

## CORUS ENTERTAINMENT ANNOUNCES FISCAL 2023 FOURTH QUARTER AND YEAR END RESULTS

- Consolidated revenue was flat for the quarter and decreased 5% for the year
- Consolidated segment profit<sup>(1)</sup> decreased 18% for the quarter and 25% for the year
- Consolidated segment profit margin<sup>(1)</sup> of 14% for the quarter and 22% for the year
- Net income attributable to shareholders of \$50.4 million (\$0.25 per share basic) for the quarter, which includes gain on business divestiture of \$142.3 million and impairment charges of \$100.0 million related to broadcast license and brands and trade marks. Net loss attributable to shareholders of \$428.7 million (\$2.15 loss per share basic) for the year, which includes a gain on business divestiture of \$142.3 million as well as non-cash impairment charges of \$690.0 million for the year
- Proforma net debt to segment profit<sup>(1)</sup> of 3.62 times at August 31, 2023, which excludes contributions to segment profit from business divestiture, up from 3.02 times at August 31, 2022, and down from 3.85 times at the end of the third quarter
- Free cash flow<sup>(1)</sup> of \$31.7 million for the quarter and \$106.8 million for the year
- Corus suspends dividend; intends to redirect capital to debt repayment

**TORONTO, October 27, 2023 – Corus Entertainment Inc.** (TSX: CJR.B) announced its fourth quarter and year end financial results today.

“Our fourth quarter results reflect ongoing weakness in the advertising economy further impacted by more recent distortions resulting from the WGA and SAG-AFTRA strikes that persisted much longer than anticipated,” said Doug Murphy, President and Chief Executive Officer. “We are focused on what we can control as we navigate through these challenges. We will prudently redirect capital from dividends to debt repayment. Our intense pursuit of efficiencies and improved productivity is resulting in significant expense reductions as we streamline our operating model and evolve our business into a multi-platform aggregator of premium video with leading cross platform monetization capabilities. Corus will benefit from a more normalized content supply in the quarters ahead with an improved cost structure as we await a concurrent improvement in the advertising economy.”

### Financial Highlights

| (in thousands of Canadian dollars except per share amounts)            | Three months ended |                 |          | Year ended       |                 |          |
|--|--------------------|-----------------|----------|------------------|-----------------|----------|
|  | 2023               | August 31, 2022 | % Change | 2023             | August 31, 2022 | % Change |
| <b>Revenue</b>   |                    |                 |          |                  |                 |          |
| Television   | 314,232            | 314,170         | 0%       | 1,408,468        | 1,492,708       | (6%)     |
| Radio  | 24,611             | 25,424          | (3%)     | 102,772          | 105,878         | (3%)     |
|  | <b>338,843</b>     | 339,594         | (0%)     | <b>1,511,240</b> | 1,598,586       | (5%)     |
| <b>Segment profit (loss)<sup>(1)</sup></b>                             |                    |                 |          |                  |                 |          |
| Television   | 49,774             | 59,018          | (16%)    | 340,580          | 458,145         | (26%)    |
| Radio  | 2,976              | 1,729           | 72%      | 13,460           | 13,267          | 1%       |
| Corporate  | (6,477)            | (4,558)         | (42%)    | (20,035)         | (27,769)        | 28%      |
|  | <b>46,273</b>      | 56,189          | (18%)    | <b>334,005</b>   | 443,643         | (25%)    |
| <b>Segment profit margin<sup>(1)</sup></b>                             |                    |                 |          |                  |                 |          |
| Television   | 16%                | 19%             |          | 24%              | 31%             |          |
| Radio  | 12%                | 7%              |          | 13%              | 13%             |          |
| Consolidated   | 14%                | 17%             |          | 22%              | 28%             |          |
| Net income (loss) attributable to shareholders                         | 50,412             | (367,065)       |          | (428,724)        | (245,058)       |          |
| Adjusted net income (loss) attributable to shareholders <sup>(1)</sup> | (9,075)            | (17,116)        | 47%      | 28,553           | 106,938         | (73%)    |
| Basic earnings (loss) per share  | \$0.25             | (\$1.82)        |          | (\$2.15)         | (\$1.19)        |          |
| Adjusted basic earnings (loss) per share <sup>(1)</sup>                | (\$0.04)           | (\$0.08)        |          | \$0.14           | \$0.52          |          |
| Diluted earnings (loss) per share                                      | \$0.25             | (\$1.82)        |          | (\$2.15)         | (\$1.19)        |          |
| <b>Free cash flow<sup>(1)</sup></b>                                    | <b>31,654</b>      | 44,713          | (29%)    | <b>106,840</b>   | 239,585         | (55%)    |

<sup>(1)</sup> 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 (loss) attributable to shareholders, adjusted basic earnings (loss) per share, net debt to segment profit, proforma net debt to segment profit, optimized advertising revenue and new platform revenue. These are not measurements in accordance with IFRS and should not be considered as an alternative to any other measure of performance under IFRS. Please see additional discussion and reconciliations under the Key Performance Indicators and Non-GAAP Financial Measures section of the Company’s Fourth Quarter 2023 Report to Shareholders.

