

**corus.**

**Report to Shareholders**  
**Second Quarter 2025**

For the Three and Six Months Ended February 28, 2025 (Unaudited)



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## FINANCIAL HIGHLIGHTS

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

(in thousands of Canadian dollars except per share amounts)

	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	% Change	February 28, 2025	February 29, 2024	% Change
<b>Revenue</b>						
Television	251,808	278,059	(9%)	555,437	620,492	(10%)
Radio	18,545	21,478	(14%)	42,087	48,949	(14%)
	<b>270,353</b>	<b>299,537</b>	<b>(10%)</b>	<b>597,524</b>	<b>669,441</b>	<b>(11%)</b>
<b>Segment profit (loss) <sup>(1)</sup></b>						
Television	22,612	58,903	(62%)	108,576	180,661	(40%)
Radio	1,439	857	68%	5,306	5,402	(2%)
Corporate	(6,548)	(7,015)	7%	(12,156)	(12,469)	3%
	<b>17,503</b>	<b>52,745</b>	<b>(67%)</b>	<b>101,726</b>	<b>173,594</b>	<b>(41%)</b>
<b>Segment profit margin <sup>(1)</sup></b>						
Television	9%	21%		20%	29%	
Radio	8%	4%		13%	11%	
Consolidated	6%	18%		17%	26%	
Net income (loss) attributable to shareholders	(55,880)	(9,780)		(43,972)	22,931	
Adjusted net income (loss) attributable to shareholders <sup>(1)</sup>	(42,727)	(5,944)		(14,355)	35,303	
Earnings (loss) per share:						
Basic and diluted	(\$0.28)	(\$0.05)		(\$0.22)	\$0.12	
Adjusted basic <sup>(1)</sup>	(\$0.21)	(\$0.03)		(\$0.07)	\$0.18	
<b>Free cash flow <sup>(1)</sup></b>	<b>46,017</b>	<b>32,862</b>	<b>40%</b>	<b>35,868</b>	<b>56,570</b>	<b>(37%)</b>

<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-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, and new platform revenue. These are not measurements in accordance with IFRS and should not be considered as an alternative to any other measure of performance under IFRS. Please see additional discussion and reconciliations under the Key Performance Indicators and Non-GAAP Financial Measures section below.

## BUSINESS HIGHLIGHTS

### Multi-Platform Video Business

- **Home Network and Flavour Network land top specialty lifestyle rankings.** Since the launch of Corus' Home Network and Flavour Network on December 30, 2024, almost 11 million Canadians have tuned-in to enjoy the premium content on these top ranking specialty lifestyle networks<sup>(1)</sup>.
- **Home Network announces its spring 2025 lineup.** Home Network announced its robust spring 2025 lineup, with new seasons of Corus Original series *Renovation Resort* and *Scott's Vacation House Rules*. Spring premieres include brand new episodes of *House Hunters*, *Interior Design Masters*, *George Clarke's Amazing Spaces*, and new series *Empty Nest Refresh*.
- **W Network debuts its spring 2025 schedule.** Spring premieres on W Network include new comedies *Laid* and *Small Town, Big Story*. New series from Hallmark Channel include family drama *The Chicken Sisters* and unscripted series *Small Town Setup*.

### International Content Business

- **Corus announces start of production on *Halloween Bakeshop* and *Holiday Bakeshop* for Flavour Network.** Produced in association with Corus Studios for Flavour Network, the new Canadian original competition series *Halloween Bakeshop* and *Holiday Bakeshop* are shooting in Toronto and slated to premiere in fall 2025.
- **Global greenlights new Canadian original series *Private Eyes West Coast*.** Global announced it has greenlit a new Canadian original scripted series, *Private Eyes West Coast*, a spinoff of the iconic and hugely popular Global Original *Private Eyes*, which aired on the network for five seasons from 2016-2021.
- **Canadian original series *Big Burger Battle* to premiere on Flavour Network.** Culinary competition series *Big Burger Battle*, produced in association with Corus Studios for Flavour Network, joins the Flavour Network spring lineup on April 21, 2025.
- **Canadian original documentary series *Sounds Black* premieres on The History® Channel and streams on STACKTV.** On February 1, 2025, the new four-part documentary series *Sounds Black* from Corus premiered in recognition of Black History Month.

