

CORUS ENTERTAINMENT ANNOUNCES FISCAL 2024 THIRD QUARTER RESULTS

- Consolidated revenue decreased 16% for the quarter and 15% for the year-to-date
- Consolidated segment profit⁽¹⁾ decreased 30% for the quarter and 16% for the year-to-date
- Consolidated segment profit margin⁽¹⁾ of 20% for the quarter and 24% for the year-to-date
- Net loss attributable to shareholders of \$769.9 million (\$3.86 loss per share basic) for the quarter and \$747.0 million (\$3.74 loss per share basic) for the year-to-date, which includes non-cash impairment charges of \$960.0 million related to goodwill, broadcast licences as well as trade mark and brand assets, and program rights
- Proforma net debt to segment profit⁽¹⁾ of 3.91 times at May 31, 2024, which excludes contributions to segment profit from a prior year business divestiture, was up from the proforma net debt to segment profit as at August 31, 2023 of 3.62 times
- Free cash flow⁽¹⁾ of \$18.4 million for the quarter and \$75.0 million for the year-to-date

TORONTO, July 15, 2024 – Corus Entertainment Inc. (TSX: C.JR.B) announced its third quarter financial results today.

“The third quarter results reflect the ongoing impacts of a challenging advertising environment,” said Troy Reeb, Co-Chief Executive Officer. “We have secured a top-notch Fall schedule to deploy across our traditional linear and streaming portfolio including STACKTV and the Global TV App. Our team is actively pursuing near term revenue opportunities, execution of our strategic rebranding initiatives for our top lifestyle services and swift implementation of efficiency measures.”

“As part of our mandate as co-CEOs, we are decisively reducing more costs and taking actions to right-size our business given the realities of our operating environment,” said John Gossling, Co-Chief Executive Officer and Chief Financial Officer. “We have made difficult decisions to part with certain legacy assets and are identifying additional opportunities to streamline our business with the aim of improving profitability. We are also working with the Board to develop a comprehensive plan to strengthen the balance sheet and manage liabilities.”

Financial Highlights

	Three months ended			Nine months ended		
	2024	May 31, 2023	% Change	2024	May 31, 2023	% Change
<small>(in thousands of Canadian dollars except per share amounts)</small>						
Revenue						
Television	308,198	371,159	(17%)	928,690	1,094,236	(15%)
Radio	23,606	26,176	(10%)	72,555	78,161	(7%)
	331,804	397,335	(16%)	1,001,245	1,172,397	(15%)
Segment profit (loss)⁽¹⁾						
Television	68,412	96,028	(29%)	249,073	290,806	(14%)
Radio	2,633	4,112	(36%)	8,035	10,484	(23%)
Corporate	(3,510)	(3,235)	(9%)	(15,979)	(13,558)	(18%)
	67,535	96,905	(30%)	241,129	287,732	(16%)
Segment profit margin⁽¹⁾						
Television	22%	26%		27%	27%	
Radio	11%	16%		11%	13%	
Consolidated	20%	24%		24%	25%	
Net loss attributable to shareholders	(769,897)	(495,073)	(56%)	(746,966)	(479,136)	(56%)
Adjusted net income (loss) attributable to shareholders ⁽¹⁾	(19,873)	18,042	(210%)	15,430	37,628	(59%)
Earnings (loss) per share:						
Basic	(\$3.86)	(\$2.48)		(\$3.74)	(\$2.40)	
Diluted	(\$3.86)	(\$2.48)		(\$3.74)	(\$2.40)	
Adjusted basic ⁽¹⁾	(\$0.10)	\$0.09		\$0.08	\$0.19	
Free cash flow⁽¹⁾	18,440	25,979	(29%)	75,010	75,186	—

⁽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-Generally Accepted Accounting Principles (“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 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 Third Quarter 2024 Report to Shareholders.