## Segment Revenue

| (in thousands of Canadian dollars)                 | Three months ended |                 |          | Year ended       |                 |          |
|--|--------------------|-----------------|----------|------------------|-----------------|----------|
|  | 2023               | August 31, 2022 | % Change | 2023             | August 31, 2022 | % Change |
| <b>Revenue</b>                                     |                    |                 |          |                  |                 |          |
| <b>Television</b>                                  | <b>314,232</b>     | 314,170         | 0%       | <b>1,408,468</b> | 1,492,708       | (6%)     |
| Advertising  | <b>137,391</b>     | 151,873         | (10%)    | <b>768,036</b>   | 859,598         | (11%)    |
| Subscriber   | <b>126,466</b>     | 127,715         | (1%)     | <b>502,257</b>   | 518,483         | (3%)     |
| Distribution, production and other                 | <b>50,375</b>      | 34,582          | 46%      | <b>138,175</b>   | 114,627         | 21%      |
| <b>Radio</b>                                       | <b>24,611</b>      | 25,424          | (3%)     | <b>102,772</b>   | 105,878         | (3%)     |
| <b>Total Revenue</b>                               | <b>338,843</b>     | 339,594         | (0%)     | <b>1,511,240</b> | 1,598,586       | (5%)     |
| <i>Optimized advertising revenue<sup>(1)</sup></i> | <b>55%</b>         | 50%             | (2%)     | <b>54%</b>       | 43%             | 11%      |
| <i>New platform revenue<sup>(1)</sup></i>          | <b>13%</b>         | 12%             | —        | <b>11%</b>       | 10%             | 2%       |

<sup>(1)</sup> Optimized advertising revenue and new platform revenue do not have standardized meanings prescribed by IFRS. For definitions and explanations, see the discussion under the Key Performance Indicators and Non-GAAP Financial Measures section of the Fourth Quarter 2023 Report to Shareholders.

## Operational Highlights

Corus advanced its strategic priorities on multiple fronts. The Company launched its Fall 2023 schedule for Global TV, its Specialty networks and STACKTV, implemented cost savings initiatives, completed the sale of Toon Boom Animation Inc. and used the net proceeds from the sale to pay down bank debt. The Company continues to navigate an uncertain macroeconomic environment as well as the impact of U.S. media industry labour strikes on its programming supply.

- **Global confirmed its Fall 2023 schedule of new and returning programming.** Global announced its Fall 2023 slate of premieres, including top reality show *Survivor*, new original drama *Robyn Hood* and the Canadian broadcast premiere of hit U.S. series *Yellowstone*.
- **Corus completed the sale of its animation software business; net proceeds used to repay outstanding bank debt.** Corus completed the sale of Toon Boom Animation Inc. to Integrated Media Company on August 23, 2023 for net proceeds of \$141.2 million.
- **Entertainment Tonight Canada end of production announced.** The final new episode aired on October 6, 2023, with the decision to end production of the daily entertainment newsmagazine show being due to production costs and a challenging advertising environment.
- **Corus Studios and Nikki Ray Media Agency announced four new TV movies set to premiere in 2024.** Represented internationally by Corus Studios, the made-for-tv movie franchise *The Love Club Moms* will premiere on W Network and STACKTV in 2024.

## Financial Highlights

- Free cash flow<sup>(1)</sup> of \$31.7 million in Q4 and \$106.8 million for the year compared to \$44.7 million and \$239.6 million, respectively, in the same comparable prior year periods. The decrease in free cash flow<sup>(1)</sup> for the fourth quarter is mainly attributable to a decrease in cash provided by operating activities of \$18.5 million as the net proceeds from the sale of Toon Boom Animation Inc. on August 23, 2023 of \$141.2 million that were used to pay down bank debt are not included in free cash flow<sup>(1)</sup>. The decrease in free cash flow<sup>(1)</sup> for the year ended August 31, 2023 is mainly attributable to a decrease in cash provided by operating activities of \$94.2 million, that excludes the net proceeds from the sale of Toon Boom Animation Inc. and cash provided by investing activities in the prior year ended August 31, 2022, related to a \$43.5 million non-recurring venture fund distribution.
- Net debt to segment profit<sup>(1)</sup> was 3.48 times at August 31, 2023. Proforma net debt to segment profit<sup>(2)</sup> was 3.62 times at August 31, 2023, up from 3.02 times at August 31, 2022, however lower than at the end of the third quarter of 3.85 times. The main driver of the increase in this ratio is the decrease of segment profit<sup>(1)</sup> for the most recent four quarters.
- As of August 31, 2023, the Company had \$56.2 million of cash and cash equivalents and \$300.0 million available under its Revolving Facility, \$285.9 million of which could be drawn.

## Dividends

- In fiscal 2024, the Company announced its Board of Directors has prudently suspended the dividend to redirect the use of free cash flow<sup>(1)</sup> from dividends to debt repayment given the impact of continuing macroeconomic uncertainty, and the impact of the extended Writer's Guild of America ("WGA") strike (resolved on October 9, 2023) and the ongoing labour action of Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA") on audience levels, advertising demand and revenue.

