costs of $2.8 million ($0.01 per share). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of $33.5 million ($0.17 per share basic) in the quarter. Net income attributable to shareholders for the first quarter of fiscal 2022 includes restructuring and other costs of $1.0 million ($nil per share). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of $76.9 million ($0.37 per share basic) in the prior year's quarter.

The weighted average number of basic shares outstanding for the three months ended November 30, 2022 was 199,704,000, down from 208,367,000 from the same period in the prior year as a result of repurchases under the Company's normal course issuer bid ("NCIB").

OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX
Other comprehensive loss for the three months ended November 30, 2022 was $1.4 million, compared to other comprehensive income of $15.2 million in the prior year's quarter. In the current quarter, other comprehensive loss includes an unrealized loss on the fair value of cash flow hedges of $1.0 million, an actuarial loss on the remeasurement of post-employment benefit plans of $0.9 million, an unrealized loss from the change in the fair value of financial assets of $0.3 million, offset by an unrealized gain from foreign currency translation adjustments of $0.9 million. In the prior year, other comprehensive income includes an unrealized gain from the change in the fair value of financial assets of $13.6 million, unrealized gains on the fair value of cash flow hedges of $2.0 million, an unrealized gain from foreign currency translation adjustments of $0.3 million, offset by an actuarial loss on the remeasurement of post-employment benefit plans of $0.7 million.

BUSINESS SEGMENT INFORMATION

The Company's business activities are conducted through two segments: Television and Radio.

TELEVISION

The Television segment is comprised of 33 specialty television networks, 15 conventional television stations, streaming services, a social media digital agency, a social media creator network, technology and media services, and the Corus content business, which includes the production and distribution of films and television programs, merchandise licensing, book publishing, and animation software. Revenue is generated from advertising, subscribers and the licensing of proprietary films and television programs as well as the provision of production services, merchandise licensing, book publishing, animation software, and the provision of technology and media services.

RADIO

The Radio segment comprises 39 radio stations, situated primarily in urban centres in English Canada, with a concentration in the densely populated area of Southern Ontario. Revenue is derived from advertising aired over these stations.

CORPORATE

Corporate results represent the incremental cost of corporate overhead in excess of the amount allocated to the other operating segments.

Management evaluates each segment's performance based on revenue less direct cost of sales, general and administrative expenses. Segment profit (loss) excludes depreciation and amortization, interest expense, debt refinancing costs, restructuring and other costs, impairments, gains or losses on dispositions, and certain other income and expenses.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies of the most recent annual audited consolidated financial statements, except as described in note 3 to the interim condensed consolidated financial statements.

TELEVISION

FINANCIAL HIGHLIGHTS

	Three months ended	
	November 30,	
(thousands of Canadian dollars)	**2022**	2021
Revenue		
Advertising	**252,513**	285,037
Subscriber	**127,515**	127,535
Distribution, production and other	**21,501**	22,175
Total revenue	**401,529**	434,747
Expenses	**269,770**	255,861
Segment profit [1]	**131,759**	178,886
Segment profit margin[1]	**33%**	41%

[1] As defined in the "Key Performance Indicators and Non-GAAP Financial Measures" section of this report.

Revenue for the three months ended November 30, 2022 decreased 8% from the prior year's quarter as a result of an 11% decrease in advertising revenue, while subscriber revenue was flat and distribution, production and other revenue decreased by 3%. Advertising demand and spending across the North American television media industry contracted in the quarter as a result of continued disruptions to consumer behaviour patterns and supply chains. The decrease in advertising revenue was attributable to declines in direct to consumer, food and beverages, retail, toys, and health & beauty categories, as well as persistent supply chain issues in the automotive category. Subscriber revenue remained consistent with the prior year as the growth on streaming services resulting from subscriber growth and the expansion of streaming services via new distributors was offset by declines in the traditional linear business. The decrease in distribution, production and other revenue was primarily driven by a decline in book publishing sales.

Expenses for the quarter were up 5% from the prior year as a result of an increase of 8% in direct cost of sales as well as general and administrative expenses (which includes employee costs and other general and administrative costs) increased 2%. The increase in direct cost of sales was driven by a $10.3 million (or 7%) increase in amortization of program rights, a $0.7 million increase in amortization of film investments and a $0.7 million increase in other cost of sales. The increase in amortization of program rights was driven predominantly by increased original programming deliveries compared to the prior year's quarter and the impact of an extension of long-term output deals in the current quarter and in the third quarter of the prior year. The increase in amortization of film investments is a result of increased episodic deliveries compared to the prior year's quarter driven by the business acquisition made in the second quarter of fiscal 2022. The increase in other cost of sales was principally a result of increased costs associated with production service work. Employee costs remained consistent with the prior year primarily due to higher labour costs, offset by lower short-term compensation accruals and commissions. Other general and administrative expenses increased 5% from the prior year's quarter primarily from an increase in marketing costs for the continued promotion of streaming services, higher development costs, travel and entertainment costs related to news coverage, digital services and system fees.

Segment profit[1] was down 26% for the first quarter of fiscal 2023. The decrease for the quarter was primarily a result of a contraction in advertising demand, an increase in amortization of program rights and growth in general and administrative expenses. Segment profit margin[1] for the three months ended November 30, 2022 was 33%, down from 41% in the comparable period of the prior year.

(1) As defined in the "Key Performance Indicators and Non-GAAP Financial Measures" section of this report.

RADIO

FINANCIAL HIGHLIGHTS

	Three months ended	
	November 30,	
(thousands of Canadian dollars)	**2022**	2021
Revenue	**29,662**	29,126
Expenses	**23,640**	23,380
Segment profit [1]	**6,022**	5,746
Segment profit margin[1]	**20%**	20%

(1)As defined in the "Key Performance Indicators and Non-GAAP Financial Measures" section of this report.

Revenue in the three months ended November 30, 2022 was up 2% from the prior year's comparable quarter. Advertising revenue in the quarter was driven by the entertainment, travel, restaurant, and retail categories, offset by declines in the automotive, general services, and home products categories.

Direct cost of sales and general and administrative expenses in the three months ended November 30, 2022 were up 1% from the same comparable prior year period. The increase results from higher tariff fees.

Radio's segment profit[1] in the three months ended November 30, 2022 increased by 5% from the comparable prior year period primarily as a result of revenue growth. Segment profit margin[1] for the quarter ended November 30, 2022 was 20%, consistent with the comparable period of the prior year.

(1) As defined in the "Key Performance Indicators and Non-GAAP Financial Measures" section of this report.

CORPORATE

FINANCIAL HIGHLIGHTS

	Three months ended	
	November 30,	
(thousands of Canadian dollars)	**2022**	2021
Share-based compensation	**(777)**	2,250
Other general and administrative costs	**6,866**	5,212
	6,089	7,462

Share-based compensation includes expenses related to the Company's stock options and other long-term incentive plans (such as Performance Share Units - "PSUs", Deferred Share Units – "DSUs", and Restricted Share Units – "RSUs"). The expense fluctuates with changes in assumptions, primarily regarding the Company's share price and number of units estimated to vest.

Share-based compensation decreased in the three months ended November 30, 2022 by $3.0 million from the comparable prior year period. The decrease in the quarter directly results from the decline in the Company's share price, which is partially offset by the change in the fair value of the total return swaps (refer to note 5 to the interim condensed consolidated financial statements for further details on this swap arrangement).

