report to shareholders

Third Quarter 2023

For the Three and Nine Months Ended May 31, 2023
(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 May 31,		Nine months ended May 31,	
	2023	2022	**2023**	2022
Revenue				
Television	**371,159**	404,130	**1,094,236**	1,178,538
Radio	**26,176**	29,328	**78,161**	80,454
	397,335	433,458	**1,172,397**	1,258,992
Segment profit (loss) [1]				
Television	**96,028**	127,518	**290,806**	399,127
Radio	**4,112**	5,667	**10,484**	11,538
Corporate	**(3,235)**	(9,457)	**(13,558)**	(23,211)
	96,905	123,728	**287,732**	387,454
Segment profit margin [1]				
Television	**26%**	32%	**27%**	34%
Radio	**16%**	19%	**13%**	14%
Consolidated	**24%**	29%	**25%**	31%
Net income (loss) attributable to shareholders	**(495,073)**	29,621	**(479,136)**	122,007
Adjusted net income attributable to shareholders [1]	**18,042**	30,159	**37,628**	124,054
Basic earnings (loss) per share	**($2.48)**	$0.14	**($2.40)**	$0.59
Adjusted basic earnings per share [1]	**$0.09**	$0.15	**$0.19**	$0.60
Diluted earnings (loss) per share	**($2.48)**	$0.14	**($2.40)**	$0.59
Free cash flow [1]	**25,979**	27,468	**75,186**	194,872

[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 earnings 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 below.

BUSINESS HIGHLIGHTS

Multi-Platform Video Business

- **Global TV announced its 2023/24 primetime lineup of new acquisitions and returns of major hit series.** Global TV's 2023/24 roster will deliver 17 hours of simulcast programming in primetime for 2023/24. Early Fall features the return of *Survivor* for Season 45 and *I Can See Your Voice* alongside new Global Original drama *Robyn Hood*. Global's 2023/24 season welcomes back popular franchises *FBI* and *NCIS,* along with *So Help Me Todd, Fire Country, Abbott Elementary* and *Ghosts,* and introduces new dramas *Matlock*, *Elsbeth*, and *Doc*, and new comedy *Poppa's House*.
- **Specialty portfolio and streaming platforms announced 2023/24 series lineup.** Corus' specialty drama networks and STACKTV will feature new Peacock Originals *Ted, Based on a True Story* and *Apples Never Fall*, and returning seasons of *Bel Air, Dr. Death,* and more. Corus' unscripted and reality networks, and STACKTV will see the return of *The Real Housewives of New York City, Fixer Upper: The Hotel,* and new series *The Unbelievable with Dan Aykroyd (wt), Beyond Skinwalker Ranch,* and more.

International Content Business

- **Nelvana and Corus Studios deliver a diverse lineup of Canadian original content for 2023/24 across their brands.** This includes a total of 25 new and returning series, with 11 titles from Corus Studios and eight from Nelvana. Corus Studios titles include *Bryan's All In* (10x60), *Pamela's Garden of Eden* (8x60), *Scott's Vacation House Rules* (7x60), *Rock Solid Builds* (8x60), *The Big Bake* (14x60) and more. Nelvana's titles include *The Hardy Boys* (8x60), *Agent Binky: Pets of the Universe* (10x30), *Millie Magnificent* (52x11), and more.
- **Corus Studios and McGillivray Entertainment Media announced a four-year production partnership with Scott McGillivray.** The commitment includes producing new series and seasons starring the HGTV Canada host, including *Scott's Vacation House Rules*, to be exclusively distributed by Corus Studios and produced for HGTV Canada.
- **Corus' Waterside Studios announced the start of production on new live action series *Geek Girl.*** The series is slated to premiere on YTV and STACKTV in Canada and worldwide on Netflix next year.

Ongoing Focus on Capital Management

- **Corus declares quarterly dividends.** On June 29, 2023, Corus declared a dividend of $0.03 per Class B share and $0.02875 per Class A share, payable on August 15, 2023 to shareholders of record at July 31, 2023.

Advanced Focus on Sustainability

- **Corus gives back to local communities**. In the third quarter, Corus helped raise $10.5 million for over 336 community giving initiatives as well as provided over 620 volunteer hours to 83 local organizations across Canada.

Regulatory Developments

- **Bill C-11 receives royal assent.** On April 27, 2023, Bill C-11, the *Online Streaming Act,* received royal assent. Subsequently, on May 12, 2023, the Canadian Radio-Television and Telecommunications Commission (CRTC) launched the first of its three-phase public consultation to implement the new law in regulations.
- **Bill C-18 receives royal assent.** On June 22, 2023, Bill C-18, the *Online News Act,* received royal assent. Bill C-18 will come into force six months from the date of royal assent and establishes a framework for digital news intermediaries to enter into agreements with eligible news businesses for news content the digital news intermediaries make available to Canadians.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the three and nine months ended May 31, 2023 is prepared as at June 28, 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 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

Revenue for the third quarter of fiscal 2023 of $397.3 million decreased 8% from $433.5 million in the prior year's quarter. On a consolidated basis, advertising revenue decreased 12%, subscriber revenue was down 5%, while distribution, production and other revenue was up 6% compared to the prior year's quarter. Revenue decreased 8% in Television and 11% in Radio.

For the nine months ended May 31, 2023, consolidated revenue of $1,172.4 million decreased 7% from $1,259.0 million in the prior year. On a consolidated basis, advertising revenue decreased 10%, subscriber revenue was down 4%, while distribution, production and other revenue increased 9% from the prior year comparable period. Revenue decreased 7% in Television and 3% in Radio. 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 third quarter of fiscal 2023 of $300.4 million decreased 3% from $309.7 million in the prior year's quarter. On a consolidated basis, direct cost of sales increased 3%, employee costs decreased 10% and other general and administrative expenses decreased 13%. The increase in direct cost of sales results from increases in amortization of program rights, offset by lower other cost of sales, lower production service work and lower film investment amortization. The decrease in employee costs was primarily due to lower short-term compensation accruals, lower share-based compensation expense, and lower commission costs. Other general and administrative expenses were lower as a result of the passage of Bill C-11 which introduced the elimination of Canadian Radio-television and Telecommunications Commission ("CRTC") Part II fees effective April 1, 2023, reduced tariff royalties that are positively correlated with revenue, decreased professional fees, lower marketing spend across Television and Radio, and lower development costs, partially offset by increased software and system license fees.

For the nine months ended May 31, 2023, direct cost of sales, general and administrative expenses of $884.7 million increased 2% from $871.5 million in the prior year. On a consolidated basis, direct cost of sales increased 6%, while employee costs decreased 6% and other general and administrative costs decreased 1% from the prior year. The increase in direct cost of sales was driven principally by the increases in amortization of program rights and film assets, offset by lower other cost of sales and lower production service work. The decrease in employee costs was primarily due to lower short-term compensation accruals, lower share-based compensation expense and reduced commission costs, offset by higher labour costs in the year-to-date period. Other general and administrative expenses decreased as a result of the elimination of CRTC Part II fees effective April 1, 2023, reduced tariff royalties and trade mark fees that are positively correlated with revenue, lower consulting costs, and professional fees, offset by increased software and system license fees, advertising and marketing costs, and higher development costs. Further analysis of expenses is provided in the discussion of segmented results.

SEGMENT PROFIT

Segment profit for the third quarter of fiscal 2023 was $96.9 million, a decrease of 22% from $123.7 million in the prior year's quarter. The decrease in segment profit for the third quarter was principally a result of Television advertising and subscriber revenue declines combined with an increase in amortization of program rights. Segment profit margin for the third quarter of fiscal 2023 of 24% was down from 29% in the prior year's quarter.