### Ongoing Focus on Capital Management

- **Corus assigns and amends credit agreement, extends maturity date.** On March 21, 2025, Corus announced that it has completed an assignment of all the indebtedness and obligations under its Seventh Amended and Restated Credit Agreement dated October 24, 2024 to existing Canadian strategic debtholders. The Company also completed an agreement to amend and restate the Credit Facility, which now matures on March 20, 2027. A copy of the updated Credit Facility is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Advanced Focus on Sustainability

- **Corus gives back to local communities.** In the second quarter, Corus helped raise \$9.9 million for over 230 community giving initiatives as well as provided over 660 volunteer hours to 51 local organizations across Canada.

### Creating a Great Place to Work

- **Canada's Best Diversity Employers 2025.** Corus was recognized by Canada's Top 100 Employers as one of Canada's Best Diversity Employers 2025 for the Company's ongoing efforts to prioritize Diversity, Equity and Inclusion.
- **The Globe and Mail's Report on Business 2025 Women Lead Here.** Corus was once again recognized on The Globe and Mail's *Report on Business 2025 Women Lead Here* list, an annual benchmark to identify leaders in executive gender diversity in Corporate Canada.

<sup>(1)</sup> Source: Numeris Personal People Meter ("PPM") Data, Total Canada, (December 30/24 - March 16/25) - confirmed until March 9/25, Monday-Sunday 2am-2am, Adults 18+ Home/Flavour Cumulative Reach (CumRch) (000) / rank based on 3+ airings, Adults 25-54 Average Minute Audience ("AMA") (000), Canadian Specialty Commercial English networks excluding sports and specials.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the three and six months ended February 28, 2025 is prepared as at April 10, 2025. The following should be read in conjunction with Management's Discussion and Analysis, consolidated financial statements and the notes thereto included in the Company's Annual Report for the year ended August 31, 2024 and the interim condensed consolidated financial statements and notes of the current quarter. The financial highlights included in the discussion of the segmented results are derived from the unaudited interim condensed consolidated financial statements. All amounts are stated in Canadian dollars unless specified otherwise.

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

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

To the extent any statements made in this report contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). This forward-looking information relates to, among other things, the Company's objectives, goals, strategies, targets, intentions, plans, estimates and outlook, including the adoption and anticipated impact of the Company's strategic plan, advertising and expectations of advertising trends for fiscal 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 Company's ability to maintain necessary access to loan and credit facilities, 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 maintain necessary access to loan and credit facilities, the Company's ability to attract, retain and manage fluctuations in advertising revenue; the impact of imposed and threatened tariffs, including trade disruptions, restrictions on cross-border supply chains, shifting policies, uncertainty, timing and the resolution thereof; 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, re-branded 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, 2024 (the "2024 MD&A") and under the heading "Risk Factors" in the Company's Annual Information Form for the year ended August 31, 2024 (the "AIF"). Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on the Company's forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document and may be updated or amended from time to time. Except as otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events or circumstances that arise after the date thereof or otherwise. For a discussion on the Company's results of operations for fiscal 2024, we refer you to the Company's Annual Report for the year ended August 31, 2024, filed on SEDAR+ on December 8, 2024. Additional information relating to the Company, including the AIF, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **OVERVIEW OF CONSOLIDATED RESULTS**

### **REVENUE**

Revenue for the second quarter of fiscal year 2025 of \$270.4 million decreased 10% from \$299.5 million in the prior year's quarter. On a consolidated basis, advertising revenue decreased 13%, subscriber revenue decreased 5%, and distribution, production and other revenue was down 14% compared to the prior year's quarter. Revenue declined in Television by 9% and by 14% in Radio.

For the six months ended February 28, 2025, consolidated revenue of \$597.5 million decreased 11% from \$669.4 million in the prior year. On a consolidated basis, advertising revenue decreased 14%, subscriber revenue decreased 3%, and distribution, production and other revenue was down 19% compared to the prior year. Revenue declined in Television by 10% and by 14% in Radio.

Further analysis of revenue is provided in the discussion of segmented results.