Other general and administrative costs increased $1.7 million in the quarter from the prior year. The increase in the quarter is principally due to costs related to the supplementary executive retirement plan recorded in the current quarter and increases in system fees and licenses, offset by lower short-term compensation accruals and a reduction in common area rent costs.

QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

SEASONAL FLUCTUATIONS

As discussed in Management's Discussion and Analysis for the year ended August 31, 2022, Corus' operating results are subject to seasonal fluctuations that can significantly impact quarter-to-quarter operating results. The Company's advertising revenue is dependent on general advertising revenue and retail cycles associated with consumer spending activity, accordingly the first and third quarter results tend to be the highest and second and fourth quarter results tend to be the lowest in a fiscal year. The Company's distribution and production revenue is dependent on the number and timing of film and television programs delivered. Consequently, the Company's results may fluctuate materially from period-to-period and the results of any one period are not necessarily indicative of results for future periods.

The following table sets forth certain unaudited data derived from the Company's interim condensed consolidated financial statements for each of the eight most recent quarters ended November 30, 2022. In Management's opinion, these unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with the audited consolidated financial statements in the Company's Annual Report for the year ended August 31, 2022, except as disclosed in note 3 of the interim condensed consolidated financial statements.

(thousands of Canadian dollars, except per share amounts)

					Earnings (loss) per share			
	Revenue	Segment profit [1]	Net income (loss) attributable to shareholders	Adjusted net income (loss) attributable to shareholders [1]	Basic	Diluted	Adjusted basic [1]	Free cash flow [1]
2023								
1st quarter	**431,191**	**131,692**	**31,387**	**33,466**	**$ 0.16**	**$ 0.16**	**$ 0.17**	**20,810**
2022								
4th quarter	339,594	56,189	(367,065)	(17,116)	$ (1.82)	$ (1.82)	$ (0.08)	44,713
3rd quarter	433,458	123,728	29,621	30,159	$ 0.14	$ 0.14	$ 0.15	27,468
2nd quarter	361,661	86,556	16,221	16,964	$ 0.08	$ 0.08	$ 0.08	88,417
1st quarter	463,873	177,170	76,165	76,931	$ 0.37	$ 0.36	$ 0.37	79,987
2021								
4th quarter	361,255	102,700	19,920	21,699	$ 0.10	$ 0.10	$ 0.10	35,181
3rd quarter	402,999	130,671	40,666	44,324	$ 0.20	$ 0.19	$ 0.21	64,702
2nd quarter	358,874	112,640	35,300	37,496	$ 0.17	$ 0.17	$ 0.18	89,690

[1] As defined in "Key Performance Indicators and Non-GAAP Financial Measures" of this report.

ITEMS CAUSING VARIATIONS IN QUARTERLY RESULTS

- Net income attributable to shareholders for the first quarter of fiscal 2023 was negatively impacted by restructuring and other costs of $2.8 million ($0.01 per share).
- Net income attributable to shareholders for the fourth quarter of fiscal 2022 was negatively impacted by a non-cash television goodwill impairment charge of $350.0 million ($1.73 per share) and restructuring and other costs of $1.8 million ($0.01 per share).
- Net income attributable to shareholders for the third quarter of fiscal 2022 was negatively impacted by restructuring and other costs of $4.2 million ($0.02 per share) and was positively impacted by a debt refinancing gain of $3.4 million ($0.01 per share).
- Net income attributable to shareholders for the second quarter of fiscal 2022 was negatively impacted by restructuring and other costs of $1.0 million ($nil per share).
- Net income attributable to shareholders for the first quarter of fiscal 2022 was negatively impacted by restructuring and other costs of $1.0 million ($nil per share).
- Net income attributable to shareholders for the fourth quarter of fiscal 2021 was negatively impacted by restructuring and other costs of $2.4 million ($nil per share).
- Net income attributable to shareholders for the third quarter of fiscal 2021 was negatively impacted by debt refinancing costs of $1.9 million ($0.01 per share) and restructuring and other costs of $1.6 million ($nil per share).
- Net income attributable to shareholders for the second quarter of fiscal 2021 was negatively impacted by restructuring and other costs of $3.0 million ($0.01 per share).

FINANCIAL POSITION

Total assets at November 30, 2022 were $3.8 billion, compared to $3.5 billion at August 31, 2022. The following discussion describes the significant changes in the consolidated statements of financial position since August 31, 2022.

Current assets at November 30, 2022 were $529.2 million, up $124.6 million from August 31, 2022.

Cash and cash equivalents increased by $26.0 million from August 31, 2022. Refer to the discussion of cash flows in the next section.

Accounts receivable increased $102.7 million from August 31, 2022. The increase was primarily as a result of an increase in trade accounts receivable. The accounts receivable balance is subject to seasonal trends. Typically, the balance of trade receivables is higher at the end of the first and third quarters and lower at the end of the second and fourth quarters as a result of the broadcast advertising revenue seasonality. The Company carefully monitors the aging and collection performance of its accounts receivable.

Tax credits receivable increased $7.8 million from August 31, 2022 as a result of accruals relating to film productions exceeding tax credit receipts.

Investments and other assets decreased $3.5 million from August 31, 2022, as a result of a $2.5 million decrease in the net asset position of certain post employment benefit plans, a decrease of $0.7 million in fair value of both the foreign exchange forward contracts and the prepayment option on the Notes, as well as a $0.3 million fair value adjustment to venture funds.

Property, plant and equipment decreased $7.4 million from August 31, 2022 as a result of depreciation expense exceeding additions.

Program rights increased $160.8 million from August 31, 2022, as additions of acquired rights of $313.2 million were offset by amortization of $152.4 million.

Film investments increased $7.7 million from August 31, 2022, as film additions (net of tax credit accruals) of $12.0 million were offset by film amortization of $4.3 million.

Intangibles increased $38.5 million from August 31, 2022, as a result of renewals and extensions of several trade mark output agreements of $58.2 million and net additions to other assets of $10.8 million, offset by amortization of $30.5 million. Goodwill remained unchanged since August 31, 2022.

Accounts payable and accrued liabilities increased $191.5 million from August 31, 2022, principally as a result of higher program rights payable, trade accounts payable and other accrued liabilities that include other working capital accruals, trade marks payable, deferred revenue, and increases in software license liabilities, partially offset by short-term compensation accruals.

Provisions, including the long-term portion, decreased $1.3 million from August 31, 2022, principally as a result of restructuring-related payments exceeding additions.

Long-term debt, including the current portion, as at November 30, 2022 was $1,293.5 million compared to $1,261.7 million as at August 31, 2022. As at November 30, 2022, the $18.0 million classified as the current portion of long-term debt consists of interim production financing. During the three months ended November 30, 2022, the Company increased bank debt and interim production financing by $31.1 million and amortized $0.8 million of deferred financing charges.

Other long-term liabilities increased $93.5 million from August 31, 2022, primarily from increases in long-term program rights payable and trade mark liabilities resulting from renewals and extensions of output deals, software license liabilities, unearned revenue, adjustments in the fair value of foreign exchange forward contracts derivative, offset by the reduction of long-term lease liabilities and employee obligations.