For the nine months ended May 31, 2023, segment profit was $287.7 million, a decrease of 26% from $387.5 million in the prior year. The decrease in segment profit was principally a result of Television advertising and subscriber revenue declines combined with an increase in amortization of program rights in the current year-to-date. Segment profit margin of 25% for the nine months ended May 31, 2023 was down from 31% 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 May 31, 2023 was $40.2 million, an increase from $40.0 million in the prior year's quarter. The increase was a result of an increase in the amortization of brands and trade marks of $0.5 million, offset by decreases in amortization of intangible assets and capital assets of $0.3 million.

Depreciation and amortization expense for the nine months ended May 31, 2023 was $120.6 million, an increase from $117.1 million in the prior year-to-date. The increase was a result of higher amortization of brands and trade marks of $3.7 million, offset by decreases in amortization of intangible assets and capital assets of $0.2 million.

INTEREST EXPENSE

On February 17, 2023, the Company's credit facility with a syndicate of banks was amended. The amendment revised total debt to cash flow ratio covenants on both the senior secured term credit facility (the "Term Facility") and the senior secured revolving credit facility (the "Revolving Facility", together with the Term Facility collectively referred to hereafter as the "Credit Facility"). Further information about debt refinancing can be found in the *Liquidity and Capital Resources* section of this report, under the subheading *Liquidity*.

Interest expense for the three months ended May 31, 2023 of $33.3 million increased from $28.5 million in the prior year's quarter. The increase in interest expense in the quarter principally results from higher interest on long-term debt of $3.5 million and higher imputed interest of $1.8 million on long-term liabilities associated with program rights, trade marks and right-of-use assets. Interest on long-term debt is higher due to increased interest rates on bank debt.

Interest expense for the nine months ended May 31, 2023 of $102.4 million increased from $79.8 million in the prior year. The increase principally results from higher interest on long-term debt of $12.9 million and higher imputed interest of $10.1 million on long-term liabilities associated with program rights, trade marks and right-of-use assets in the current year-to-date period. Interest on long-term debt was higher due to interest payable on the 6.0% Senior Unsecured Notes of $250.0 million due 2030 (the "2030 Notes") issued on February 28, 2022, as well as increased interest rates on bank debt with a smaller portion thereof subject to fixed rate interest rate swaps.

The effective interest rate on bank debt and the 2030 Notes together with the 5.0% Senior Unsecured Notes of $500.0 million due 2028 (the "2028 Notes", collectively referred to hereafter as the "Notes") for the three and nine months ended May 31, 2023 was 6.0% and 5.9%, respectively, compared to 4.9% and 4.4% in the comparable periods of the prior year. The increase in the effective rate for the quarter results from higher floating interest rates on bank debt and for the year-to-date from higher floating interest rates and the addition of the 2030 Notes.

GOODWILL, BROADCAST LICENCES AND OTHER ASSET IMPAIRMENT

Goodwill and broadcast licences are tested for impairment annually as at August 31 or more frequently if events or changes in circumstances indicate that they may be impaired. In the third quarter of fiscal 2023, management identified indicators of impairment at the enterprise level, notably a continued steady decline in the Company's share price from August 31, 2022, which resulted in the Company's carrying value being greater than its current market enterprise value. In addition, uncertainty in the macroeconomic environment has persisted since the fourth quarter of fiscal 2022, with continued contraction in advertising demand, particularly in the Television operating segment. Accordingly, interim impairment testing was required for both the Television and Radio cash generating units ("CGUs"). As a result of these tests, the Company recorded non-cash impairment charges in the Television operating segment against goodwill of $295.2 million, broadcast licences of $162.8 million, as well as brands and trade marks of $132.0 million (refer to note 6 of the interim condensed consolidated financial statements). No impairment was identified in the Radio operating segment CGUs.

DEBT REFINANCING

On March 18, 2022, the Company amended and restated its Credit Facility (refer to note 7 of the interim condensed consolidated financial statements for further details), which resulted in a non-cash gain on debt modification of $4.2 million, offset by a write-off of unamortized debt financing fees of $0.8 million.

RESTRUCTURING AND OTHER COSTS

For the three and nine months ended May 31, 2023, the Company incurred $10.6 million and $15.5 million, respectively, of restructuring and other costs, compared to $4.2 million and $6.2 million in the comparable periods of the prior year. The current fiscal year costs relate primarily to restructuring costs associated with employee exits, while the prior fiscal year costs relate to restructuring costs associated with employee exits as well as ongoing system integration costs.

OTHER EXPENSE (INCOME), NET

Other income for the three month period ended May 31, 2023 was $2.0 million, compared to other expense of $10.8 million in the prior year's quarter. The current quarter includes net foreign exchange gains of $1.6 million primarily related to the translation of USD denominated liabilities and other income of $0.7 million consisting of rental income and miscellaneous interest income, offset by fair value losses on the Notes prepayment options of $0.4 million. The prior year's quarter included a fair value loss on the Notes prepayment options of $8.7 million, net foreign exchange losses of $0.4 million and a trade mark intangible write-off of $2.2 million resulting from the rebranding of the DIY channel to Magnolia, offset by other income of $0.5 million.

Other expense for the nine months ended May 31, 2023 was $6.4 million compared to $7.6 million in the prior year. In the current year-to-date, other expense includes net foreign exchange losses of $6.1 million, fair value losses on the Notes prepayment options of $2.3 million, offset by $1.9 million from rental income and miscellaneous interest income. In the prior year's comparable period, other expense included net foreign exchange losses of $3.2 million, fair value losses on the Notes prepayment options of $3.7 million, trade mark intangible write-off of $2.2 million, offset by $1.5 million from rental income, miscellaneous interest income and net gains from the sale of assets associated with the decommissioning of certain transmitter sites.

INCOME TAX EXPENSE (RECOVERY)

The Company's effective income tax recovery rate for the three and nine months ended May 31, 2023 was 14.6% and 13.8%, respectively, compared to the effective tax rate of 25.2% and 25.7% in the comparable prior periods. The difference between the statutory rate of 26.5% and the effective tax recovery rates in both the three and nine months ended May 31, 2023 result from the goodwill, broadcast licence and other asset impairment charges recorded in the Television operating segment.

NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS AND EARNINGS (LOSS) PER SHARE

Net loss attributable to shareholders for the third quarter of fiscal 2023 was $495.1 million ($2.48 loss per share basic), compared to net income attributable to shareholders of $29.6 million ($0.14 per share basic) in the prior year's quarter. Net loss attributable to shareholders for the third quarter of fiscal 2023 includes goodwill, broadcast licence and other asset impairment charges of $590.0 million ($2.53 per share) and restructuring and other costs of $10.6 million ($0.04 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $18.0 million ($0.09 per share basic) in the quarter. Net income attributable to shareholders for the third quarter of fiscal 2022 includes restructuring and other costs of $4.2 million ($0.02 per share) and a debt refinancing gain of $3.8 million ($0.01 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $30.2 million ($0.15 per share basic) in the prior year's quarter.

Net loss attributable to shareholders for the nine months ended May 31, 2023 was $479.1 million ($2.40 loss per share basic), compared to net income attributable to shareholders of $122.0 million ($0.59 per share basic) in the same comparable period of the prior year. Net loss attributable to shareholders for the nine months ended May 31, 2023 includes goodwill, broadcast licence and other asset impairment charges of $590.0 million ($2.53 per share) and restructuring and other costs of $15.5 million ($0.06 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $37.6 million ($0.19 per share basic). Net income attributable to shareholders for the nine months ended May 31, 2022 includes restructuring and other costs of $6.2 million ($0.02 per share basic) and a debt refinancing gain of $3.4 million ($0.01 per share).

Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $124.1 million ($0.60 per share basic) for the same comparable period of the prior year.