<sup>(1)</sup> Free cash flow, segment profit, net debt to segment profit and proforma net debt to segment profit do not have standardized meanings prescribed by IFRS. The Company reports on these because they are key measures used to evaluate performance. For definitions and explanations, see the discussion under the Key Performance Indicators and Non-GAAP Financial Measures section of the Fourth Quarter 2023 Report to Shareholders and/or Management's Discussion and Analysis in the Company's Annual Report for the year ended August 31, 2022 ("2022 MD&A").

<sup>(2)</sup> Proforma net debt to segment profit ratio excludes contributions to segment profit from Toon Boom Animation Inc. for the most recent four quarters.

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

The unaudited interim condensed consolidated financial statements and accompanying notes for the three months and year ended August 31, 2023 and Management's Discussion and Analysis are available on the Company's website at [www.corusent.com](http://www.corusent.com) in the Investor Relations section and under the Company's SEDAR profile at [www.sedarplus.ca](http://www.sedarplus.ca).

A conference call with Corus senior management is scheduled for October 27, 2023 at 8:00 a.m. ET. While this call is directed at analysts and investors, members of the media are welcome to listen in. To instantly join the conference call by phone, please use the following URL to easily register and be connected to the conference call automatically: <https://empportal.ink/48EOK3T>. You can also dial direct to be entered into the call by an Operator. The dial-in number for the conference call for local and international callers is 1.416.764.8650 and for North America is 1.888.664.6383. This call will be archived and available for replay in the Investor Relations section of the Corus website beginning October 27, 2023, at 11a.m.ET or accessible by telephone until November 3, 2023, at 1.888.390.0541 (toll-free North America) or 416.764.8677 (local or international), using replay code 367305#. More information can be found on the Corus Entertainment website at [www.corusent.com](http://www.corusent.com) in the Investor Relations 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.sedarplus.ca](http://www.sedarplus.ca) 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. Although the WGA strike was resolved on October 9, 2023, the continued labour action of the SAG-AFTRA will continue to impact the majority of scripted productions world-wide that employ SAG-AFTRA talent. This will 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 and may result in decreased revenue or profitability.

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

### **Outlook**

Given continuing macroeconomic uncertainty and its impact on advertising demand, combined with the extended WGA strike (resolved on October 9, 2023) and ongoing labour action of SAG-AFTRA, which impedes the Company’s ability to deliver new episodes of scripted programming on television, resulting in lower audience levels and advertising demand, the Company expects its Television advertising revenue in the first quarter of fiscal 2024 will decline in the range of 15-20% compared to the prior year. Amortization of program rights is expected to decline by a similar range along with the further implementation of additional cost management initiatives. The Company has suspended its dividend and intends to redirect the use of free cash flow from dividends on Class A and Class B shares to debt repayment. While the Company continues to expect improvement in the macro-environment and the normalization of program supply over the medium term, visibility remains limited at this time.

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

This press release includes the non-GAAP or non-IFRS financial measures of segment profit (loss), segment profit margin, free cash flow, adjusted net income (loss) attributable to shareholders, adjusted basic earnings (loss) per share, net debt to segment profit, proforma net debt to segment profit, as well as supplementary financial measures not presented in the financial statements such as optimized advertising revenue, and new platform revenue. Non-GAAP or non-IFRS measures that are not in accordance with, nor an alternate to, generally accepted accounting principles (“GAAP”) and may be different from non-GAAP or non-IFRS measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS. They are limited in value because they exclude charges that have a material effect on the Company’s reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company’s financial results. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial results. A reconciliation of the Company’s non-GAAP measures is included in the Company’s most recent Report to Shareholders for the three months and year ended August 31, 2023, which is available on Corus’ website at [www.corusent.com](http://www.corusent.com) as well as on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Caution Concerning Forward-Looking Information**

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

To the extent any statements made in this press release 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 2024, 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; 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 and under the heading “Risk Factors” in the Company’s Annual Information Form for the year ended August 31, 2022. 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.

### **About Corus Entertainment Inc.**

Corus Entertainment Inc. (TSX: CJR.B) is a leading media and content company that develops and delivers high quality brands and content across platforms for audiences around the world. Engaging audiences since 1999, the company’s portfolio of multimedia offerings encompass 33 specialty television services, 39 radio stations, 15 conventional television stations, digital and streaming platforms, and technology and media services. Corus is an internationally-renowned content creator and distributor through Nelvana, a world class animation studio expert in all formats and Corus Studios, a globally recognized producer of hit scripted and unscripted content. The company also owns full-service social digital agency so.da, lifestyle entertainment company Kin Canada, and children’s book publishing house, Kids Can Press. Corus’ roster of premium brands includes Global Television, W Network, HGTV Canada, Food Network Canada, Magnolia Network Canada, The HISTORY® Channel, Showcase, Adult Swim, National Geographic, Disney Channel Canada, YTV, Global News, Globalnews.ca, Q107, Country 105, and CFOX, along with streaming platforms STACKTV, TELETOON+, the Global TV App and Curiouscast. Corus is the domestic advertising representative and an original content partner for Pluto TV, a Paramount Company, which is the leading free ad-supported streaming television (FAST) service. For more information visit [www.corusent.com](http://www.corusent.com).