Segment Revenue

(in thousands of Canadian dollars)	Three months ended			Nine months ended		
	2024	May 31, 2023	% Change	2024	May 31, 2023	% Change
Revenue						
Television	308,198	371,159	(17%)	928,690	1,094,236	(15%)
Advertising	178,182	209,008	(15%)	536,457	630,645	(15%)
Subscriber	116,914	124,225	(6%)	352,449	375,791	(6%)
Distribution, production and other	13,102	37,926	(65%)	39,784	87,800	(55%)
Radio	23,606	26,176	(10%)	72,555	78,161	(7%)
Total Revenue	331,804	397,335	(16%)	1,001,245	1,172,397	(15%)
<i>New platform revenue percentage⁽¹⁾</i>	12%	12%	(9%)	12%	11%	(6%)

⁽¹⁾ New platform revenue does not have a standardized meaning prescribed by IFRS. For definition and explanation, see the discussion under the Key Performance Indicators and Non-GAAP Financial Measures section of the Third Quarter 2024 Report to Shareholders.

Operational Highlights

Corus has appointed Co-CEOs Troy Reeb and John Gosling following the early retirement of Doug Murphy, former President and CEO. In addition, the Company unveiled its Fall schedule for Global TV and Corus' Specialty networks on traditional and streaming platforms, announced changes to its programming and trademark output arrangements, continued to implement cost savings initiatives and made bank debt repayments. The Company continues to navigate an uncertain macroeconomic and competitive environment.

- **Global TV announces its 2024/2025 primetime lineup of new acquisitions and returns of major hit series.** Global TV's roster will deliver 18.5 hours of simulcast programming in primetime this fall and introduces new dramas *Matlock*, *Murder in a Small Town*, and *NCIS: Origins*. The fall schedule also features the return of #1 show *Survivor*(1), #1 drama *9-1-1*⁽¹⁾, and *Elsbeth*, along with popular franchises *FBI* and *NCIS*, and Top 10 ranked comedy *Ghosts*⁽¹⁾.
- **Corus' Specialty networks and streaming platforms announce 2024/2025 series lineup.** Corus' specialty drama networks and STACKTV will feature returning seasons of *Bel Air*, *Ted*, *Based on a True Story*, *Outlander* and *The Way Home* along with new Peacock Originals *Untitled Steph Curry/Adam Pally Project (WT)*, *Fight Night: The Million Dollar Heist* and *Lockerbie*. Corus' unscripted and reality networks, and STACKTV will see the return of *Celebrity IOU* and *The Secret of Skinwalker Ranch*, and new series *100 Day Hotel Challenge (WT)*, *Holy Marvels with Dennis Quaid*, and more.

⁽¹⁾ Source: Numeris Personal People Meter Data, Total Canada, Spring 2024 season (Jan 8-Jun 2/24) – Confirmed data, 3+ airings, Adults 25-54, Average Minute Audience(000), Canadian Conventional Commercial English national networks, and Connected TV com all others 'Total', excludes playoffs.

Financial Highlights

- Free cash flow⁽¹⁾ of \$18.4 million in Q3 and \$75.0 million year-to-date compared to \$26.0 million and \$75.2 million, respectively, in the same comparable prior year periods. The decrease in free cash flow⁽¹⁾ for the third quarter and the year-to-date is mainly attributable to lower cash provided by operating activities.
- Net debt to segment profit⁽¹⁾ was 3.86 times as at May 31, 2024. Proforma net debt to segment profit⁽²⁾ was 3.91 times at May 31, 2024, up from 3.62 times at August 31, 2023. This ratio increased as a result of the decline in segment profit⁽¹⁾ for the most recent four quarters exceeding the effect of the reduced net debt.
- In the third quarter of fiscal 2024, Corus paid down \$4.6 million of debt and \$36.1 million for the year-to-date.
- As of May 31, 2024, the Company had \$67.2 million of cash and cash equivalents and \$98.4 million available to be drawn under its \$300.0 million Revolving Facility. On June 1, 2024, availability on the Revolving Facility decreased to \$30.2 million as a result of the decrease in the maximum total debt to cash flow ratio required under the financial covenants on that date.

⁽¹⁾ Free cash flow, segment profit (loss), 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 Third Quarter 2024 Report to Shareholders and/or Management's Discussion and Analysis in the Company's Annual Report for the year ended August 31, 2023 ("2023 MD&A").