The weighted average number of basic shares outstanding for the three and nine months ended May 31, 2023 was 199,440,000 and 199,541,000 respectively, compared to 206,072,000 and 207,470,000 for the comparable periods in the prior year. The average number of shares outstanding in fiscal 2023 decreased as a result of the purchase and cancellation of Class B Non-Voting Participating Shares under the Company's normal course issuer bid ("NCIB"), which took place between January 2022 and October 2022.

OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES

Other comprehensive loss for the three months ended May 31, 2023 was $0.8 million, compared to other comprehensive income of $0.3 million in the prior year's quarter. For the three months ended May 31, 2023, other comprehensive loss includes an unrealized loss on the change in fair value of financial assets of $0.6 million, an actuarial loss on the remeasurement of post-employment benefit plans of $0.6 million and an unrealized loss from foreign currency translation adjustments of $0.1 million, offset by an unrealized gain on the change in the fair value of cash flow hedges of $0.5 million. In the prior year's quarter, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of $4.5 million and an unrealized gain on the fair value of cash flow hedges of $1.5 million, offset by an unrealized loss on the change in fair value of financial assets of $5.7 million.

Other comprehensive income for the nine months ended May 31, 2023 was $1.6 million, compared to $17.0 million in the prior year. For the nine months ended May 31, 2023, other comprehensive income includes an unrealized gain on the fair value of cash flow hedges of $1.8 million, an unrealized gain from foreign currency translation adjustments of $1.2 million, offset by an unrealized loss on the fair value of financial assets of $1.3 million. In the nine months ended May 31, 2022, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of $6.9 million, an unrealized gain on the fair value of financial assets of $5.0 million and an unrealized gain on the fair value of cash flow hedges of $5.0 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, digital and 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

(thousands of Canadian dollars)	Three months ended May 31, 2023	2022	Nine months ended May 31, 2023	2022
Revenue				
Advertising	**209,008**	237,993	**630,645**	707,725
Subscriber	**124,225**	130,410	**375,791**	390,768
Distribution, production and other	**37,926**	35,727	**87,800**	80,045
Total revenue	**371,159**	404,130	**1,094,236**	1,178,538
Expenses	**275,131**	276,612	**803,430**	779,411
Segment profit [1]	**96,028**	127,518	**290,806**	399,127
Segment profit margin[1]	**26%**	32%	**27%**	34%

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

Revenue for the three months ended May 31, 2023 decreased 8% from the prior year's quarter as a result of decreases of 12% in advertising revenue and 5% in subscriber revenue, partially offset by an increase of 6% in distribution, production and other revenue. Advertising demand and spending across the North American television media industry remains challenged due to macroeconomic conditions and lower audiences. The decrease in advertising revenue was attributable to declines in financial services, health & beauty, retail, direct-to-consumer, services, alcoholic beverages, government, communications, iGaming, and toy categories, partially offset by growth in travel and entertainment categories. Subscriber revenue decreased from the prior year's quarter principally as a result of declines in the traditional linear business while the prior year benefitted from retroactive adjustments with distributors. The increase in distribution, production and other revenue was primarily attributable to higher production deliveries by Nelvana, offset by lower Corus Studios content distribution revenue and a decrease in production service revenue at Aircraft Pictures.

Revenue for the nine months ended May 31, 2023 decreased 7% as a result of a 11% decrease in advertising revenue and a 4% decrease in subscriber revenue, partially offset by an increase of 10% in distribution, production and other revenue. On a year-to-date basis, almost all advertising categories showed declines as advertisers continued to hold, reduce or cut spending compared to the prior year with the exception of iGaming, travel and packaged goods categories. Subscriber revenue declined from the prior year-to-date as a result of retroactive adjustments tied to distribution agreement renewals in the prior year and a decline in the traditional linear business that exceeded growth from streaming services. The increase in distribution, production and other revenue was primarily driven by higher production deliveries by Nelvana and higher software related revenue, offset by a decline in book publishing sales and lower domestic SVOD revenue.

Expenses for the quarter were down 1% from the prior year as a result of an increase of 3% in direct cost of sales, while employee costs were down 6% and other general and administrative expenses decreased 9%. The increase in direct cost of sales was driven by a $8.7 million (or 6%) increase in amortization of program rights offset by a $3.0 million (or 31%) decrease in other cost of sales. The increase in amortization of program rights was driven by a ramp up of Canadian content, as well as renewed foreign output deals. The decrease in other cost of sales was due to lower production service work and other costs positively correlated with revenue. The decrease of $3.8 million in employee costs from the prior year's quarter resulted primarily from lower short-term compensation accruals and commissions. The decrease in other general and administrative expenses from the prior year's quarter of $3.4 million was attributable to a decrease in marketing costs for the promotion of the traditional linear business and streaming services as well as lower CTRC fees, offset by higher software and system license fees.

Expenses for the nine months ended May 31, 2023 were up 3% from the comparable period of the prior year as a result of an 6% increase in direct cost of sales, offset by a 3% decrease in employee costs. The increase in direct cost of sales was driven by a $28.5 million (or 7%) increase in amortization of program rights and a $3.6 million (or 19%) increase in amortization of film investments. The increase in amortization of program rights was driven by a ramp up of Canadian content, as well as renewed foreign output deals. The decrease of $5.7 million in employee costs resulted from lower short-term compensation accruals and commissions, partially offset by higher labour costs. Other general and administrative expenses remained consistent with the prior year.

Segment profit[1] for the three and nine months ended May 31, 2023 was down 25% and 27%, respectively. These declines were primarily a result of the decrease in advertising and subscriber revenue and the increase in amortization of program rights. Segment profit margin[1] for the three and nine months ended May 31, 2023 was 26% and 27%, down from 32% and 34% in the comparable periods 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		Nine months ended	
		May 31,		**May 31,**
(thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Revenue	**26,176**	29,328	**78,161**	80,454
Expenses	**22,064**	23,661	**67,677**	68,916
Segment profit [1]	**4,112**	5,667	**10,484**	11,538
Segment profit margin[1]	**16%**	19%	**13%**	14%

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

Revenue in the three and nine months ended May 31, 2023 decreased 11% and 3%, respectively, from the same comparable prior year periods. The decline in advertising revenue was driven principally by the professional services, telecommunications, entertainment and retail categories, offset by growth in the government/political category as well as podcasting revenue.

Direct cost of sales and general and administrative expenses decreased 7% in the quarter and 2% for the nine months ended May 31, 2023. The decrease was a result of lower short-term compensation accruals and other cost reductions, as well as the elimination of CRTC Part II fees effective April 1, 2023, which were offset by increased premise rental costs, higher podcasting costs and copyright tariff fees.

Radio's segment profit[1] in the three and nine months ended May 31, 2023 decreased by $1.6 million and $1.1 million, respectively, from the comparable prior year periods as a result of revenue softness. Segment profit margin[1] for the three and nine months ended May 31, 2023 was 16% and 13%, respectively, down from 19% and 14% in the prior year comparable periods.

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

CORPORATE

FINANCIAL HIGHLIGHTS

	Three months ended		Nine months ended	
		May 31,		**May 31,**
(thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Share-based compensation	**(1,543)**	1,231	**(2,609)**	4,493
Other general and administrative costs	**4,778**	8,226	**16,167**	18,718
	3,235	9,457	**13,558**	23,211

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 and nine months ended May 31, 2023 by $2.8 million and $7.1 million, respectively, from the comparable prior year periods. The decrease in the quarter and year-to-date 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 7 in the interim condensed consolidated financial statements for further details on this swap arrangement).

Other general and administrative costs decreased $3.4 million in the quarter and $2.6 million in the nine months ended May 31, 2023 from the comparable prior year periods. The decrease in the quarter and year-to-date period is principally attributable to decreases in short-term compensation accruals, professional fees and consulting costs, offset by increases in system fees and licenses, as well as costs related to the supplementary executive retirement plan recorded in the first quarter of fiscal 2023.