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

| (unaudited - in thousands of Canadian dollars)   | As at August 31,<br>2023 | As at August 31,<br>2022 |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>                                    |                          |                          |
| <b>Current</b>                                   |                          |                          |
| Cash and cash equivalents                        | 56,163                   | 54,912                   |
| Accounts receivable                              | 295,175                  | 311,015                  |
| Income taxes recoverable                         | 21,597                   | 17,180                   |
| Prepaid expenses and other assets                | 21,285                   | 21,423                   |
| <b>Total current assets</b>                      | <b>394,220</b>           | <b>404,530</b>           |
| Tax credits receivable                           | 44,270                   | 32,744                   |
| Investments and other assets                     | 74,415                   | 63,931                   |
| Property, plant and equipment                    | 268,214                  | 294,026                  |
| Program rights                                   | 668,976                  | 660,722                  |
| Film investments                                 | 53,085                   | 59,122                   |
| Intangibles                                      | 1,198,229                | 1,937,104                |
| Deferred income tax assets                       | 44,653                   | 50,301                   |
|  | <b>2,746,062</b>         | <b>3,502,480</b>         |
| <b>LIABILITIES AND EQUITY</b>                    |                          |                          |
| <b>Current</b>                                   |                          |                          |
| Accounts payable and accrued liabilities         | 565,052                  | 526,899                  |
| Current portion of long-term debt                | 13,434                   | 15,574                   |
| Provisions                                       | 9,811                    | 8,540                    |
| <b>Total current liabilities</b>                 | <b>588,297</b>           | <b>551,013</b>           |
| Long-term debt                                   | 1,078,950                | 1,246,076                |
| Other long-term liabilities                      | 316,912                  | 376,570                  |
| Provisions                                       | 9,041                    | 9,830                    |
| Deferred income tax liabilities                  | 293,862                  | 415,010                  |
| <b>Total liabilities</b>                         | <b>2,287,062</b>         | <b>2,598,499</b>         |
| <b>EQUITY</b>                                    |                          |                          |
| Share capital                                    | 281,052                  | 781,918                  |
| Contributed surplus                              | 2,012,936                | 1,511,481                |
| Accumulated deficit                              | (2,014,077)              | (1,574,358)              |
| Accumulated other comprehensive income           | 37,841                   | 33,000                   |
| Total equity attributable to shareholders        | 317,752                  | 752,041                  |
| Equity attributable to non-controlling interests | 141,248                  | 151,940                  |
| <b>Total equity</b>                              | <b>459,000</b>           | <b>903,981</b>           |
|  | <b>2,746,062</b>         | <b>3,502,480</b>         |



**CORUS ENTERTAINMENT INC.**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

|   | Three months ended |                  | Year ended       |                  |
|---|--------------------|------------------|------------------|------------------|
|   | August 31,         |                  | August 31,       |                  |
| (unaudited - in thousands of Canadian dollars except per share amounts) | 2023               | 2022             | 2023             | 2022             |
| Revenue   | 338,843            | 339,594          | 1,511,240        | 1,598,586        |
| Direct cost of sales, general and administrative expenses               | 292,570            | 283,405          | 1,177,235        | 1,154,943        |
| Depreciation and amortization   | 37,051             | 39,857           | 157,645          | 156,937          |
| Interest expense  | 33,009             | 27,313           | 135,410          | 107,108          |
| Goodwill, broadcast licence and other asset impairment                  | 100,000            | 350,000          | 690,000          | 350,000          |
| Debt refinancing  | —                  | —                | —                | (3,428)          |
| Restructuring and other costs   | 5,023              | 1,839            | 20,569           | 8,062            |
| Gain on disposition   | (142,288)          | —                | (142,288)        | —                |
| Other expense (income), net   | (10,094)           | 9,255            | (3,670)          | 16,847           |
| Income (loss) before income taxes                                       | 23,572             | (372,075)        | (523,661)        | (191,883)        |
| Income tax expense (recovery)   | (25,046)           | (5,968)          | (100,806)        | 40,355           |
| <b>Net income (loss) for the period</b>                                 | <b>48,618</b>      | <b>(366,107)</b> | <b>(422,855)</b> | <b>(232,238)</b> |
| <b>Other comprehensive income (loss), net of income taxes</b>           |                    |                  |                  |                  |
| <b>Items that may be reclassified subsequently to income (loss):</b>    |                    |                  |                  |                  |
| Unrealized change in fair value of cash flow hedges                     | 3,190              | (116)            | 4,945            | 4,891            |
| Unrealized foreign currency translation adjustment                      | (99)               | 1,256            | 1,067            | 1,296            |
|   | 3,091              | 1,140            | 6,012            | 6,187            |
| <b>Items that will not be reclassified to income (loss):</b>            |                    |                  |                  |                  |
| Unrealized change in fair value of financial assets                     | 95                 | (17)             | (1,171)          | 5,002            |
| Actuarial gain (loss) on post-retirement benefit plans                  | 9,632              | (2,461)          | 9,601            | 4,466            |
|   | 9,727              | (2,478)          | 8,430            | 9,468            |
| Other comprehensive income (loss), net of income taxes                  | 12,818             | (1,338)          | 14,442           | 15,655           |
| <b>Comprehensive income (loss) for the period</b>                       | <b>61,436</b>      | <b>(367,445)</b> | <b>(408,413)</b> | <b>(216,583)</b> |
| <b>Net income (loss) attributable to:</b>                               |                    |                  |                  |                  |
| Shareholders  | 50,412             | (367,065)        | (428,724)        | (245,058)        |
| Non-controlling interests   | (1,794)            | 958              | 5,869            | 12,820           |
|   | 48,618             | (366,107)        | (422,855)        | (232,238)        |
| <b>Comprehensive income (loss) attributable to:</b>                     |                    |                  |                  |                  |
| Shareholders  | 63,230             | (368,403)        | (414,282)        | (229,403)        |
| Non-controlling interests   | (1,794)            | 958              | 5,869            | 12,820           |
|   | 61,436             | (367,445)        | (408,413)        | (216,583)        |
| <b>Earnings (loss) per share attributable to shareholders:</b>          |                    |                  |                  |                  |
| Basic   | \$0.25             | (\$1.82)         | (\$2.15)         | (\$1.19)         |
| Diluted   | \$0.25             | (\$1.82)         | (\$2.15)         | (\$1.19)         |