⁽²⁾ Proforma net debt to segment profit ratio excludes contributions to segment profit from Toon Boom Animation Inc., which was sold in August 2023, 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 and nine months ended May 31, 2024 and Management's Discussion and Analysis are available on the Company's website at www.corusent.com in the Investor Relations section and under the Company's SEDAR+ profile at www.sedarplus.ca.

A conference call with Corus senior management is scheduled for July 15, 2024 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://emportal.ink/4c2c10h>. 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 July 15, 2024, at 11 a.m.ET or accessible by telephone until July 22, 2024, at 1.888.390.0541 (toll-free

North America) or 416.764.8677 (local or international), using replay code 246006#. More information can be found on the Corus Entertainment website at 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 2023 MD&A, as filed at www.sedarplus.ca on October 30, 2023.

As discussed further in the 2023 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.

As previously identified, additional key factors that have and may continue to adversely impact the Company’s ability to compete successfully and its financial results include, but are not limited to: industry-wide, continuing reduced advertising demand or spending on linear television; macroeconomic supply chain disruptions, which in turn impact advertising; ability to secure programming rights; changes to acquired programming costs and arrangements, which continue to increase; and continued inaction or slower action by Corus’ federal broadcast regulator to revisit Canadian program spending requirements, which represent a significant portion of the Company’s cost base. A more extensive discussion of risks and uncertainties that may affect the Company’s business, operations and financial performance can be found in the 2023 Annual MD&A.

Programming and trade mark output arrangements for HGTV, Food Network, Cooking Channel, Magnolia Network and OWN will not be renewed upon their expiry on December 31, 2024. The Company is currently undertaking a review of these channels and while some lifestyle channels may be retired, others are expected to be rebranded based on the strength of top-rated Canadian programs and foreign content supply. This is expected to impact revenue on the Company’s services in calendar 2025, which may lead to decreased profitability.

In addition, the Company has entered into the Credit Facility and issued the Senior Unsecured Notes, all of which contain certain financial covenants including with respect to the maintenance of certain leverage ratios. Management has taken and continues to take significant cost reduction actions and make appropriate investments in areas or assets which support sustainable profitability. Management also intends to actively pursue options for such amendments or relief, concurrent with such cost reduction actions and its regulatory advocacy. However, should the financial performance, specifically the impacts to profitability, continue to decline without successful mitigation and should there be no further changes or amendments to the foregoing financing arrangements, there is material risk that the Company will not meet its covenants under (i) the terms of the Credit Facility, anticipated to be in effect as at September 1, 2024, when the Company’s leverage covenant decreases from 4.50 to 4.25 times, or; (ii) the Senior Unsecured Notes, as a result of cross default provisions.

The Company’s ability to mitigate the concerns above is dependent on its ability to continue to access financing and / or obtain relief from or amendments to terms with lenders or noteholders with respect to relevant financial covenants or repayment terms under such facilities. While the Company has been successful in obtaining requisite relief and amendments in the past, there can be no assurance it will be able to do so in the future.

Other financial risks which may be related to or elevated by the foregoing include 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. Please see the 2023 MD&A for a full discussion of these and other risks and uncertainties.

Outlook

In the fourth quarter, we continue to expect lingering impacts from the lengthy disruption of advertising markets due to the U.S. writers’ and actors’ strikes, over-supply of premium digital video inventory from foreign competitors, and generally lower demand for linear advertising. As such, the Company expects year-over-year declines in Television advertising revenue in the fourth quarter of fiscal 2024 to be similar to the third quarter of fiscal 2024. Amortization of TV program rights is expected to decline in the quarter by approximately 20% on a year-over-year basis. The Company will continue with its implementation of additional cost reduction initiatives and expects general and administrative expenses to decline in the range of 10 to 15% for the fourth quarter compared to the prior year. While the Company continues to expect improvement in the macroeconomic environment in 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 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 new platform revenue. Non-GAAP or non-IFRS measures 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 and nine months ended May 31, 2024, which is available on Corus' website at www.corusent.com as well as on SEDAR+ at 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 and 2025, 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 including new or re-programmed channels; 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 renegotiate, obtain relief from or 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, 2023 and under the heading "Risk Factors" in the Company's Annual Information Form for the year ended August 31, 2023. 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.