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 May 31, 2023. 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								
3rd quarter	**397,335**	**96,905**	**(495,073)**	**18,042**	**$ (2.48)**	**$ (2.48)**	**$ 0.09**	**25,979**
2nd quarter	343,871	59,135	(15,450)	(13,880)	$ (0.08)	$ (0.08)	$ (0.07)	28,397
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

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

ITEMS CAUSING VARIATIONS IN QUARTERLY RESULTS

- Net loss attributable to shareholders for the third quarter of fiscal 2023 was negatively impacted by a non-cash television goodwill, broadcast licence and other asset impairment charge totaling $590.0 million ($2.53 per share) and restructuring and other costs of $10.6 million ($0.04 per share).
- Net income attributable to shareholders for the second quarter of fiscal 2023 was negatively impacted by restructuring and other costs of $2.1 million ($0.01 per share).
- 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 loss 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).

FINANCIAL POSITION

Total assets at May 31, 2023 were $3.0 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 May 31, 2023 were $442.1 million, up $37.6 million from August 31, 2022.

Cash and cash equivalents increased by $1.3 million from August 31, 2022. Refer to the discussion of cash flows in the next section.

Accounts receivable increased $38.7 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 $20.4 million from August 31, 2022 as a result of accruals relating to film productions exceeding tax credit receipts.

Investments and other assets decreased $3.9 million from August 31, 2022, primarily as a result of a decrease in the net asset position of certain post employment benefit plans, a fair value adjustment to venture funds, and a decrease in the value of the Notes prepayment option, offset by increases in fair value of the foreign exchange forward contracts and the interest rate swap.

Property, plant and equipment decreased $20.9 million from August 31, 2022 as a result of depreciation expense exceeding additions.

Program rights increased $70.5 million from August 31, 2022, as additions of acquired rights of $525.2 million were offset by amortization of $454.7 million.

Film investments increased $7.8 million from August 31, 2022, as film additions (net of tax credit accruals) of $30.5 million were offset by film amortization of $22.7 million.

Intangibles decreased $316.0 million from August 31, 2022, as a result of non-cash impairments in the Television operating segment to broadcast licences of $162.8 million, trade marks and brands of $132.0 million, as well as amortization of $91.8 million, offset by renewals and extensions of several trade mark agreements of $58.3 million and net additions to other assets of $12.3 million.

Goodwill decreased $295.2 million from August 31, 2022 as a result of a non-cash goodwill impairment charge in the Television operating segment.

Accounts payable and accrued liabilities increased $110.1 million from August 31, 2022, principally as a result of higher program rights payable, trade accounts payable, trade marks payable and increases in software licence liabilities, offset by lower dividends payable and short-term compensation accruals.

Provisions, including the long-term portion, increased $0.1 million from August 31, 2022, principally as a result of restructuring-related additions exceeding payments and a reduction in asset retirement obligations as a result of property disposals.

Long-term debt, including the current portion, as at May 31, 2023 was $1,251.0 million compared to $1,261.7 million as at August 31, 2022. As at May 31, 2023, the $14.1 million classified as the current portion of long-term debt consists of interim production financing. During the nine months ended May 31, 2023, the Company decreased bank debt and interim production financing by $12.3 million, incurred $1.0 million of deferred fees for an amendment to the Credit Facility and amortized $2.6 million of deferred financing charges.

Other long-term liabilities decreased $3.7 million from August 31, 2022, primarily from decreases in long-term employee obligations and lease liabilities, offset by increases in software licence liabilities and trade mark liabilities resulting from renewals and extensions of output deals, and long-term program rights payable.

Share capital decreased by $500.9 million from August 31, 2022 as a result of the reduction in stated capital approved at the Company's Annual General and Special Meeting of Shareholders on January 19, 2023 as well as 785,000 shares repurchased and canceled under the NCIB. Contributed surplus increased predominantly from the reduction in stated capital and the share repurchases under the NCIB.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

The Company's cash and cash equivalents position decreased by $1.7 million in the third quarter of fiscal 2023 and increased by $1.3 million in the nine months ended May 31, 2023. Free cash flow(1) for the three and nine months ended May 2023 was $26.0 million and $75.2 million, respectively, compared to $27.5 million and $194.9 million in the same comparable prior year periods. The decrease in free cash flow(1) in the third quarter is mainly attributable to an increase in cash used in investing activities of $1.5 million and the decrease in free cash flow(1) for the nine months ended May 31, 2023 is mainly attributable to a decrease of $75.7 million in cash provided by operating activities and a decrease of $46.8 million in investing activities.

Cash provided by operating activities for the three and nine months ended May 31, 2023 was $29.8 million and $85.3 million, respectively, compared to $29.8 million and $161.0 million for the same comparable prior year periods. The cash provided by operating activities in the quarter remained consistent with the prior year as a result of lower cash flows from operations, which included lower spend on program rights of $12.2 million and an increase in spend on film investments of $6.9 million, offset by a reduction in cash used in working capital of $10.9 million. For the nine months ended May 31, 2023, the $75.7 million decrease arises from lower cash flows from operations of $170.4 million, which includes increased spends on program rights of $90.7 million and film investments of $15.6 million, offset by a reduction of cash used in working capital of $94.7 million.

Cash used in investing activities for the quarter was $3.8 million compared to $2.3 million in the prior year. The increase in cash used in the quarter was primarily due to increases in intangibles, investments and other assets. Cash used in investing activities for the nine months ended May 31, 2023 was $10.2 million compared to cash provided of $36.6 million in the prior year. The increase in cash used year-to-date of $46.8 million was attributable to the venture fund distribution receipt of $43.5 million and the $3.6 million business combination, net of acquired cash that occurred in the prior year.

Cash used in financing activities for the three and nine months ended May 31, 2023 was $27.7 million and $73.9 million, respectively, compared to $71.2 million and $189.6 million for the same comparable prior year periods. The decrease in cash used in the quarter of $43.6 million arises principally as a result of a decrease on overall debt repayments of $17.7 million, a $17.2 million reduction in share repurchases under the NCIB, lower financing fees of $1.5 million, lower dividends paid of $6.4 million and lower dividends paid to non-controlling interests of $1.8 million. For the nine months ended May 31, 2023, the $115.8 million decrease in cash used is mainly attributable to lower overall debt repayments of $85.4 million, net of the 2030 Notes issuance of $250.0 million in the prior year, a decrease in share repurchases under the NCIB of $21.0 million, lower financing fees of $4.9 million and lower dividends paid of $7.5 million, offset by an increase in dividends paid to non-controlling interests of $1.6 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 May 31, 2023, the Company was in compliance with all loan covenants, had a cash and cash equivalents balance of $56.2 million and had available approximately $300.0 million under the Revolving Facility, $197.5 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 February 17, 2023, the Company's credit agreement with a syndicate of banks was amended. The principal amendment was to increase the maximum total debt to cash flow ratio required under the financial covenants up to and including November 30, 2023. For further details on the Credit Facility, refer to note 7 of the Company's interim condensed consolidated financial statements.

TOTAL CAPITALIZATION

As at May 31, 2023, total capitalization was $1,728.0 million compared to $2,245.1 million at August 31, 2022, a decrease of $517.1 million. The decrease in total capitalization is due to a reduction in lease liabilities of $5.6 million, a decrease in bank debt of $10.7 million, an increase in accumulated deficit of $494.2 million and an increase in cash and cash equivalents of $1.3 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 7 of the Company's interim condensed consolidated financial statements for further details).

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

There have been no substantial changes to the Company's foreign exchange forward contracts as reported in Management's Discussion and Analysis in its 2022 Annual Report.