**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)                                | —              | —                   | (428,724)           | 14,442                                 | (414,282)                                 | 5,869                     | (408,413)      |
| Dividends declared   | —              | —                   | (23,475)            | —                                      | (23,475)                                  | (17,366)                  | (40,841)       |
| Reduction of stated capital                                | (500,000)      | 500,000             | —                   | —                                      | —   | —                         | —              |
| Change in fair value of put option liability               | —              | —                   | (347)               | —                                      | (347)                                     | 176                       | (171)          |
| Shares repurchased under normal course issuer bid ("NCIB") | (3,090)        | 1,119               | —                   | —                                      | (1,971)                                   | —                         | (1,971)        |
| Reversal of automatic share purchase commitment            | 2,224          | (504)               | —                   | —                                      | 1,720                                     | —                         | 1,720          |
| Actuarial gain on post-retirement benefit plans            | —              | —                   | 9,601               | (9,601)                                | —   | —                         | —              |
| Share-based compensation expense                           | —              | 840                 | —                   | —                                      | 840                                       | —                         | 840            |
| Reallocation of equity interest                            | —              | —                   | 3,226               | —                                      | 3,226                                     | (3,226)                   | —              |
| Equity funding by a non-controlling interest               | —              | —                   | —                   | —                                      | —   | 3,855                     | 3,855          |
| <b>As at August 31, 2023</b>                               | <b>281,052</b> | <b>2,012,936</b>    | <b>(2,014,077)</b>  | <b>37,841</b>                          | <b>317,752</b>                            | <b>141,248</b>            | <b>459,000</b> |

| (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 (loss)                       | —             | —                   | (245,058)           | 15,655                                 | (229,403)                                 | 12,820                    | (216,583)    |
| Dividends declared                                | —             | —                   | (49,561)            | —                                      | (49,561)                                  | (19,772)                  | (69,333)     |
| Business acquisition                              | —             | —                   | —                   | —                                      | —   | 864                       | 864          |
| Change in fair value of put option liability      | —             | —                   | (1,308)             | —                                      | (1,308)                                   | (520)                     | (1,828)      |
| Shares repurchased under normal course issuer bid | (32,047)      | (2,719)             | —                   | —                                      | (34,766)                                  | —                         | (34,766)     |
| Share repurchase commitment under NCIB            | (2,224)       | 504                 | —                   | —                                      | (1,720)                                   | —                         | (1,720)      |
| Actuarial gain on post-retirement benefit plans   | —             | —                   | 4,466               | (4,466)                                | —   | —                         | —            |
| Share-based compensation expense                  | —             | 1,265               | —                   | —                                      | 1,265                                     | —                         | 1,265        |
| Equity funding by a non-controlling interest      | —             | —                   | —                   | —                                      | —   | 5,719                     | 5,719        |
| As at August 31, 2022                             | 781,918       | 1,511,481           | (1,574,358)         | 33,000                                 | 752,041                                   | 151,940                   | 903,981      |