Share capital decreased by $0.9 million from August 31, 2022 as a result of 785,000 shares repurchased and cancelled under the NCIB. Contributed surplus increased by $0.9 million as a result of the repurchases under the NCIB and share-based compensation expense.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

Overall, the Company's cash and cash equivalents position increased by $27.6 million for the quarter ended November 30, 2022. Free cash flow(1) for the three months ended November 30, 2022 was $20.8 million, compared to $80.0 million in the same comparable prior year period. The decrease in free cash flow(1) in the first quarter is attributable to a decrease of $14.1 million in cash provided by operating activities and a decrease of $44.8 million in cash from investment activities as the prior year's quarter includes the receipt of a $43.5 million venture fund distribution.

Cash provided by operating activities for the three months ended November 30, 2022 was $24.6 million compared to $38.7 million for the same comparable prior year period. The decrease in the current quarter of $14.1 million arises from lower cash flows from operations of $103.4 million, which is net of an increase in spend on program rights of $64.9 million and film investments of $6.3 million, offset by lower cash used in working capital of $89.3 million.

Cash used in investing activities for the three months ended November 30, 2022 was $3.8 million compared to cash provided by investing activities of $41.0 million in the prior year. The decrease of $44.8 million is primarily due to a venture fund distribution in the prior year of $43.5 million.

Cash provided by financing activities in the three months ended November 30, 2022 was $5.2 million compared to cash used in financing activities of $70.1 million for the same comparable prior year period. The increase in the current quarter of $75.3 million arises principally from additional borrowings of $31.1 million in the current period compared to repayments on bank loans of $48.5 million made in the same comparable prior year period, which was offset by an increase in dividends paid to non-controlling interests of $3.4 million and an increase in share repurchases under the NCIB of $2.0 million.

(1) A definition and reconciliation of free cash flow to the consolidated statements of cash flows is provided in the "*Key Performance Indicators and Non-GAAP Measures*" section of this report

LIQUIDITY

The Company's capital management objectives are to maintain financial flexibility in order to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its shareholders. The Company defines capital as the aggregate of its shareholders' equity and total long-term debt, less cash and cash equivalents.

The Company manages its capital structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, the Company may elect to issue or repay long-term debt, issue shares, repurchase shares through a normal course issuer bid, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances.

The Company monitors capital using several key performance metrics, including: net debt to segment profit ratio and dividend yield. The Company's stated long-term objectives are a leverage target (net debt to segment profit ratio) below 2.5 times and to maintain a dividend yield in excess of 2.5%. In the short-term, the Company may permit the long-term leverage range to be exceeded (for long-term investment opportunities), but endeavours to return to the leverage target range as the Company believes that these objectives provide a reasonable framework for providing a return to shareholders and is supportive of maintaining the Company's credit ratings.

As at November 30, 2022, the Company was in compliance with all loan covenants, had a cash and cash equivalents balance of $80.9 million and had available approximately $270.0 million under the Revolving Facility, $214.1 million of which could be drawn. Management believes that cash flow from operations and the existing Credit Facility will provide the Company with sufficient financial resources to fund its operations for the following 12 months.

On March 18, 2022, the Company's credit agreement with a syndicate of banks was amended and restated. The principal amendments were to extend the maturity on both the Term Facility and Revolving Facility to March 18, 2027 and to eliminate quarterly mandatory repayments and mandatory repayments from the net proceeds from the issue of other debt on the Term Facility. For further details on the Credit Facility, refer to note 5 of the Company's interim condensed consolidated financial statements.

TOTAL CAPITALIZATION

As at November 30, 2022, total capitalization was $2,263.3 million compared to $2,245.1 million at August 31, 2022, an increase of $18.2 million. The increase in total capitalization is principally related to an increase in debt of $31.9 million, a reduction in the accumulated deficit of $18.6 million, an increase in cash and cash equivalents of $26.0 million, offset by a decrease in lease liabilities of $2.7 million.

OFF-BALANCE SHEET ARRANGEMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

On September 28, 2022, the Company entered into a Canadian interest rate swap agreement to fix the interest rate on a portion of its term loan facilities commencing November 30, 2022 (refer to Note 5 of the Company's interim condensed consolidated financial statements for further details).

OUTSTANDING SHARE DATA

(shares/units)	**As at November 30, 2022**	As at August 31, 2022
Shares Outstanding		
Class A Voting Shares	**3,371,526**	3,371,526
Class B Non-Voting Shares [(1)]	**196,068,632**	196,873,632
Stock Options		
Vested	**5,888,175**	4,852,325
Non-vested	**1,641,125**	2,730,775

[(1)] Outstanding shares differ from those reported in the financial statements as financial statements include shares purchased, but not yet cancelled.

KEY PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

In addition to disclosing results in accordance with IFRS as issued by the IASB, the Company also provides non-IFRS or non-GAAP measures as a method of evaluating the Company's performance and to provide a better understanding of how management views the Company's performance. In addition, certain investors, analysts and others utilize these measures in assessing the Company's operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. Certain key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The Company also uses supplementary financial measures to disclose financial measures that are not (a) presented in the financial statements and (b) is, or is intended to be, disclosed periodically to depict the historical or expected future financial performance, financial position or cash flow, that is not a non-GAAP financial measure. The Company has disclosed optimized advertising revenue and new platform revenue as supplementary financial measures as discussed below.

OPTIMIZED ADVERTISING REVENUE

Optimized advertising revenue is calculated as advertising revenue attributable to audience segment selling and to the Cynch automated buying platform expressed as a percentage of Television advertising revenue. The Company believes this is an important measure to enable the Company and investors to evaluate performance on how Television advertising is sold.

(thousands of Canadian dollars, except percentages)	Three months ended November 30, 2022	2021	% change
Optimized advertising revenue (numerator)	**137,676**	104,967	31%
Television advertising revenue (denominator)	**252,513**	285,037	-11%
Optimized advertising revenue percentage	**55%**	37%	

NEW PLATFORM REVENUE

This metric combines subscriber revenue from streaming initiatives and advertising revenue from digital platforms expressed as a percentage of total Television advertising and subscriber revenue. New platform revenue reflects progress on the Company's participation in rapidly growing streaming distribution platforms and digital advertising markets.

(thousands of Canadian dollars, except percentages)	Three months ended November 30, 2022	2021	% change
New platform revenue (numerator)	**39,689**	35,215	13%
Television advertising revenue	**252,513**	285,037	-11%
Television subscriber revenue	**127,515**	127,535	0%
Total Television advertising and subscriber revenue (denominator)	**380,028**	412,572	-8%
New platform revenue percentage	**10%**	9%	

SEGMENT PROFIT AND SEGMENT PROFIT MARGIN

Segment profit is calculated as revenue less direct cost of sales, general and administrative expenses as reported in the Company's consolidated statements of income and comprehensive income. Segment profit and segment profit margin may be calculated and presented for an individual operating segment, a line of business, or for the consolidated Company. The Company believes these are important measures as they allow the Company to evaluate the operating performance of its business segments or lines of business and its ability to service and/or incur debt; therefore, it is calculated before (i) non-cash expenses such as depreciation and amortization; (ii) interest expense; and (iii) items not indicative of the Company's core operating results, and not used in management's evaluation of the business segment's performance, such as: goodwill and broadcast licence impairment; significant intangible and other asset impairment; debt refinancing; non-cash gains or losses; restructuring and other costs; gain (loss) on dispositions; and certain other income and expenses as included in note 9 to the interim condensed consolidated financial statements. Segment profit is also one of the measures used by the investing community to value the Company and is included in note 11 to the interim condensed consolidated financial statements. Segment profit margin is calculated by dividing segment profit by revenue. Segment profit and segment profit margin do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Segment profit and segment profit margin should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by the IASB.