OUTSTANDING SHARE DATA

(shares/units)	**As at May 31, 2023**	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	**5,696,125**	4,852,325
Non-vested	**4,490,775**	2,730,775

[1] Outstanding shares as at August 31, 2022 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 May 31, 2023	2022	% change	Nine months ended May 31, 2023	2022	% change
Optimized advertising revenue (numerator)	**111,121**	112,677	(1%)	**336,466**	294,880	14%
Television advertising revenue (denominator)	**209,008**	237,993	(12%)	**630,645**	707,725	(11%)
Optimized advertising revenue percentage	**53%**	47%		**53%**	42%	

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 May 31, 2023	2022	% Change	Nine months ended May 31, 2023	2022	% Change
New platform revenue (numerator)	**38,637**	40,992	(6%)	**112,497**	109,223	3%
Television advertising revenue	**209,008**	237,993	(12%)	**630,645**	707,725	(11%)
Television subscriber revenue	**124,225**	130,410	(5%)	**375,791**	390,768	(4%)
Total Television advertising and subscriber revenue (denominator)	**333,233**	368,403	(10%)	**1,006,436**	1,098,493	(8%)
New platform revenue percentage	**12%**	11%		**11%**	10%	

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 (loss) and comprehensive income (loss). 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; 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 11 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 13 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 May 31, 2023	2022	Nine months ended May 31, 2023	2022
Revenue	**397,335**	433,458	**1,172,397**	1,258,992
Direct cost of sales, general and administrative expenses	**300,430**	309,730	**884,665**	871,538
Segment profit	**96,905**	123,728	**287,732**	387,454
Segment profit margin	**24%**	29%	**25%**	31%

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	May 31,	Nine months ended	May 31,
(thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Cash provided by (used in):				
Operating activities	**29,810**	29,798	**85,333**	161,000
Investing activities	**(3,831)**	(2,330)	**(10,218)**	36,614
	25,979	27,468	**75,115**	197,614
Add (deduct): cash used in (provided by) business acquisitions and strategic investments [1]	**—**	—	**71**	(2,742)
Free cash flow	**25,979**	27,468	**75,186**	194,872

[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 (loss) and basic earnings (loss) 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 (loss) or basic earnings (loss) per share attributable to shareholders prepared in accordance with IFRS as issued by the IASB.

	Three months ended	May 31,	Nine months ended	May 31,
(thousands of Canadian dollars, except per share amounts)	**2023**	2022	**2023**	2022
Net income (loss) attributable to shareholders	**(495,073)**	29,621	**(479,136)**	122,007
Adjustments, net of income tax:				
Goodwill, broadcast licence and other asset impairment	**504,953**	—	**504,953**	—
Debt refinancing	**—**	(2,526)	**—**	(2,526)
Restructuring and other costs	**8,162**	3,064	**11,811**	4,573
Adjusted net income attributable to shareholders	**18,042**	30,159	**37,628**	124,054
Basic earnings (loss) per share	**($2.48)**	$0.14	**($2.40)**	$0.59
Adjustments, net of income tax:				
Goodwill, broadcast licence and other asset impairment	**$2.53**	—	**$2.53**	—
Debt refinancing	**—**	($0.01)	**—**	($0.01)
Restructuring and other costs	**$0.04**	$0.02	**$0.06**	$0.02
Adjusted basic earnings per share	**$0.09**	$0.15	**$0.19**	$0.60

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 May 31, 2023**	As at August 31, 2022
Total debt, net of unamortized financing fees and prepayment options	**1,250,982**	1,261,650
Lease liabilities	**128,795**	134,369
Cash and cash equivalents	**(56,173)**	(54,912)
Net debt	**1,323,604**	1,341,107
Net debt (numerator)	**1,323,604**	1,341,107
Segment profit (denominator) [1]	**343,921**	443,643
Net debt to segment profit	**3.85**	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. 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, 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. In addition, labour actions such as the Writer's Guild of America strike have shut-down the majority of U.S. based scripted productions, which may impact the timing of premium content premieres and types of programming on the Company's services in the coming months, which may negatively impact audience levels.

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

Currently, the Company expects its Television advertising revenue in the fourth quarter will decline moderately compared to the prior year, given continuing macroeconomic and other risk factors described above and in the 2022 MD&A. While the Company continues to expect improvement in the macro-environment over the medium term, visibility continues to be limited at this time.

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 May 31, 2023 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 interim condensed 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 interim condensed 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 May 31, 2023 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 third quarter ended May 31, 2023 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 May 31, 2023	As at August 31, 2022
ASSETS		
Current		
Cash and cash equivalents	**56,173**	54,912
Accounts receivable	**349,666**	311,015
Income taxes recoverable	**10,975**	17,180
Prepaid expenses and other assets	**25,292**	21,423
Total current assets	**442,106**	404,530
Tax credits receivable	**53,162**	32,744
Investments and other assets	**60,022**	63,931
Property, plant and equipment	**273,145**	294,026
Program rights	**731,247**	660,722
Film investments	**66,971**	59,122
Intangibles (note 4 and 6)	**1,304,831**	1,620,796
Goodwill (note 5 and 6)	**21,099**	316,308
Deferred income tax assets	**48,021**	50,301
	3,000,604	3,502,480
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**637,006**	526,899
Current portion of long-term debt (note 7)	**14,097**	15,574
Provisions	**10,234**	8,540
Total current liabilities	**661,337**	551,013
Long-term debt (note 7)	**1,236,885**	1,246,076
Other long-term liabilities	**372,853**	376,570
Provisions	**8,272**	9,830
Deferred income tax liabilities	**316,888**	415,010
Total liabilities	**2,596,235**	2,598,499
EQUITY		
Share capital (note 8)	**281,052**	781,918
Contributed surplus	**2,012,658**	1,511,481
Accumulated deficit	**(2,068,543)**	(1,574,358)
Accumulated other comprehensive income	**34,655**	33,000
Total equity attributable to shareholders	**259,822**	752,041
Equity attributable to non-controlling interests	**144,547**	151,940
Total equity	**404,369**	903,981
	3,000,604	3,502,480

See accompanying notes

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

(unaudited - in thousands of Canadian dollars, except per share amounts)	Three months ended May 31, 2023	Three months ended May 31, 2022	Nine months ended May 31, 2023	Nine months ended May 31, 2022
Revenue	**397,335**	433,458	**1,172,397**	1,258,992
Direct cost of sales, general and administrative expenses (note 9)	**300,430**	309,730	**884,665**	871,538
Depreciation and amortization	**40,178**	39,952	**120,594**	117,080
Interest expense (note 10)	**33,278**	28,514	**102,401**	79,795
Goodwill, broadcast licence and other asset impairment (note 6)	**590,000**	—	**590,000**	—
Debt refinancing (note 7)	**—**	(3,830)	**—**	(3,428)
Restructuring and other costs	**10,580**	4,169	**15,546**	6,223
Other expense (income), net (note 11)	**(1,997)**	10,795	**6,424**	7,592
Income (loss) before income taxes	**(575,134)**	44,128	**(547,233)**	180,192
Income tax expense (recovery) (note 12)	**(83,982)**	11,136	**(75,760)**	46,323
Net income (loss) for the period	**(491,152)**	32,992	**(471,473)**	133,869
Other comprehensive income (loss), net of income taxes				
Items that may be reclassified subsequently to income (loss):				
Unrealized change in fair value of cash flow hedges (note 7)	**461**	1,506	**1,755**	5,007
Unrealized foreign currency translation adjustment	**(143)**	8	**1,166**	40
	318	1,514	**2,921**	5,047
Items that will not be reclassified to income (loss):				
Unrealized change in fair value of financial assets	**(578)**	(5,649)	**(1,266)**	5,019
Actuarial gain (loss) on post-retirement benefit plans	**(578)**	4,467	**(31)**	6,927
	(1,156)	(1,182)	**(1,297)**	11,946
Other comprehensive income (loss), net of income taxes	**(838)**	332	**1,624**	16,993
Comprehensive income (loss) for the period	**(491,990)**	33,324	**(469,849)**	150,862
Net income (loss) attributable to:				
Shareholders	**(495,073)**	29,621	**(479,136)**	122,007
Non-controlling interests	**3,921**	3,371	**7,663**	11,862
	(491,152)	32,992	**(471,473)**	133,869
Comprehensive income (loss) attributable to:				
Shareholders	**(495,911)**	29,953	**(477,512)**	139,000
Non-controlling interests	**3,921**	3,371	**7,663**	11,862
	(491,990)	33,324	**(469,849)**	150,862
Earnings (loss) per share attributable to shareholders:				
Basic	**($2.48)**	$0.14	**($2.40)**	$0.59
Diluted	**($2.48)**	$0.14	**($2.40)**	$0.59