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

|  | Three months ended |                 | Year ended       |                  |
|--|--------------------|-----------------|------------------|------------------|
|  | August 31,         |                 | August 31,       |                  |
| (unaudited - in thousands of Canadian dollars)                           | 2023               | 2022            | 2023             | 2022             |
| <b>OPERATING ACTIVITIES</b>  |                    |                 |                  |                  |
| Net income (loss) for the period   | 48,618             | (366,107)       | (422,855)        | (232,238)        |
| Adjustments to reconcile net income (loss) to cash flow from operations: |                    |                 |                  |                  |
| Amortization of program rights   | 140,491            | 133,597         | 595,179          | 559,810          |
| Amortization of film investments   | 14,056             | 4,794           | 36,760           | 23,929           |
| Depreciation and amortization  | 37,051             | 39,857          | 157,645          | 156,937          |
| Deferred income tax recovery   | (24,327)           | (3,095)         | (124,516)        | (10,437)         |
| Goodwill, broadcast licence and other asset impairment                   | 100,000            | 350,000         | 690,000          | 350,000          |
| Gain on business divestiture   | (142,288)          | —               | (142,288)        | —                |
| Share-based compensation expense   | 278                | 330             | 840              | 1,265            |
| Imputed interest   | 12,516             | 11,234          | 57,547           | 46,201           |
| Debt refinancing   | —                  | —               | —                | (3,428)          |
| Payment of program rights  | (180,303)          | (160,640)       | (674,535)        | (564,214)        |
| Net spend on film investments  | (5,392)            | (1,771)         | (60,341)         | (41,168)         |
| Other  | 189                | 1,802           | 1,345            | 7,628            |
| Cash flow from operations  | 889                | 10,001          | 114,781          | 294,285          |
| Net change in non-cash working capital balances related to operations    | 36,445             | 45,834          | 7,886            | (77,450)         |
| <b>Cash provided by operating activities</b>                             | <b>37,334</b>      | <b>55,835</b>   | <b>122,667</b>   | <b>216,835</b>   |
| <b>INVESTING ACTIVITIES</b>  |                    |                 |                  |                  |
| Additions to property, plant and equipment                               | (4,381)            | (8,944)         | (13,302)         | (17,810)         |
| Proceeds from sale of property   | —                  | 174             | 736              | 299              |
| Business divestiture, net of divested cash                               | 141,172            | —               | 141,172          | —                |
| Business combination, net of cash acquired                               | —                  | —               | —                | 3,606            |
| Venture fund distribution  | —                  | —               | —                | 43,478           |
| Net cash flows for intangibles, investments and other assets             | (1,299)            | (2,672)         | (3,332)          | (4,401)          |
| <b>Cash provided by (used in) investing activities</b>                   | <b>135,492</b>     | <b>(11,442)</b> | <b>125,274</b>   | <b>25,172</b>    |
| <b>FINANCING ACTIVITIES</b>  |                    |                 |                  |                  |
| Decrease in bank loans   | (159,469)          | (7,216)         | (171,742)        | (354,846)        |
| Financing fees   | —                  | —               | (998)            | (5,892)          |
| Issuance of senior unsecured notes                                       | —                  | —               | —                | 250,000          |
| Share repurchase under NCIB  | —                  | (11,610)        | (2,045)          | (34,691)         |
| Equity funding by a non-controlling interest                             | —                  | —               | 3,855            | 3,742            |
| Payment of lease liabilities   | (4,560)            | (4,422)         | (17,943)         | (17,031)         |
| Dividends paid   | (5,979)            | (12,150)        | (35,923)         | (49,561)         |
| Dividends paid to non-controlling interests                              | (1,616)            | (5,627)         | (17,366)         | (19,772)         |
| Other  | (1,212)            | (149)           | (4,528)          | (2,729)          |
| <b>Cash used in financing activities</b>                                 | <b>(172,836)</b>   | <b>(41,174)</b> | <b>(246,690)</b> | <b>(230,780)</b> |
| Net change in cash and cash equivalents during the period                | (10)               | 3,219           | 1,251            | 11,227           |
| Cash and cash equivalents, beginning of the period                       | 56,173             | 51,693          | 54,912           | 43,685           |
| <b>Cash and cash equivalents, end of the period</b>                      | <b>56,163</b>      | <b>54,912</b>   | <b>56,163</b>    | <b>54,912</b>    |



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

(unaudited - in thousands of Canadian dollars)

**Three months ended August 31, 2023**

|   | Television    | Radio        | Corporate      | Consolidated  |
|---|---------------|--------------|----------------|---------------|
| Revenue   | 314,232       | 24,611       | —              | 338,843       |
| Direct cost of sales, general and administrative expenses | 264,458       | 21,635       | 6,477          | 292,570       |
| <b>Segment profit (loss)<sup>(1)</sup></b>                | <b>49,774</b> | <b>2,976</b> | <b>(6,477)</b> | <b>46,273</b> |
| Depreciation and amortization                             |               |              |                | 37,051        |
| Interest expense  |               |              |                | 33,009        |
| Goodwill, broadcast licence and other asset impairment    |               |              |                | 100,000       |
| Restructuring and other costs                             |               |              |                | 5,023         |
| Gain on disposition                                       |               |              |                | (142,288)     |
| Other income, net   |               |              |                | (10,094)      |
| <b>Income before income taxes</b>                         |               |              |                | <b>23,572</b> |