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CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at May 31, 2024	As at August 31, 2023
ASSETS		
Current		
Cash and cash equivalents	67,208	56,163
Accounts receivable	284,728	295,175
Income taxes recoverable	11,791	21,597
Prepaid expenses and other assets	20,776	21,285
Total current assets	384,503	394,220
Tax credits receivable	38,210	44,270
Investments and other assets	55,742	74,415
Property, plant and equipment, net	253,602	268,214
Program rights	530,133	668,976
Film investments	56,990	53,085
Intangible assets, net	265,200	1,198,229
Deferred income tax assets	—	44,653
Total assets	1,584,380	2,746,062
LIABILITIES AND EQUITY (DEFICIT)		
Current		
Accounts payable and accrued liabilities	525,210	565,052
Current portion of long-term debt	14,057	13,434
Provisions	17,004	9,811
Total current liabilities	556,271	588,297
Long-term debt	1,045,111	1,078,950
Other long-term liabilities	229,002	316,912
Provisions	8,695	9,041
Deferred income tax liabilities	56,396	293,862
Total liabilities	1,895,475	2,287,062
EQUITY (DEFICIT)		
Share capital	281,052	281,052
Contributed surplus	2,013,509	2,012,936
Accumulated deficit	(2,764,045)	(2,014,077)
Accumulated other comprehensive income	29,174	37,841
Total equity (deficit) attributable to shareholders	(440,310)	317,752
Equity attributable to non-controlling interests	129,215	141,248
Total equity (deficit)	(311,095)	459,000
	1,584,380	2,746,062

CORUS ENTERTAINMENT INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Three months ended		Nine months ended	
		May 31,		May 31,
(unaudited - in thousands of Canadian dollars except per share amounts)	2024	2023	2024	2023
Revenue	331,804	397,335	1,001,245	1,172,397
Direct cost of sales, general and administrative expenses	264,269	300,430	760,116	884,665
Depreciation and amortization	27,397	40,178	87,565	120,594
Interest expense	26,004	33,278	83,165	102,401
Goodwill, broadcast licence and other asset impairment	960,000	590,000	960,000	590,000
Debt refinancing	—	—	753	—
Restructuring and other costs	10,893	10,580	26,961	15,546
Other expense (income), net	452	(1,997)	135	6,424
Loss before income taxes	(957,211)	(575,134)	(917,450)	(547,233)
Income tax recovery	(184,109)	(83,982)	(173,670)	(75,760)
Net loss for the period	(773,102)	(491,152)	(743,780)	(471,473)
Other comprehensive income (loss), net of income taxes				
Items that may be reclassified subsequently to loss:				
Unrealized change in fair value of cash flow hedges	65	461	(2,779)	1,755
Unrealized foreign currency translation adjustment	84	(143)	316	1,166
	149	318	(2,463)	2,921
Items that will not be reclassified to loss:				
Unrealized change in fair value of financial assets	254	(578)	(6,204)	(1,266)
Actuarial loss on post-retirement benefit plans	(1,426)	(578)	(3,856)	(31)
	(1,172)	(1,156)	(10,060)	(1,297)
Other comprehensive income (loss), net of income taxes	(1,023)	(838)	(12,523)	1,624
Comprehensive loss for the period	(774,125)	(491,990)	(756,303)	(469,849)
Net loss attributable to:				
Shareholders	(769,897)	(495,073)	(746,966)	(479,136)
Non-controlling interests	(3,205)	3,921	3,186	7,663
	(773,102)	(491,152)	(743,780)	(471,473)
Comprehensive income (loss) attributable to:				
Shareholders	(770,920)	(495,911)	(759,489)	(477,512)
Non-controlling interests	(3,205)	3,921	3,186	7,663
	(774,125)	(491,990)	(756,303)	(469,849)
Loss per share attributable to shareholders:				
Basic	(\$3.86)	(\$2.48)	(\$3.74)	(\$2.40)
Diluted	(\$3.86)	(\$2.48)	(\$3.74)	(\$2.40)