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 interests**	**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)	—	—	(479,136)	1,624	(477,512)	7,663	(469,849)
Dividends declared	—	—	(17,490)	—	(17,490)	(15,750)	(33,240)
Reduction of stated capital (note 8)	(500,000)	500,000	—	—	—	—	—
Change in fair value of put option liability	—	—	(754)	—	(754)	65	(689)
Shares repurchased under normal course issuer bid ("NCIB") (note 8)	(3,089)	1,119	—	—	(1,970)	—	(1,970)
Reversal of automatic share purchase commitment (note 8)	2,223	(504)	—	—	1,719	—	1,719
Actuarial loss on post-retirement benefit plans	—	—	(31)	31	—	—	—
Share-based compensation expense	—	562	—	—	562	—	562
Reallocation of equity interest	—	—	3,226	—	3,226	(3,226)	—
Equity funding by a non-controlling interest	—	—	—	—	—	3,855	3,855
As at May 31, 2023	**281,052**	**2,012,658**	**(2,068,543)**	**34,655**	**259,822**	**144,547**	**404,369**

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total equity attributable to shareholders	Non-controlling interests	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	—	—	122,007	16,993	139,000	11,862	150,862
Dividends declared	—	—	(37,411)	—	(37,411)	(14,145)	(51,556)
Business acquisition	—	—	—	—	—	864	864
Change in fair value of put option liability	—	—	(1,557)	—	(1,557)	(254)	(1,811)
Shares repurchased under normal course issuer bid	(21,127)	(2,852)	—	—	(23,979)	—	(23,979)
Share repurchase commitment under NCIB	(4,231)	(316)	—	—	(4,547)	—	(4,547)
Actuarial gain on post-retirement benefit plans	—	—	6,927	(6,927)	—	—	—
Share-based compensation expense	—	935	—	—	935	—	935
Equity funding by a non-controlling interest	—	—	—	—	—	5,719	5,719
As at May 31, 2022	790,831	1,510,198	(1,192,931)	31,877	1,139,975	156,875	1,296,850

See accompanying notes

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended May 31, 2023	2022	Nine months ended May 31, 2023	2022
OPERATING ACTIVITIES				
Net income (loss) for the period	**(491,152)**	32,992	**(471,473)**	133,869
Adjustments to reconcile net income (loss) to cash flow from operations:				
Amortization of program rights (note 9)	**158,748**	150,093	**454,688**	426,213
Amortization of film investments (note 9)	**12,195**	12,051	**22,704**	19,135
Depreciation and amortization	**40,178**	39,952	**120,594**	117,080
Deferred income tax recovery	**(91,630)**	(4,861)	**(100,189)**	(7,342)
Goodwill, broadcast licence and other asset impairment	**590,000**	—	**590,000**	—
Share-based compensation expense	**194**	324	**562**	935
Imputed interest (note 10)	**13,675**	11,827	**45,031**	34,967
Debt refinancing	**—**	(3,830)	**—**	(3,428)
Payment of program rights	**(161,185)**	(173,366)	**(494,232)**	(403,574)
Net spend on film investments	**(18,674)**	(11,803)	**(54,949)**	(39,397)
Other	**1,015**	10,882	**1,156**	5,826
Cash flow from operations	**53,364**	64,261	**113,892**	284,284
Net change in non-cash working capital balances related to operations	**(23,554)**	(34,463)	**(28,559)**	(123,284)
Cash provided by operating activities	**29,810**	29,798	**85,333**	161,000
INVESTING ACTIVITIES				
Additions to property, plant and equipment	**(3,548)**	(2,819)	**(8,921)**	(8,866)
Proceeds from sale of property	**396**	—	**736**	125
Business combination, net of cash acquired	**—**	—	**—**	3,606
Venture fund distribution	**—**	—	**—**	43,478
Net cash flows for intangibles, investments and other assets	**(679)**	489	**(2,033)**	(1,729)
Cash provided by (used in) investing activities	**(3,831)**	(2,330)	**(10,218)**	36,614
FINANCING ACTIVITIES				
Decrease in bank loans	**(10,203)**	(27,872)	**(12,273)**	(347,630)
Financing fees	**—**	(1,492)	**(998)**	(5,892)
Issuance of senior unsecured notes	**—**	—	**—**	250,000
Share repurchase under NCIB	**—**	(17,231)	**(2,045)**	(23,081)
Equity funding by a non-controlling interest	**—**	—	**3,855**	3,742
Payment of lease liabilities	**(4,570)**	(4,441)	**(13,383)**	(12,609)
Dividends paid	**(5,979)**	(12,415)	**(29,944)**	(37,411)
Dividends paid to non-controlling interests	**(5,677)**	(7,520)	**(15,750)**	(14,145)
Other	**(1,229)**	(254)	**(3,316)**	(2,580)
Cash used in financing activities	**(27,658)**	(71,225)	**(73,854)**	(189,606)
Net change in cash and cash equivalents during the period	**(1,679)**	(43,757)	**1,261**	8,008
Cash and cash equivalents, beginning of the period	**57,852**	95,450	**54,912**	43,685
Cash and cash equivalents, end of the period	**56,173**	51,693	**56,173**	51,693

Supplemental cash flow disclosures (note 14)

See accompanying notes

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, digital 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 and nine months ended May 31, 2023 were authorized for issue in accordance with a resolution of the Company's Board of Directors on June 28, 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 37 – *Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")* 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 interim condensed consolidated financial statements.

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

IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*

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 interim condensed 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 interim condensed consolidated statements 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 interim condensed consolidated financial statements.

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

Amendments to IAS 8 were issued in February 2021, the 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 interim condensed consolidated financial statements.

IAS 12 – *Income Taxes ("IAS 12")*

Amendments to IAS 12 were issued in May 2021, the 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 interim condensed consolidated financial statements.

4. INTANGIBLES

	Broadcast licences [1]	Brands and trade marks	Other [2]	Total
Balance – August 31, 2022	895,983	715,196	9,617	1,620,796
Additions	—	58,231	12,375	70,606
Impairments (note 6)	(162,791)	(132,000)	—	(294,791)
Amortization	—	(85,577)	(6,203)	(91,780)
Balance – May 31, 2023	**733,192**	**555,850**	**15,789**	**1,304,831**

[1] Broadcast licenses are located in Canada.

[2] Other intangibles are comprised principally of computer software.

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

5. GOODWILL

	Total
Balance - August 31, 2022	316,308
Impairment (note 6)	(295,209)
Balance - May 31, 2023	**21,099**

Goodwill is located in Canada.