Three months ended August 31, 2022

|   | Television    | Radio        | Corporate      | Consolidated     |
|---|---------------|--------------|----------------|------------------|
| Revenue   | 314,170       | 25,424       | —              | 339,594          |
| Direct cost of sales, general and administrative expenses | 255,152       | 23,695       | 4,558          | 283,405          |
| <b>Segment profit (loss)<sup>(1)</sup></b>                | <b>59,018</b> | <b>1,729</b> | <b>(4,558)</b> | <b>56,189</b>    |
| Depreciation and amortization                             |               |              |                | 39,857           |
| Interest expense  |               |              |                | 27,313           |
| Goodwill, broadcast licence and other asset impairment    |               |              |                | 350,000          |
| Restructuring and other costs                             |               |              |                | 1,839            |
| Other expense, net  |               |              |                | 9,255            |
| <b>Loss before income taxes</b>                           |               |              |                | <b>(372,075)</b> |

**Year ended August 31, 2023**

|   | Television     | Radio         | Corporate       | Consolidated     |
|---|----------------|---------------|-----------------|------------------|
| Revenue   | 1,408,468      | 102,772       | —               | 1,511,240        |
| Direct cost of sales, general and administrative expenses | 1,067,888      | 89,312        | 20,035          | 1,177,235        |
| <b>Segment profit (loss)<sup>(1)</sup></b>                | <b>340,580</b> | <b>13,460</b> | <b>(20,035)</b> | <b>334,005</b>   |
| Depreciation and amortization                             |                |               |                 | 157,645          |
| Interest expense  |                |               |                 | 135,410          |
| Goodwill, broadcast licence and other asset impairment    |                |               |                 | 690,000          |
| Restructuring and other costs                             |                |               |                 | 20,569           |
| Gain on disposition                                       |                |               |                 | (142,288)        |
| Other income, net   |                |               |                 | (3,670)          |
| <b>Loss before income taxes</b>                           |                |               |                 | <b>(523,661)</b> |

Year ended August 31, 2022

|   | Television     | Radio         | Corporate       | Consolidated     |
|---|----------------|---------------|-----------------|------------------|
| Revenue   | 1,492,708      | 105,878       | —               | 1,598,586        |
| Direct cost of sales, general and administrative expenses | 1,034,563      | 92,611        | 27,769          | 1,154,943        |
| <b>Segment profit (loss)<sup>(1)</sup></b>                | <b>458,145</b> | <b>13,267</b> | <b>(27,769)</b> | <b>443,643</b>   |
| Depreciation and amortization                             |                |               |                 | 156,937          |
| Interest expense  |                |               |                 | 107,108          |
| Goodwill, broadcast licence and other asset impairment    |                |               |                 | 350,000          |
| Debt refinancing  |                |               |                 | (3,428)          |
| Restructuring and other costs                             |                |               |                 | 8,062            |
| Other expense, net  |                |               |                 | 16,847           |
| <b>Loss before income taxes</b>                           |                |               |                 | <b>(191,883)</b> |

<sup>(1)</sup> Segment profit (loss) does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators and Non-GAAP Financial Measures section of the Fourth Quarter 2023 Report to Shareholders.

## REVENUE BY TYPE

| (unaudited - in thousands of Canadian dollars) | Three months ended |         | Year ended        |                   |
|--|--------------------|---------|-------------------|-------------------|
|  | 2023               | 2022    | 2023              | 2022              |
|  |                    |         | <b>August 31,</b> | <b>August 31,</b> |
|  |                    |         |                   |                   |
| Advertising                                    | 160,732            | 175,964 | 865,633           | 960,192           |
| Subscriber                                     | 126,466            | 127,715 | 502,257           | 518,483           |
| Distribution, production and other             | 51,645             | 35,915  | 143,350           | 119,911           |
|  | <b>338,843</b>     | 339,594 | <b>1,511,240</b>  | 1,598,586         |

## NON-GAAP FINANCIAL MEASURES

| (unaudited - in thousands of Canadian dollars, except percentages) | Three months ended |         |          | Year ended        |                   |          |
|--|--------------------|---------|----------|-------------------|-------------------|----------|
|  | 2023               | 2022    | % Change | 2023              | 2022              | % Change |
|  |                    |         |          | <b>August 31,</b> | <b>August 31,</b> |          |
|  |                    |         |          |                   |                   |          |
| <b>Optimized advertising revenue</b>                               |                    |         |          |                   |                   |          |
| Optimized advertising revenue (numerator)                          | 74,995             | 76,660  | (2%)     | 411,461           | 371,540           | 11%      |
| Television advertising revenue (denominator)                       | 137,391            | 151,873 | (10%)    | 768,036           | 859,598           | (11%)    |
| <b>Optimized advertising revenue percentage</b>                    | <b>55%</b>         | 50%     |          | <b>54%</b>        | 43%               |          |