(thousands of Canadian dollars, except percentages)	Three months ended November 30, 2022	2021
Revenue	**431,191**	463,873
Direct cost of sales, general and administrative expenses	**299,499**	286,703
Segment profit	**131,692**	177,170
Segment profit margin	**31%**	38%

FREE CASH FLOW

Free cash flow is calculated as cash provided by operating activities less cash used in investing activities, as reported in the consolidated statements of cash flows, and then adding back cash used specifically for business combinations and strategic investments and deducting net proceeds from dispositions. Free cash flow is a key metric used by the investing community that measures the Company's ability to repay debt, finance strategic business acquisitions and investments, pay dividends, and repurchase shares. Free cash flow does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Free cash flow should not be considered in isolation or as a substitute for cash flows prepared in accordance with IFRS.

	Three months ended	
		November 30,
(thousands of Canadian dollars)	**2022**	2021
Cash provided by (used in):		
Operating activities	**24,591**	38,703
Investing activities	**(3,781)**	41,005
	20,810	79,708
Add: cash used in business acquisitions and strategic investments[1]	**—**	279
Free cash flow	**20,810**	79,987

[1] Strategic investments are comprised of investments in venture funds and associated companies.

ADJUSTED NET INCOME AND ADJUSTED BASIC EARNINGS PER SHARE

Management uses adjusted net income and adjusted basic earnings per share as a measure of enterprise-wide performance. Adjusted net income and adjusted basic earnings per share are defined as net income and basic earnings per share before items such as: non-recurring gains or losses related to dispositions of investments; costs of debt refinancing; non-cash impairment charges; and business acquisition and restructuring costs. Management believes that adjusted net income attributable to shareholders and adjusted basic earnings per share are useful measures that facilitate period-to-period operating comparisons. Adjusted net income attributable to shareholders and adjusted basic earnings per share do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Adjusted net income attributable to shareholders and adjusted basic earnings per share should not be considered in isolation or as a substitute for net income or basic earnings per share attributable to shareholders prepared in accordance with IFRS as issued by the IASB.

	Three months ended	
		November 30,
(thousands of Canadian dollars, except per share amounts)	**2022**	2021
Net income attributable to shareholders	**31,387**	76,165
Adjustments, net of income tax:		
Restructuring and other costs	**2,079**	766
Adjusted net income attributable to shareholders	**33,466**	76,931
Basic earnings per share	**$0.16**	$0.37
Adjustments, net of income tax:		
Restructuring and other costs	**$0.01**	$ —
Adjusted basic earnings per share	**$0.17**	$0.37

NET DEBT AND NET DEBT TO SEGMENT PROFIT

Net debt is calculated as long-term debt plus lease liabilities, less cash and cash equivalents as reported in the consolidated statements of financial position. Net debt to segment profit is calculated as net debt divided by segment profit for the most recent four quarters. Net debt is an important measure as it reflects the principal amount of debt owing by the Company as at a particular date. Net debt to segment profit is an important measure of the Company's liquidity. Net debt and net debt to segment profit do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies.

(thousands of Canadian dollars)	**As at November 30, 2022**	As at August 31, 2022
Total debt, net of unamortized financing fees and prepayment options	**1,293,544**	1,261,650
Lease liabilities	**131,620**	134,369
Cash and cash equivalents	**(80,912)**	(54,912)
Net debt	**1,344,252**	1,341,107
Net debt (numerator)	**1,344,252**	1,341,107
Segment profit (denominator) [1]	**398,165**	443,643
Net debt to segment profit	**3.38**	3.02

[1] Reflects aggregate amounts for the most recent four quarters, as detailed in the table in the "Quarterly Consolidated Financial Information" section.

RISKS AND UNCERTAINTIES

Significant risks and uncertainties affecting the Company and its business are discussed under the heading "Risks and Uncertainties" and "Seasonal Fluctuations" in the 2022 MD&A, as filed at www.sedar.com on October 24, 2022.

As discussed further in the 2022 MD&A, the Company's operating performance is affected by general Canadian and worldwide economic conditions. Changes or volatility in domestic or international economic conditions, economic uncertainty or geopolitical conflict and tensions, including current ongoing factors that can create or exacerbate recessionary conditions, may affect discretionary consumer and business spending, including on advertising and marketing, resulting in changes to demand for Corus' product and services offerings. In addition, the continued elevated consumer price index inflation also affects the Company's business, operations and financial performance through disruption to supply chains, increased costs of programming, services and labour or disruption to availability of labour, reduced advertising demand or spending, or lower demand for the Company's products and services, all of which may lead to decreased revenue or profitability.

Other financial risks which may be related to or elevated by the foregoing include leverage risk related to the Company's financial covenants and debt servicing payments, requirements and compliance under its credit facility, and impacts thereof; the volatility of the market price for the Company's Class B Non-Voting Shares, which can be impacted by factors beyond the Company's control and which can decline even if the Company's operating results, underlying asset values or prospects have not changed; and risks related to the payment, amount or timing of dividends. Please see the 2022 MD&A for a full discussion of these and other risks and uncertainties.

OUTLOOK

Given the continuing uncertain economic conditions, risks and uncertainties described above and in the 2022 MD&A, the Company currently expects to continue to be impacted by industry trends in advertising spending in media. At the current time, the Company also expects to see some sequential improvement in the calendar year in the rate of decline in television advertising revenue given macroeconomic and industry factors appear to be stabilizing. However, the Company expects that the softness in Television advertising revenue discussed in the prior quarter will continue to persist to some degree in fiscal 2023.

While the Company's financial priorities remain unchanged, in light of the foregoing as well as considering the continuing low visibility into the macroeconomic environment, in addition to continuing to take rigorous cost reduction measures, the Company believes it is prudent to conserve cash out of an abundance of caution. As such, the Company will not renew its share buyback program when it expires on January 16, 2023. In addition, consistent with this approach, the Company's Board of Directors has decided to defer its decision on the declaration of the March dividend at this time. The outside date for a decision on the declaration of a March dividend is March 15, 2023. The Company will also use this opportunity to consider the alignment of dividend declaration and payment dates. The Company understands the importance of the dividend to its shareholders and remains committed to its long-term dividend philosophy.

IMPACT OF NEW ACCOUNTING POLICIES

The IASB continues to issue new and revised IFRS. A listing of the recent accounting pronouncements promulgated by the IASB and not yet adopted by the Company is included in note 3 in the Company's November 30, 2022 unaudited interim condensed consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2023

The Company has adopted new amendments to the following accounting standards effective for its interim and annual consolidated financial statements commencing September 1, 2022. The effects of these pronouncements on the Company's results and operations are described below.

IFRS 3 – *Business Combinations ("IFRS 3")*

Amendments to IFRS 3 were issued in May 2020, and are effective on or after January 1, 2022, with earlier application permitted. The amendments update references within IFRS 3 to the 2018 Conceptual Framework and require that the principles in IAS 27 - *Provisions, Contingent Liabilities and Contingent Assets* be used to identify liabilities and contingent assets arising from business combinations. The Company has concluded that there is no impact of adopting these amendments on its consolidated financial statements.

IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")*

Amendments to IAS 37 were issued in May 2020, and are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The amendments address identifying onerous contracts and specify the cost of fulfilling a contract which includes all costs directly related to the contract. These include incremental direct costs and allocations of other costs that relate directly to fulfilling the contract. The Company has concluded that there is no impact of adopting these amendments on its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS. For details of the Company's significant accounting policies under IFRS, refer to Note 3 of the Company's unaudited interim condensed consolidated financial statements for the three months ended November 30, 2022 and the Company's annual consolidated financial statements for the year ended August 31, 2022. For details of the Company's critical accounting estimates and assumptions under IFRS, refer to Management's Discussion and Analysis in its 2022 Annual Report.

CONTROLS AND PROCEDURES

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred in the first quarter ended November 30, 2022 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting.

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at November 30, 2022	As at August 31, 2022
ASSETS		
Current		
Cash and cash equivalents	**80,912**	54,912
Accounts receivable	**413,734**	311,015
Income taxes recoverable	**5,077**	17,180
Prepaid expenses and other assets	**29,436**	21,423
Total current assets	**529,159**	404,530
Tax credits receivable	**40,512**	32,744
Investments and other assets (note 4)	**60,467**	63,931
Property, plant and equipment	**286,634**	294,026
Program rights	**821,498**	660,722
Film investments	**66,784**	59,122
Intangibles	**1,659,324**	1,620,796
Goodwill	**316,308**	316,308
Deferred income tax assets	**48,906**	50,301
	3,829,592	3,502,480
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**718,396**	526,899
Current portion of long-term debt (note 5)	**18,004**	15,574
Provisions	**6,808**	8,540
Total current liabilities	**743,208**	551,013
Long-term debt (note 5)	**1,275,540**	1,246,076
Other long-term liabilities	**470,068**	376,570
Provisions	**10,269**	9,830
Deferred income tax liabilities	**411,457**	415,010
Total liabilities	**2,910,542**	2,598,499
EQUITY		
Share capital (note 6)	**781,052**	781,918
Contributed surplus	**1,512,362**	1,511,481
Accumulated deficit	**(1,555,745)**	(1,574,358)
Accumulated other comprehensive income	**32,521**	33,000
Total equity attributable to shareholders	**770,190**	752,041
Equity attributable to non-controlling interests	**148,860**	151,940
Total equity	**919,050**	903,981
	3,829,592	3,502,480

See accompanying notes

CORUS ENTERTAINMENT INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited - in thousands of Canadian dollars, except per share amounts)	Three months ended November 30, 2022	2021
Revenue	**431,191**	463,873
Direct cost of sales, general and administrative expenses (note 7)	**299,499**	286,703
Depreciation and amortization	**40,134**	37,381
Interest expense (note 8)	**34,372**	25,522
Restructuring and other costs	**2,829**	1,043
Other expense, net (notes 4 and 9)	**7,046**	3,137
Income before income taxes	**47,311**	110,087
Income tax expense (note 10)	**12,713**	29,158
Net income for the period	**34,598**	80,929
Other comprehensive income (loss), net of income taxes:		
Items that may be reclassified subsequently to income:		
Unrealized change in fair value of cash flow hedges (note 5)	**(1,042)**	1,986
Unrealized foreign currency translation adjustment	**886**	257
	(156)	2,243
Items that will not be reclassified to income:		
Unrealized change in fair value of financial assets	**(323)**	13,580
Actuarial loss on post-retirement benefit plans	**(942)**	(668)
	(1,265)	12,912
Other comprehensive income (loss), net of income taxes	**(1,421)**	15,155
Comprehensive income for the period	**33,177**	96,084
Net income attributable to:		
Shareholders	**31,387**	76,165
Non-controlling interests	**3,211**	4,764
	34,598	80,929
Comprehensive income attributable to:		
Shareholders	**29,966**	91,320
Non-controlling interests	**3,211**	4,764
	33,177	96,084
Earnings per share attributable to shareholders:		
Basic	**$0.16**	$0.37
Diluted	**$0.16**	$0.36

See accompanying notes

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(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, 2022	781,918	1,511,481	(1,574,358)	33,000	752,041	151,940	903,981
Comprehensive income (loss)	—	—	31,387	(1,421)	29,966	3,211	33,177
Dividends declared	—	—	(11,538)	—	(11,538)	(6,363)	(17,901)
Change in fair value of put option liability	—	—	(294)	—	(294)	72	(222)
Shares repurchased under normal course issuer bid ("NCIB") (note 6)	(3,089)	1,119	—	—	(1,970)	—	(1,970)
Reversal of automatic share purchase commitment (note 6)	2,223	(504)	—	—	1,719	—	1,719
Actuarial loss on post-retirement benefit plans	—	—	(942)	942	—	—	—
Share-based compensation expense	—	266	—	—	266	—	266
As at November 30, 2022	**781,052**	**1,512,362**	**(1,555,745)**	**32,521**	**770,190**	**148,860**	**919,050**

(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, 2021	816,189	1,512,431	(1,282,897)	21,811	1,067,534	152,829	1,220,363
Comprehensive income	—	—	76,165	15,155	91,320	4,764	96,084
Dividends declared	—	—	(12,497)	—	(12,497)	(2,925)	(15,422)
Actuarial loss on post-retirement benefit plans	—	—	(668)	668	—	—	—
Share-based compensation expense	—	294	—	—	294	—	294
Equity funding by a non-controlling interest	—	—	—	—	—	1,976	1,976
As at November 30, 2021	816,189	1,512,725	(1,219,897)	37,634	1,146,651	156,644	1,303,295

See accompanying notes

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended November 30, 2022	2021
OPERATING ACTIVITIES		
Net income for the period	**34,598**	80,929
Adjustments to reconcile net income to cash flow from operations:		
Amortization of program rights (note 7)	**152,389**	142,192
Amortization of film investments (note 7)	**4,275**	3,611
Depreciation and amortization	**40,134**	37,381
Deferred income tax recovery	**(4,984)**	(42)
Share-based compensation expense	**266**	294
Imputed interest (note 8)	**16,177**	11,271
Payment of program rights	**(159,115)**	(94,171)
Net spend on film investments	**(21,584)**	(15,265)
Other	**632**	(2)
Cash flow from operations	**62,788**	166,198
Net change in non-cash working capital balances related to operations	**(38,197)**	(127,495)
Cash provided by operating activities	**24,591**	38,703
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(2,947)**	(1,876)
Proceeds from sale of property	**93**	25
Venture fund distribution (note 4)	**—**	43,478
Net cash flows for intangibles, investments and other assets	**(927)**	(622)
Cash provided by (used in) investing activities	**(3,781)**	41,005
FINANCING ACTIVITIES		
Increase (decrease) in bank loans	**31,057**	(48,533)
Share repurchase under NCIB	**(2,045)**	—
Payment of lease liabilities	**(4,375)**	(4,015)
Dividends paid	**(12,003)**	(12,497)
Dividends paid to non-controlling interests	**(6,363)**	(2,925)
Other	**(1,081)**	(2,111)
Cash provided by (used in) financing activities	**5,190**	(70,081)
Net change in cash and cash equivalents during the period	**26,000**	9,627
Cash and cash equivalents, beginning of the period	**54,912**	43,685
Cash and cash equivalents, end of the period	**80,912**	53,312

Supplemental cash flow disclosures (note 12)

See accompanying notes

CORUS ENTERTAINMENT INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
November 30, 2022
(in thousands of Canadian dollars, except per share information)

1. CORPORATE INFORMATION

Corus Entertainment Inc. (the "Company" or "Corus") is a diversified Canadian media and content company. The Company is incorporated under the *Canada Business Corporations Act* and its Class B Non-Voting Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol CJR.B.