6. IMPAIRMENT TESTING

The test for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset or cash generating unit ("CGU") or groups of CGUs to the carrying value. The recoverable amount is the higher of an asset's or CGU's, or groups of CGU's fair value less costs to sell ("FVLCS") and its value in use ("VIU"). In fiscal 2023, the Company determined the VIU calculation was higher than FVLCS and, therefore, the recoverable amount for all CGUs or groups of CGUs was based on VIU. The recoverable amount for the Television CGU was less than the Television CGU's carrying value, while the recoverable amount for the Radio group of CGUs was greater than the Radio group CGUs' carrying value.

In determining FVLCS, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The VIU calculation uses cash flow projections, generally for a five-year period, and a terminal value. The terminal value is the value attributed to the individual CGU's or groups of CGU's operations beyond the projected period using a perpetual growth rate. The key assumptions in the VIU calculations are segment profit growth rates (for periods within the cash flow projections and in perpetuity for the calculation of the terminal value) and discount rates.

Segment profit growth rates are based on management's best estimates considering historical and expected operating plans, strategic plans, economic considerations and the general outlook for the industry and markets in which the CGU or groups of CGUs operates. The projections are prepared separately for each of the Company's CGUs or groups of CGUs to which the individual assets are allocated and are based on the most recent financial budgets approved by the Company's Board of Directors and management forecasts generally covering a period of five years with growth rate assumptions. For longer periods, a terminal growth rate is determined and applied to project future cash flows after the fifth year.

The discount rate applied to each asset, CGU or group of CGUs to determine VIU is a pre-tax rate that reflects an optimal debt-to-equity ratio and considers the risk-free rate, market equity risk premium, size premium and the risks specific to each asset or CGU's or groups of CGU's cash flow projections.

In calculating the VIU, the Company uses an appropriate range of discount rates in order to establish ranges of values for each CGU or group of CGUs.

The pre-tax discount and growth rates used by the Company for the purpose of its VIU calculations of the Television CGU generally range from 12% to 16% (2022 – 12% to 15%) and nil to 1% (2022 – nil to 1%), respectively.

The pre-tax discount and growth rates included in the VIU calculation of the Radio groups of CGUs generally ranged from 12% to 16% (2022 – 12% – 15%) and nil to 1% (2022 – nil to 1%), respectively.

As a result of the impairment testing in the third quarter of fiscal 2023 of the Television CGU, the Company has recorded impairment charges against goodwill of $295.2 million, broadcast licences of $162.8 million and trade marks and brands of $132.0 million in the Television CGU that reduced the carrying value of intangible assets of this CGU to their recoverable amounts. No goodwill or broadcast licence impairments were identified on the Radio groups of CGUs. The Company also assessed for any indicators of whether previous impairment losses had decreased. No previously recorded impairment losses on broadcast licences were reversed.

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

Sensitivity to changes in assumptions

Due to the uncertainty related to the macroeconomic environment, characterized by persistently high inflation and continuing supply chain constraints, and as a result of advertising demand and spending across the North American television media industry which has contracted meaningfully, the Company has noted there is significant estimation uncertainty related to the Company's growth rates and future cash flow estimates, which could change in the near term and the effect of such changes could be material. An increase of 50 basis points in the pre-tax discount rate, a decrease of 50 basis points in the earnings growth rate each year, or a decrease of 50 basis points in the terminal growth rate, each used in isolation to perform the impairment tests, would have resulted in an additional incremental impairment charge in the Television CGU of between $20.0 million and $90.0 million.

The carrying amount of broadcast licences and goodwill allocated to each CGU and/or group of CGUs are set out in the following tables:

	May 31, 2023	August 31, 2022
Broadcast licences		
Television	**690,114**	852,905
Radio		
Toronto	**21,775**	21,775
Vancouver	**21,303**	21,303
	733,192	895,983

Goodwill (note 5)		
Television	**—**	295,209
Radio	**21,099**	21,099
	21,099	316,308

7. LONG-TERM DEBT

	May 31, 2023	August 31, 2022
Senior unsecured notes	**750,000**	750,000
Bank loans	**495,799**	505,577
Interim production financing	**14,097**	15,574
Unamortized financing fees and prepayment options	**(8,914)**	(9,501)
	1,250,982	1,261,650
Less: current portion of long-term debt [1]	**(14,097)**	(15,574)
	1,236,885	1,246,076

[1] This relates to interim production financings.

Interest rates on the bank loans under the Amended Credit Agreement dated February 17, 2023 (the "Credit Facility") fluctuate with Canadian bankers' acceptances. The Company has 5.0% Senior Unsecured Notes of $500.0 million due 2028 issued in fiscal 2021 (the "2028 Notes") and the 6.0% Senior Unsecured Notes of $250.0 million due 2030 (the "2030 Notes" and, together with the 2028 Notes, collectively referred to hereafter as the "Notes") issued on February 28, 2022. As at May 31, 2023, the weighted average interest rate on the outstanding bank loans and Notes was 6.1% (May 31, 2022 – 4.8%). The effective interest on the bank loans and Notes for the three and nine months ended May 31, 2023 averaged 6.0% and 5.9%, respectively (May 31, 2022 – 4.9 and 4.4%, respectively for both comparable periods).

Amounts drawn under the interim production financing facility bear interest at the prime rate plus an applicable margin. As at May 31, 2023, interest rates ranged from 7.45% to 7.7% (May 31, 2022 – 4.10% to 4.20%) 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 May 31, 2023.

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 (loss) and comprehensive income (loss).

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 May 31, 2023 was $7.7 million.

Term Facility

On February 17, 2023, the Credit Facility was amended. The principal amendment was to increase the maximum total debt to cash flow ratio required under the financial covenants up to and including November 30, 2023. The amendment of the Credit Facility resulted in the Company recording additional deferred financing fees of $1.0 million.

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. Net proceeds from the 2030 Notes issued on February 28, 2022 were used for repayment of the Term Facility and resulted in the Company recording net debt refinancing costs of $0.8 million for the non-cash write-off of unamortized financing fees. The March 18, 2022 amendment and restatement of the Credit Facility resulted in the Company recording a net debt refinancing gain of approximately $4.2 million.

As at May 31, 2023, the Term Facility balance was $495.8 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, Secured Overnight Financing Rate ("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 May 31, 2023, the Company has approximately $300.0 million under the Revolving Facility, $197.5 million of which 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 May 31, 2023, four interim financing agreements for television productions are drawn in the total amount of $14.1 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 (loss). The estimated fair value of these agreements as at May 31, 2023 was an asset of $2.4 million (August 31, 2022 – $nil). The effectiveness of the hedging relationship is reviewed on a quarterly basis.

TOTAL RETURN SWAPS

The Company had total return swap agreements on 1,706,000 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 May 31, 2023 was a liability of $6.3 million (August 31, 2022 – $4.0 million), which has been recorded in the interim condensed consolidated statements of financial position as an other long-term liability and within employee costs in the interim condensed consolidated statements of income (loss) and comprehensive income (loss) (note 9).

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 May 31, 2023, the total amount of foreign exchange forward contracts outstanding was $52.5 million U.S. dollars. The forward contracts are not designated as hedges for accounting purposes and as a result 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 May 31, 2023 was an asset of $2.8 million (August 31, 2022 – $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 (income), net (note 11) in the interim condensed consolidated statements of income (loss) and comprehensive income (loss).

8. 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
Reduction of stated capital [1]	—	(6,000)	—	(494,000)	(500,000)
Shares repurchased under NCIB	—	—	(785,000)	(3,089)	(3,089)
Reversal of automatic share purchase commitment	—	—	565,000	2,223	2,223
Balance – May 31, 2023	**3,371,526**	**3,326**	**196,068,632**	**277,726**	**281,052**

[1] Reduction of stated capital approved at the Company's Annual General and Special Meeting of Shareholders on January 19, 2023.