CORUS ENTERTAINMENT INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(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 (deficit)
As at August 31, 2023	281,052	2,012,936	(2,014,077)	37,841	317,752	141,248	459,000
Comprehensive income (loss)	—	—	(746,966)	(12,523)	(759,489)	3,186	(756,303)
Dividends declared	—	—	—	—	—	(10,073)	(10,073)
Change in fair value of put option liability	—	—	854	—	854	(5,146)	(4,292)
Actuarial loss on post-retirement benefit plans	—	—	(3,856)	3,856	—	—	—
Share-based compensation expense	—	573	—	—	573	—	573
As at May 31, 2024	281,052	2,013,509	(2,764,045)	29,174	(440,310)	129,215	(311,095)

(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	(500,000)	500,000	—	—	—	—	—
Change in fair value of put option liability	—	—	(754)	—	(754)	65	(689)
Shares repurchased under normal course issuer bid ("NCIB")	(3,089)	1,119	—	—	(1,970)	—	(1,970)
Reversal of automatic share purchase commitment	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

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
		May 31,		May 31,
(unaudited - in thousands of Canadian dollars)	2024	2023	2024	2023
OPERATING ACTIVITIES				
Net loss for the period	(773,102)	(491,152)	(743,780)	(471,473)
Adjustments to reconcile net loss to cash flow from operations:				
Amortization of program rights	135,027	158,748	374,395	454,688
Amortization of film investments	6,890	12,195	14,211	22,704
Depreciation and amortization	27,397	40,178	87,565	120,594
Deferred income tax recovery	(186,302)	(91,630)	(189,425)	(100,189)
Goodwill, broadcast licence and other asset impairment	960,000	590,000	960,000	590,000
Share-based compensation expense	162	194	573	562
Imputed interest	9,854	13,675	33,275	45,031
Debt refinancing	—	—	753	—
Payment of program rights	(149,981)	(161,185)	(416,163)	(494,232)
Net spend on film investments	(11,484)	(18,674)	(21,627)	(54,949)
Other	253	1,015	(529)	1,156
Cash flow from operations	18,714	53,364	99,248	113,892
Net change in non-cash working capital balances related to operations	4,217	(23,554)	(14,432)	(28,559)
Cash provided by operating activities	22,931	29,810	84,816	85,333
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(4,328)	(3,548)	(11,931)	(8,921)
Proceeds from sale of property	37	396	2,261	736
Net cash flows for intangibles, investments and other assets	(200)	(679)	(482)	(2,033)
Cash used in investing activities	(4,491)	(3,831)	(10,152)	(10,218)
FINANCING ACTIVITIES				
Decrease in bank loans	(4,583)	(10,203)	(36,069)	(12,273)
Financing fees	—	—	(619)	(998)
Share repurchase under NCIB	—	—	—	(2,045)
Equity funding by a non-controlling interest	—	—	—	3,855
Payment of lease liabilities	(4,661)	(4,570)	(13,612)	(13,383)
Dividends paid	—	(5,979)	—	(29,944)
Dividends paid to non-controlling interests	(2,403)	(5,677)	(10,073)	(15,750)
Other	(1,090)	(1,229)	(3,246)	(3,316)
Cash used in financing activities	(12,737)	(27,658)	(63,619)	(73,854)
Net change in cash and cash equivalents during the period	5,703	(1,679)	11,045	1,261
Cash and cash equivalents, beginning of the period	61,505	57,852	56,163	54,912
Cash and cash equivalents, end of the period	67,208	56,173	67,208	56,173

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended May 31, 2024

	Television	Radio	Corporate	Consolidated
Revenue	308,198	23,606	—	331,804
Direct cost of sales, general and administrative expenses	239,786	20,973	3,510	264,269
Segment profit (loss)⁽¹⁾	68,412	2,633	(3,510)	67,535
Depreciation and amortization				27,397
Interest expense				26,004
Goodwill, broadcast licence and other asset impairment				960,000
Restructuring and other costs				10,893
Other expense, net				452
Loss before income taxes				(957,211)

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)⁽¹⁾	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)

Nine months ended May 31, 2024

	Television	Radio	Corporate	Consolidated
Revenue	928,690	72,555	—	1,001,245
Direct cost of sales, general and administrative expenses	679,617	64,520	15,979	760,116
Segment profit (loss)⁽¹⁾	249,073	8,035	(15,979)	241,129
Depreciation and amortization				87,565
Interest expense				83,165
Goodwill, broadcast licence and other asset impairment				960,000
Debt refinancing				753
Restructuring and other costs				26,961
Other expense, net				135
Loss before income taxes				(917,450)

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)⁽¹⁾	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)

⁽¹⁾ 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 Third Quarter 2024 Report to Shareholders.