The Company's registered office is at 1500, 850 – 2nd Street SW, Calgary, Alberta, T2P 0R8. The Company's executive office is at Corus Quay, 25 Dockside Drive, Toronto, Ontario, M5A 0B5.

These interim condensed consolidated financial statements include the accounts of the Company and all its subsidiaries and joint ventures. The Company's principal business activities are: the operation of specialty television networks, conventional television stations and streaming services; the operation of radio stations; and the Corus content business, which consists of the production and distribution of films and television programs, merchandise licensing, book publishing and the production and distribution of animation software.

2. STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in the preparation of these interim condensed consolidated financial statements conform with those in the Company's audited annual consolidated financial statements for the year ended August 31, 2022, except as described in note 3. These interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements and, accordingly, should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2022, which are available at www.sedar.com and on the Company's website at www.corusent.com.

These interim condensed consolidated financial statements of the Company for the three months ended November 30, 2022 were authorized for issue in accordance with a resolution of the Company's Board of Directors on January 12, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The interim condensed consolidated financial statements have been prepared on a cost basis, except for derivative financial instruments and investments in venture funds, which have been measured at fair value. The interim condensed consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency, and all values are rounded to the nearest thousand, except where otherwise noted. Each entity consolidated by the Company determines its own functional currency based on the primary economic environment in which the entity operates.

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2023

The Company has adopted new amendments to the following accounting standards effective for its interim and annual consolidated financial statements commencing September 1, 2022.

The effects of these pronouncements on the Company's consolidated results and operations are described below:

IFRS 3 – *Business Combinations ("IFRS 3")*

Amendments to IFRS 3 were issued in May 2020, and are effective on or after January 1, 2022, with earlier application permitted. The amendments update references within IFRS 3 to the 2018 Conceptual Framework and require that the principles in IAS 27 - *Provisions, Contingent Liabilities and Contingent Assets* be used to identify liabilities and contingent assets arising from business combinations. The Company has concluded that there is no impact of adopting these amendments on its consolidated financial statements.

(in thousands of Canadian dollars, except per share information)

IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")*

Amendments to IAS 37 were issued in May 2020, and are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The amendments address identifying onerous contracts and specify the cost of fulfilling a contract which includes all costs directly related to the contract. These include incremental direct costs and allocations of other costs that relate directly to fulfilling the contract. The Company has concluded that there is no impact of adopting these amendments on its consolidated financial statements.

PENDING ACCOUNTING CHANGES

IAS 1 – Presentation of Financial Statements ("IAS 1")

In January 2020, the IASB issued an amendment to IAS 1, which affects only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")*

Amendments to IAS 8 were issued in February 2021, IASB issued Definition of Accounting Estimates, which amends IAS 8. The amendment replaces the definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

IAS 12 – *Income Taxes ("IAS 12")*

Amendments to IAS 12 were issued in May 2021, IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amends IAS 12. The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offset temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

4. INVESTMENTS AND OTHER ASSETS

	Investment in Venture Funds	Other assets	Total
Balance – August 31, 2021	61,320	37,347	98,667
Net decrease	(30,458)	(4,278)	(34,736)
Balance – August 31, 2022	30,862	33,069	63,931
Net decrease	(346)	(3,118)	(3,464)
Balance – November 30, 2022	**30,516**	**29,951**	**60,467**

In the first quarter of fiscal 2023, the other assets include foreign exchange foward contracts of $2.5 million and the prepayment option assets on the 5.0% Senior Unsecured Notes of $500.0 million due 2028 (the "2028 Notes") and the 6.0% Senior Unsecured Notes of $250.0 million due 2030 (the "2030 Notes", together with the 2028 Notes collectively referred to hereafter as the "Notes") of $0.7 million. These items are fair valued through profit and loss.

(in thousands of Canadian dollars, except per share information)

In the first quarter of fiscal 2022, the Company received a return of capital of $43.5 million (USD $34.5 million) from a venture fund investment representing the Company's pro-rata share of the distribution. This resulted in a $13.8 million gain, net of income tax, recognized through other comprehensive income (loss).

5. LONG-TERM DEBT

	November 30, 2022	August 31, 2022
Senior unsecured notes	**750,000**	750,000
Bank loans	**534,534**	505,577
Interim production financing	**18,004**	15,574
Unamortized financing fees and prepayment options	**(8,994)**	(9,501)
	1,293,544	1,261,650
Less: current portion of long-term debt [(1)]	**(18,004)**	(15,574)
	1,275,540	1,246,076

[(1)] This relates to interim production financings.

Interest rates on the bank loans under the Amended and Restated Credit Agreement dated March 18, 2022 (the "Credit Facility") fluctuate with Canadian bankers' acceptances. As at November 30, 2022, the weighted average interest rate on the Credit Facility outstanding bank loans and Notes was 5.9% (November 30, 2021 – 4.2%). Interest on the Credit Facility bank loans and Notes for the three months ended November 30, 2022 was 5.6% (November 30, 2021 – 4.1%).

Amounts drawn under the interim production financing facility bear interest at the prime rate plus an applicable margin. As at November 30, 2022, interest rates ranged from 6.70% to 6.95% (November 30, 2021 – nil) on these loans. The financial institutions hold, as security, a first ranking charge on the assets and undertakings, including receivables, of the productions.

The banks hold, as collateral, a first ranking charge on all assets and undertakings of Corus and certain of Corus' subsidiaries as designated under the Credit Facility, as amended from time to time. Under the Credit Facility, the Company has undertaken to comply with financial covenants regarding a minimum interest coverage ratio and a maximum debt to cash flow ratio. Management has determined that the Company was in compliance with the covenants provided under the Credit Facility as at November 30, 2022.

CREDIT FACILITIES AND SENIOR UNSECURED NOTES

The carrying value of the debt is accreted using the effective interest rate method over the remaining term of the Credit Facility or the Senior Unsecured Notes with the accretion recognized within interest expense on the interim condensed consolidated statements of income and comprehensive income.

Senior Unsecured Notes

The Notes are senior unsecured obligations guaranteed by certain of the Company's subsidiaries and contain covenants that limit the Company's ability to incur additional debt, make certain restricted payments and investments, create liens, enter into transactions with affiliates, and consolidate, merge, transfer or sell all or substantially all of its property and assets. Interest on the Notes is paid semi-annually.