EARNINGS (LOSS) PER SHARE

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

	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	**2023**	2022
Net income (loss) attributable to shareholders (numerator)	**(495,073)**	29,621	**(479,136)**	122,007
Weighted average number of shares outstanding (denominator)				
Weighted average number of shares outstanding – basic	**199,440**	206,072	**199,541**	207,470
Effect of dilutive securities	**—**	283	**—**	426
Weighted average number of shares outstanding – diluted	**199,440**	206,355	**199,541**	207,896

The calculation of diluted earnings (loss) per share for the three and nine months ended May 31, 2023 excluded 7,261 and 7,407, respectively (May 31, 2022 – 6,417 and 5,180, respectively) weighted average Class B Non-Voting Shares issuable under the Company's Stock Option Plan because these options were not "in-the-money".

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

DIVIDENDS

On March 6, 2023, the Company declared quarterly dividends of $0.02875 and $0.03 per share payable March 31, 2023 to holders of its Class A Voting and Class B Non-Voting Shares, respectively.

STOCK OPTIONS

In the third quarter of fiscal 2023, 3,004,200 stock options were granted at a weighted average exercise price of $1.43.

STOCK OPTION PLAN

Under the Company's Stock Option Plan (the "Plan"), the Company may grant options to purchase Class B Non-Voting Shares to eligible officers, directors and employees of or consultants to the Company. The number of Class B Non-Voting Shares which the Company is authorized to issue under the Plan is 10% of the issued and outstanding Class B Non-Voting Shares. All options granted are for terms not to exceed 10 years from the grant date. The exercise price of each option equals the closing market price on the TSX of the Company's stock on the trading date immediately preceding the date of the grant. Options vest 25% on each of the first, second, third and fourth anniversary dates of the date of grant.

The fair value of each option granted in the third quarter of fiscal 2023 was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Granted in the third quarter of fiscal 2023 and vesting in fiscal years 2024 through 2027	
Fair value	$0.27 – $0.35
Risk-free interest rate	3.0% – 3.3%
Expected dividend yield	8.4%
Expected share price volatility	45.5% – 52.4%
Expected time until exercise (years)	5 – 8

SHARE-BASED COMPENSATION

Share-based compensation recorded for the third quarter and year-to-date of fiscal 2023 in respect of Stock Options as well as the Performance Share Units, Deferred Share Units and Restricted Share Units plans was an expense recovery of $1,543 and $2,609 (2022 – expense of $1,231 and $4,493). As at May 31, 2023, the carrying value of the liability for these plans was $5,412 (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 could 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 could be repurchased from 9,669,705 Class B Non-Voting Shares to 19,339,410 Class B Non-Voting Shares. The NCIB was not renewed upon expiration of the term on January 16, 2023.

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

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

	#	$	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 an 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.

9. DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	**2023**	2022
Direct cost of sales				
Amortization of program rights	**158,748**	150,093	**454,688**	426,213
Amortization of film investments	**12,195**	12,051	**22,704**	19,135
Other cost of sales	**7,801**	10,746	**28,238**	30,754
General and administrative expenses				
Employee costs	**81,160**	90,233	**240,993**	256,676
Other general and administrative	**40,526**	46,607	**138,042**	138,760
	300,430	309,730	**884,665**	871,538

10. INTEREST EXPENSE

	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	**2023**	2022
Interest on long-term debt (note 7)	**19,036**	15,551	**55,753**	42,874
Imputed interest on long-term liabilities	**13,675**	11,827	**45,031**	34,967
Other	**567**	1,136	**1,617**	1,954
	33,278	28,514	**102,401**	79,795

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

11. OTHER EXPENSE (INCOME), NET

	Three months ended	May 31,	Nine months ended	May 31,
	2023	2022	**2023**	2022
Foreign exchange loss (gain) (note 7)	**(1,584)**	419	**6,087**	3,219
Equity (gain) loss of associates	**3**	(3)	**(37)**	(38)
Trademark intangible write-off	**—**	2,204	**—**	2,204
Fair value loss on Notes prepayment options	**320**	8,682	**2,281**	3,729
Other income	**(736)**	(507)	**(1,907)**	(1,522)
	(1,997)	10,795	**6,424**	7,592

12. INCOME TAXES

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

	Nine months ended			May 31,
		2023		2022
	$	**%**	$	%
Income tax at combined federal and provincial rates	**(144,869)**	**26.5**	47,497	26.4
Income subject to tax at less than statutory rates	**(53)**	**—**	(748)	(0.4)
Non-deductible (taxable) portion of capital gains	**12**	**—**	(4)	—
Impact of valuation allowance recorded against future income tax assets	**(192)**	**—**	(509)	(0.3)
Goodwill, broadcast licence and other asset impairment	**71,057**	**(13.0)**	—	—
Transaction costs	**356**	**(0.1)**	(43)	—
Increase (decrease) of various tax reserves	**(3,252)**	**0.6**	125	—
Miscellaneous differences	**1,181**	**(0.2)**	5	—
	(75,760)	**13.8**	46,323	25.7

13. 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, digital and 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.

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

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.

REVENUE AND SEGMENT PROFIT

Three months ended May 31, 2023	**Television**	**Radio**	**Corporate**	**Consolidated**
Revenue	**371,159**	**26,176**	**—**	**397,335**
Direct cost of sales, general and administrative expenses	**275,131**	**22,064**	**3,235**	**300,430**
Segment profit (loss)	**96,028**	**4,112**	**(3,235)**	**96,905**
Depreciation and amortization				**40,178**
Interest expense				**33,278**
Goodwill, broadcast licence and other asset impairment				**590,000**
Restructuring and other costs				**10,580**
Other income, net				**(1,997)**
Loss before income taxes				**(575,134)**

Three months ended May 31, 2022	Television	Radio	Corporate	Consolidated
Revenue	404,130	29,328	—	433,458
Direct cost of sales, general and administrative expenses	276,612	23,661	9,457	309,730
Segment profit (loss)	127,518	5,667	(9,457)	123,728
Depreciation and amortization				39,952
Interest expense				28,514
Debt refinancing				(3,830)
Restructuring and other costs				4,169
Other expense, net				10,795
Income before income taxes				44,128

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

Nine months ended May 31, 2023	**Television**	**Radio**	**Corporate**	**Consolidated**
Revenue	**1,094,236**	**78,161**	**—**	**1,172,397**
Direct cost of sales, general and administrative expenses	**803,430**	**67,677**	**13,558**	**884,665**
Segment profit (loss)	**290,806**	**10,484**	**(13,558)**	**287,732**
Depreciation and amortization				**120,594**
Interest expense				**102,401**
Goodwill, broadcast licence and other asset impairment				**590,000**
Restructuring and other costs				**15,546**
Other expense, net				**6,424**
Loss before income taxes				**(547,233)**

Nine months ended May 31, 2022	Television	Radio	Corporate	Consolidated
Revenue	1,178,538	80,454	—	1,258,992
Direct cost of sales, general and administrative expenses	779,411	68,916	23,211	871,538
Segment profit (loss)	399,127	11,538	(23,211)	387,454
Depreciation and amortization				117,080
Interest expense				79,795
Debt refinancing				(3,428)
Restructuring and other costs				6,223
Other expense, net				7,592
Income before income taxes				180,192

Revenue is derived from the following areas:

	Three months ended		Nine months ended	
		May 31,		**May 31,**
	2023	2022	**2023**	2022
Advertising	**233,840**	265,915	**704,901**	784,228
Subscriber	**124,225**	130,410	**375,791**	390,768
Distribution, production and other	**39,270**	37,133	**91,705**	83,996
	397,335	433,458	**1,172,397**	1,258,992

14. INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Three months ended		Nine months ended	
		May 31,		**May 31,**
	2023	2022	**2023**	2022
Interest paid	**21,942**	19,171	**59,852**	47,759
Interest received	**752**	68	**2,404**	159
Income taxes paid	**1,525**	13,915	**8,997**	47,875