REVENUE BY TYPE

(unaudited - in thousands of Canadian dollars)	Three months ended		Nine months ended	
	2024	May 31, 2023	2024	May 31, 2023
Advertising	200,370	233,840	604,476	704,901
Subscriber	116,914	124,225	352,449	375,791
Distribution, production and other	14,520	39,270	44,320	91,705
	331,804	397,335	1,001,245	1,172,397

NON-GAAP FINANCIAL MEASURES

(unaudited - in thousands of Canadian dollars, except percentages)	Three months ended			Nine months ended		
	2024	May 31, 2023	% Change	2024	May 31, 2023	% Change
New platform revenue						
New platform revenue (numerator)	34,972	38,637	(9%)	105,855	112,497	(6%)
Television advertising revenue	178,182	209,008	(15%)	536,457	630,645	(15%)
Television subscriber revenue	116,914	124,225	(6%)	352,449	375,791	(6%)
Total Television advertising and subscriber revenue (denominator)	295,096	333,233	(11%)	888,906	1,006,436	(12%)
New platform revenue percentage	12%	12%		12%	11%	

(unaudited - in thousands of Canadian dollars, except per share amounts)	Three months ended		Nine months ended	
	2024	May 31, 2023	2024	May 31, 2023
Adjusted Net Income Attributable to Shareholders				
Net loss attributable to shareholders	(769,897)	(495,073)	(746,966)	(479,136)
Adjustments, net of income tax:				
Goodwill, broadcast licence and other asset impairment	742,016	504,953	742,016	504,953
Debt refinancing	—	—	555	—
Restructuring and other costs	8,008	8,162	19,825	11,811
Adjusted net income (loss) attributable to shareholders	(19,873)	18,042	15,430	37,628
Basic loss per share	(\$3.86)	(\$2.48)	(\$3.74)	(\$2.40)
Adjustments, net of income tax:				
Goodwill, broadcast licence and other asset impairment	\$3.72	\$2.53	\$3.72	\$2.53
Debt refinancing	—	—	—	—
Restructuring and other costs	\$0.04	\$0.04	\$0.10	\$0.06
Adjusted basic earnings (loss) per share	(\$0.10)	\$0.09	\$0.08	\$0.19

(unaudited - in thousands of Canadian dollars)	Three months ended		Nine months ended	
	2024	May 31, 2023	2024	May 31, 2023
Free Cash Flow				
Cash provided by (used in):				
Operating activities	22,931	29,810	84,816	85,333
Investing activities	(4,491)	(3,831)	(10,152)	(10,218)
	18,440	25,979	74,664	75,115
Add: cash used in business acquisitions and strategic investments ⁽¹⁾	—	—	346	71
Free cash flow	18,440	25,979	75,010	75,186

⁽¹⁾ Strategic investments are comprised of investments in venture funds and associated companies.

(unaudited - in thousands of Canadian dollars)

	As at May 31,	As at August 31,
Net Debt and Net Debt to Segment Profit	2024	2023
Total debt, net of unamortized financing fees and prepayment options	1,059,168	1,092,384
Lease liabilities	118,844	126,084
Cash and cash equivalents	(67,208)	(56,163)
Net debt (numerator)	1,110,804	1,162,305
Segment profit (denominator) ⁽¹⁾	287,402	334,005
Net debt to segment profit	3.86	3.48
Proforma net debt to segment profit⁽²⁾	3.91	3.62

⁽¹⁾ Reflects aggregate amounts for the most recent four quarters, as detailed in the table in the Quarterly Consolidated Financial Information section of the Third Quarter 2024 Report to Shareholders.

⁽²⁾ Proforma net debt to segment profit ratio excludes contributions to segment profit from Toon Boom Animation Inc., which was divested on August 23, 2023, for the most recent four quarters.