At any time prior to May 11, 2024 (first optional early redemption date for the 2028 Notes), the Company may redeem all or part of the 2028 Notes at a make-whole price determined by discounting the future interest and early redemption payments to the first optional early redemption date with reference to prevailing market Government of Canada rates plus 1%, but in any case at a redemption price that is no less than 101% of the principal amount of the 2028 Notes being redeemed, plus accrued and unpaid interest to the date of redemption. On or after May 11, 2024, the Company may redeem all or part of the 2028 Notes at the redemption price of 102.5% to May 11, 2025, 101.25% to May 11, 2026 and 100% thereafter, plus accrued and unpaid interest to the date of redemption.

At any time prior to February 28, 2025 (first optional early redemption date for the 2030 Notes), the Company may redeem all or part of the 2030 Notes at a make-whole price determined by discounting the future interest and early redemption payments to the first optional early redemption date with reference to prevailing market Government of Canada rates plus 1%, but in any case at a redemption price that is no less than 101% of the principal amount of the 2030 Notes being redeemed, plus accrued and unpaid interest to the date of redemption. On or after February 28, 2025, the Company may redeem all or part of the 2030 Notes at the redemption price of 103% to February 28, 2026, 101.5% to February 28, 2027 and 100% thereafter, plus accrued and unpaid interest to the date of redemption.

The prepayment options associated with the Notes were fair valued at the time of debt issuance. The initial value of the prepayment options related to the Notes was a $9.6 million increase to indebtedness. This liability has been subsequently amortized using the effective interest rate method and as at November 30, 2022 was $8.3 million.

Term Facility

On March 18, 2022, the Credit Facility was amended and restated. The principal amendments were to extend the maturity on both the Term Facility and the Revolving Facility to March 18, 2027 and to eliminate quarterly mandatory repayments and mandatory repayments from the net proceeds from the issue of other debt on the Term Facility.

As at November 30, 2022, the Term Facility balance was $504.5 million with a maturity date of March 18, 2027. Advances under the Term Facility may be outstanding in the form of either prime loans or bankers' acceptances and bear interest at the applicable reference rate plus an applicable margin depending on the type of advance and Corus' total debt to cash flow ratio.

Voluntary prepayments on the amount outstanding under the Term Facility are permitted at any time without penalty, subject to payment of customary breakage costs, if applicable, and provided that advances in the form of bankers' acceptances may only be paid on their maturity.

Revolving Facility

With the amendment and restatement of the Credit Facility effective March 18, 2022, the maturity was extended to March 18, 2027. The Revolving Facility is available on a revolving basis to finance permitted acquisitions and capital expenditures and for general corporate purposes. Amounts owing under the Revolving Facility will be payable in full at maturity. The Revolving Facility permits full or partial cancellation of the facility and, if applicable, concurrent prepayment of the amounts drawn thereunder at any time without penalty, subject to payment of customary breakage costs, if applicable, and provided that advances in the form of bankers' acceptances may only be paid on their maturity.

Advances under the Revolving Facility may be drawn in Canadian dollars as either a prime rate loan, bankers' acceptance or Canadian dollar denominated letters of credit (to a sub-limit of $50.0 million total), or in U.S. dollars as either a base rate loan, SOFR advance or U.S. dollar denominated letters of credit (to a sub-limit of $50.0 million total). Amounts drawn under the Revolving Facility will bear interest at the applicable reference rate plus an applicable margin depending on the type of advance and Corus' total debt to cash flow ratio. A standby fee will also be payable on the unutilized amount of the Revolving Facility. As at November 30, 2022, the Revolving Facility balance was $30.0 million with an available $214.1 million that could be drawn.

Interim Production Financing

A non-wholly owned subsidiary of Corus has incurred revolving demand loans with certain financial institutions as interim financing for film or television productions. As at November 30, 2022, four interim financing agreements for television productions are drawn in the total amount of $18.0 million.

INTEREST RATE SWAP AGREEMENTS

On September 28, 2022, the Company entered into a Canadian interest rate swap agreement to fix the interest rate at 3.818%, plus applicable margins on $250.0 million of its outstanding Term Facility, which commenced on November 30, 2022 and expires on February 26, 2027. The counterparties of the swap agreement are highly rated financial institutions and the Company does not anticipate any non-performance. The fair value of Level 2 financial instruments, such as interest rate swap agreements, is calculated by way of discounted cash flows, using market interest rates and applicable credit spreads. The Company had assessed that there was no ineffectiveness in the hedge of its interest rate exposure. As an effective hedge, unrealized gains or losses on the interest rate swap agreement were recognized in other comprehensive income. The estimated fair value of these agreements as at November 30, 2022 was a liability of $1.4 million (August 31, 2022 – $nil). The effectiveness of the hedging relationship was reviewed on a quarterly basis.

TOTAL RETURN SWAPS

The Company had total return swap agreements on 3,597,500 share units to offset its exposure to changes in the fair value of certain cash settled share-based compensation awards. The estimated fair value of these Level 1 financial instruments will fluctuate with the market price of the Company's shares. The counterparties of these swap agreements are highly rated financial institutions and the Company does not anticipate any non-performance. The estimated fair value of these agreements as at November 30, 2022 was a liability of $9.0 million (August 31, 2022 – liability of $4.0 million), of which $4.6 million has been recorded in the interim condensed consolidated statements of financial position as a short-term liability and $4.4 million as a long-term liability. For the three months ended November 30, 2022, $5.0 million (November 30, 2021 – $4.5 million) was recorded as employee costs in the interim condensed consolidated statements of income and comprehensive income (note 7).

On December 8, 2022, 1,891,500 shares under a total return swap were settled at a cost of $4.7 million.

FORWARD CONTRACTS

All foreign exchange forward contracts fix the foreign exchange rate and cash flows related to a portion of the Company's U.S. dollar denominated liabilities. As at November 30, 2022, the total amount of foreign exchange forward contracts outstanding was $67.5 million U.S. dollars. The forward contracts are not designated as hedges for accounting purposes; they are measured at fair value at each reporting date. The counterparty of the forward contracts is a highly rated financial institution and the Company does not anticipate any non-performance. The estimated fair values of future cash flow of the U.S. dollar forward contract derivatives change with fluctuations in the foreign exchange rate of U.S. dollars to Canadian dollars. The estimated fair value of these agreements as at November 30, 2022 was an asset of $2.5 million (August 31, 2022 – asset of $1.6 million), which has been recorded in the interim condensed consolidated statements of financial position as investments and other assets, and within other expense, net (note 9) in the interim condensed consolidated statements of income and comprehensive income.

6. SHARE CAPITAL

AUTHORIZED

The Company is authorized to issue, upon approval of holders of no less than two-thirds of the existing Class A shares, an unlimited number of Class A participating shares ("Class A Voting Shares"), as well as an unlimited number of Class B non-voting participating shares ("Class B Non-Voting Shares"), Class A Preferred Shares, and Class 1 and Class 2 Preferred Shares.

	Class A Voting Shares		Class B Non-Voting Shares		Total
	#	$	#	$	$
Balance – August 31, 2022	3,371,526	9,326	196,288,632	772,592	781,918
Shares repurchased under NCIB	—	—	(785,000)	(3,089)	(3,089)
Reversal of automatic share purchase commitment	—	—	565,000	2,223	2,223
Balance – November 30, 2022	**3,371,526**	**9,326**	**196,068,632**	**771,726**	**781,052**

EARNINGS PER SHARE

The following is a reconciliation of the numerator and denominator (in thousands) used for the computation of the basic and diluted earnings per share amounts:

(in thousands of Canadian dollars, except per share information)

	Three months ended **November 30,**	
	2022	2021
Net income attributable to shareholders (numerator)	**31,387**	76,165
Weighted average number of shares outstanding (denominator)		
Weighted average number of shares outstanding – basic	**199,704**	208,367
Effect of dilutive securities	**—**	640
Weighted average number of shares outstanding – diluted	**199,704**	209,007

The calculation of diluted earnings per share for the three months ended November 30, 2022 excluded 7,557 (November 30, 2021 – 3,935) weighted average Class B Non-Voting Shares issuable under the Company's Stock Option Plan because these options were not "in-the-money".