| (unaudited - in thousands of Canadian dollars, except percentages) | Three months ended |         |          | Year ended        |                   |          |
|--|--------------------|---------|----------|-------------------|-------------------|----------|
|  | 2023               | 2022    | % Change | 2023              | 2022              | % Change |
|  |                    |         |          | <b>August 31,</b> | <b>August 31,</b> |          |
|  |                    |         |          |                   |                   |          |
| <b>New platform revenue</b>  |                    |         |          |                   |                   |          |
| New platform revenue (numerator)                                   | 33,024             | 33,061  | —        | 145,521           | 142,284           | 2%       |
| Television advertising revenue                                     | 137,391            | 151,873 | (10%)    | 768,036           | 859,598           | (11%)    |
| Television subscriber revenue                                      | 126,466            | 127,715 | (1%)     | 502,257           | 518,483           | (3%)     |
| Total Television advertising and subscriber revenue (denominator)  | 263,857            | 279,588 | (6%)     | 1,270,293         | 1,378,081         | (8%)     |
| <b>New platform revenue percentage</b>                             | <b>13%</b>         | 12%     |          | <b>11%</b>        | 10%               |          |

| (unaudited - in thousands of Canadian dollars, except per share amounts) | Three months ended |           | Year ended        |                   |
|--|--------------------|-----------|-------------------|-------------------|
|  | 2023               | 2022      | 2023              | 2022              |
|  |                    |           | <b>August 31,</b> | <b>August 31,</b> |
|  |                    |           |                   |                   |
| <b>Adjusted Net Income (Loss) Attributable to Shareholders</b>           |                    |           |                   |                   |
| Net income (loss) attributable to shareholders                           | 50,412             | (367,065) | (428,724)         | (245,058)         |
| <b>Adjustments, net of income tax:</b>                                   |                    |           |                   |                   |
| Goodwill, broadcast licence and other asset impairment                   | 73,500             | 348,597   | 578,453           | 348,597           |
| Debt refinancing   | —                  | —         | —                 | (2,526)           |
| Gain on disposition  | (136,479)          | —         | (136,479)         | —                 |
| Restructuring and other costs  | 3,492              | 1,352     | 15,303            | 5,925             |
| <b>Adjusted net income (loss) attributable to shareholders</b>           | <b>(9,075)</b>     | (17,116)  | <b>28,553</b>     | 106,938           |
| <b>Basic earnings (loss) per share</b>                                   | <b>\$0.25</b>      | (\$1.82)  | <b>(\$2.15)</b>   | (\$1.19)          |
| <b>Adjustments, net of income tax:</b>                                   |                    |           |                   |                   |
| Goodwill, broadcast licence and other asset impairment                   | \$0.37             | \$1.73    | \$2.90            | \$1.69            |
| Debt refinancing   | —                  | —         | —                 | (\$0.01)          |
| Gain on disposition  | (\$0.68)           | —         | (\$0.68)          | —                 |
| Restructuring and other costs  | \$0.02             | \$0.01    | \$0.07            | \$0.03            |
| <b>Adjusted basic earnings (loss) per share</b>                          | <b>(\$0.04)</b>    | (\$0.08)  | <b>\$0.14</b>     | \$0.52            |

| (unaudited - in thousands of Canadian dollars)  | Three months ended |             | Year ended       |             |
|---|--------------------|-------------|------------------|-------------|
|   |                    | August 31,  |                  | August 31,  |
| <b>Free Cash Flow</b>   | <b>2023</b>        | <b>2022</b> | <b>2023</b>      | <b>2022</b> |
| Cash provided by (used in):   |                    |             |                  |             |
| Operating activities  | <b>37,334</b>      | 55,835      | <b>122,667</b>   | 216,835     |
| Investing activities  | <b>135,492</b>     | (11,442)    | <b>125,274</b>   | 25,172      |
|   | <b>172,826</b>     | 44,393      | <b>247,941</b>   | 242,007     |
| Add (deduct): cash used in (provided by) business acquisitions, divestitures and strategic investments <sup>(1)</sup> | <b>(141,172)</b>   | 320         | <b>(141,101)</b> | (2,422)     |
| <b>Free cash flow</b>   | <b>31,654</b>      | 44,713      | <b>106,840</b>   | 239,585     |

<sup>(1)</sup> Strategic investments are comprised of investments in venture funds and associated companies.

| (unaudited - in thousands of Canadian dollars)                       | As at August 31, | As at August 31, |
|--|------------------|------------------|
| <b>Net Debt and Net Debt to Segment Profit</b>                       | <b>2023</b>      | <b>2022</b>      |
| Total debt, net of unamortized financing fees and prepayment options | <b>1,092,384</b> | 1,261,650        |
| Lease liabilities  | <b>126,084</b>   | 134,369          |
| Cash and cash equivalents  | <b>(56,163)</b>  | (54,912)         |
| <b>Net debt (numerator)</b>  | <b>1,162,305</b> | 1,341,107        |
| Segment profit (denominator) <sup>(1)</sup>                          | <b>334,005</b>   | 443,643          |
| <b>Net debt to segment profit</b>                                    | <b>3.48</b>      | 3.02             |
| <b>Proforma net debt to segment profit</b> <sup>(2)</sup>            | <b>3.62</b>      | 3.02             |

<sup>(1)</sup> Reflects aggregate amounts for the most recent four quarters, as detailed in the table in the Quarterly Consolidated Financial Information section of the Fourth Quarter 2023 Report to Shareholders.

<sup>(2)</sup> Proforma net debt to segment profit ratio excludes contributions to segment profit from Toon Boom Animation Inc. for the most recent four quarters.