DIVIDENDS

On October 21, 2022, the Company declared quarterly dividends of $0.05875 and $0.06 per share payable December 29, 2022 to holders of its Class A Voting and Class B Non-Voting Shares, respectively.

SHARE-BASED COMPENSATION

Share-based compensation recorded for the first quarter of fiscal 2023 in respect of the Performance Share Units, Deferred Share Units and Restricted Share Units plans was income of $777 (2022 – expense of $2,250). As at November 30, 2022, the carrying value of the liability for these plans was $9,645 (August 31, 2022 – $16,949).

NORMAL COURSE ISSUER BID ("NCIB")

On January 13, 2022, the Company announced that the TSX had accepted the notice filed by the Company for the renewal of an NCIB for its Class B Non-Voting Shares through the facilities of the TSX, and/or other alternative Canadian trading systems. The Company may purchase for cancellation a maximum of 9,669,705 Class B Non-Voting Shares during the period from January 17, 2022 through January 16, 2023.

On August 9, 2022, the Company announced that the TSX had accepted the notice filed by the Company to amend its NCIB for its Class B Non-Voting Shares. The principle amendment increases the maximum number of Class B Non-Voting Shares that may be repurchased from 9,669,705 Class B Non-Voting Shares to 19,339,410 Class B Non-Voting Shares.

The shares purchased for cancellation are as follows:

			Average per share
	#	**$**	**$**
January 2022	300,000	1,480	4.93
February 2022	949,600	4,878	5.14
March 2022	395,000	1,967	4.98
April 2022	500,000	2,275	4.55
May 2022	3,223,000	13,379	4.15
June 2022	1,454,600	5,882	4.04
July 2022	874,700	3,184	3.64
August 2022	445,000	1,721	3.87
Fiscal 2022	8,141,900	34,766	4.27

(in thousands of Canadian dollars, except per share information)

	#	$	Average per share $
September 2022 [(1)]	435,000	1,163	2.67
October 2022	350,000	807	2.31
Fiscal 2023	785,000	1,970	2.51

[(1)] Amount does not include the reversal of automatic share purchase commitment from August 31, 2022 of 565,000 shares at $1.7 million, net of 435,000 shares purchased at $1.2 million.

7. DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended **November 30,**	
	2022	2021
Direct cost of sales		
Amortization of program rights	**152,389**	142,192
Amortization of film investments	**4,275**	3,611
Other cost of sales	**10,747**	9,838
General and administrative expenses		
Employee costs	**80,134**	82,992
Other general and administrative	**51,954**	48,070
	299,499	286,703

8. INTEREST EXPENSE

	Three months ended **November 30,**	
	2022	2021
Interest on long-term debt (note 5)	**17,658**	13,846
Imputed interest on long-term liabilities	**16,177**	11,271
Other	**537**	405
	34,372	25,522

9. OTHER EXPENSE, NET

	Three months ended **November 30,**	
	2022	2021
Foreign exchange loss (note 5)	**4,897**	3,599
Equity gain of associates	**(6)**	(34)
Fair value loss on Notes prepayment options	**1,605**	—
Other expense (income)	**550**	(428)
	7,046	3,137

(in thousands of Canadian dollars, except per share information)

10. INCOME TAXES

The reconciliation of income taxes attributable to operations computed at the statutory rates to income tax expense is as follows:

	Three months ended			
	November 30,			
	2022		2021	
	$	**%**	$	%
Income tax at combined federal and provincial rates	**12,408**	**26.2**	28,989	26.3
Income subject to tax at less than statutory rates	**(11)**	**—**	(23)	—
Non-taxable portion of capital gains	**—**	**—**	(4)	—
Impact of valuation allowance recorded against future income tax assets	**—**	**—**	40	—
Transaction costs	**(9)**	**—**	(14)	—
Increase of various tax reserves	**39**	**—**	42	—
Miscellaneous differences	**286**	**0.6**	128	0.1
	12,713	**26.8**	29,158	26.4

11. BUSINESS SEGMENT INFORMATION

The Company's business activities are conducted through two segments: Television and Radio.

TELEVISION

The Television segment comprises 33 specialty television networks, 15 conventional television stations, streaming services, a social media digital agency, a social media creator network, and the Corus content business, which includes the production and distribution of films and television programs, merchandise licensing, book publishing, animation software, and technology and media services. Revenue is generated from advertising, subscribers and the licensing of proprietary films and television programs, merchandise licensing, book publishing, animation software, and technology and media service sales.

RADIO

The Radio segment comprises 39 radio stations, situated primarily in urban centres in English Canada, with a concentration in the densely populated area of Southern Ontario. Revenue is derived from advertising aired over these stations.

CORPORATE

Corporate results represent the incremental cost of corporate overhead in excess of the amount allocated to the other operating segments.

Management evaluates each segment's performance based on revenue less direct cost of sales, general and administrative expenses. Segment profit (loss) excludes depreciation and amortization, interest expense, debt refinancing costs, restructuring and other costs, impairments, gains or losses on dispositions, and certain other income and expenses.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies of the most recent annual audited consolidated financial statements, except as described in note 3.

(in thousands of Canadian dollars, except per share information)

REVENUE AND SEGMENT PROFIT

Three months ended November 30, 2022	**Television**	**Radio**	**Corporate**	**Consolidated**
Revenue	**401,529**	**29,662**	**—**	**431,191**
Direct cost of sales, general and administrative expenses	**269,770**	**23,640**	**6,089**	**299,499**
Segment profit (loss)	**131,759**	**6,022**	**(6,089)**	**131,692**
Depreciation and amortization				**40,134**
Interest expense				**34,372**
Restructuring and other costs				**2,829**
Other expense, net				**7,046**
Income before income taxes				**47,311**

Three months ended November 30, 2021	Television	Radio	Corporate	Consolidated
Revenue	434,747	29,126	—	463,873
Direct cost of sales, general and administrative expenses	255,861	23,380	7,462	286,703
Segment profit (loss)	178,886	5,746	(7,462)	177,170
Depreciation and amortization				37,381
Interest expense				25,522
Restructuring and other costs				1,043
Other expense, net				3,137
Income before income taxes				110,087

Revenue is derived from the following areas:

	Three months ended	
		November 30,
	2022	2021
Advertising	**280,767**	312,774
Subscriber	**127,515**	127,535
Distribution, production and other	**22,909**	23,564
	431,191	463,873

12. CONSOLIDATED STATEMENTS OF CASH FLOWS

Interest paid, interest received and income taxes paid and classified as operating activities are as follows:

	Three months ended	
		November 30,
	2022	2021
Interest paid	**20,575**	20,581
Interest received	**429**	16
Income taxes paid	**257**	15,011