### **DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES**

Direct cost of sales and general and administrative expenses for the second quarter of fiscal year 2025 of \$252.9 million increased 2% from \$246.8 million in the prior year's quarter. On a consolidated basis, direct cost of sales increased 15%, employee costs decreased 15% and other general and administrative expenses decreased 4%. The increase in direct cost of sales results from increases in amortization of program rights and other cost of sales, offset by lower amortization of film investments. The decrease in employee costs was primarily due to reduced labour costs, lower share-based compensation expense and short-term compensation accruals. Other general and administrative expenses were lower as a result of reduced rental costs and satellite communications charges, offset by increased software and system license fees and higher advertising and marketing costs.

For the six months ended February 28, 2025, direct cost of sales, general and administrative expenses of \$495.8 million was consistent with the prior year. On a consolidated basis, direct cost of sales increased 9%, while employee costs decreased 15% and other general and administrative expenses decreased 1% from the prior year. The increase in direct cost of sales was driven principally by the increase in amortization of program rights. The decrease in employee costs was primarily due to reduced labour costs, short-term compensation accruals and share-based compensation expense. Other general and administrative expenses decreased as a result of reduced tariff royalties and trade mark fees that are positively correlated with revenue, lower rental costs, satellite communication charges, and consulting costs, offset by increased software and system license fees and marketing costs. Further analysis of expenses is provided in the discussion of segmented results.

## SEGMENT PROFIT

Segment profit for the second quarter of fiscal year 2025 was \$17.5 million, a decrease of 67% from \$52.7 million in the prior year's quarter. The decrease in segment profit for the second quarter was principally a result of Television advertising and subscriber revenue declines, and an increase in amortization of program rights due to the return of scripted Hollywood content which was impacted by the writers' and actors' strikes in the prior year, partially offset by cost control measures undertaken to reduce general and administrative expenses. Segment profit margin for the second quarter of fiscal year 2025 of 6% was down from 18% in the prior year's quarter.

For the six months ended February 28, 2025, segment profit was \$101.7 million, a decrease of 41% from \$173.6 million in the prior year. The decrease in segment profit was principally a result of Television advertising and subscriber revenue declines, and an increase in amortization of program rights due to the return of scripted Hollywood content which was impacted by the writers' and actors' strikes in the prior year, partially offset by a decrease in general and administrative expenses resulting from continued cost control measures. Segment profit margin of 17% for the six months ended February 28, 2025 was down from 26% in the prior year. Further analysis is provided in the discussion of segmented results.

## DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the three months ended February 28, 2025 was \$22.8 million, a decrease of 24% from \$29.9 million in the prior year's quarter. The decrease in the quarter was a result of reductions in the amortization of brands and trade marks of \$7.8 million, offset by an increase in amortization of other intangible assets of \$0.6 million.

Depreciation and amortization expense for the six months ended February 28, 2025 was \$45.1 million, a decrease of 25% from \$60.2 million in the prior year. The decrease was a result of reductions in the amortization of brands and trade marks of \$14.8 million, and capital assets of \$0.5 million, offset by an increase in amortization of other intangible assets of \$0.3 million.

## INTEREST EXPENSE

Interest expense for the three months ended February 28, 2025 was \$31.0 million, up from \$28.1 million in the prior year's quarter. The increase in interest expense in the quarter results from an increase in imputed interest of \$2.7 million on long-term liabilities associated with program rights, trade marks and right-of-use assets and an increase in interest on long-term debt of \$0.4 million. Interest on long-term debt was higher as a result of lower interest rates on floating interest rate bank debt being more than offset by the impact of interest rate swaps.

Interest expense for the six months ended February 28, 2025 of \$56.1 million decreased from \$57.2 million in the prior year. The decrease results from lower imputed interest of \$1.0 million on long-term liabilities associated with program rights, trade marks and right-of-use assets and higher interest on long-term debt of \$0.4 million. Interest on long-term debt was higher as a result of lower interest rates on floating interest rate bank debt being more than offset by the impact of interest rate swaps.

The effective interest rate on bank debt and the Senior Unsecured Notes due 2030 (the "2030 Notes") together with the Senior Unsecured Notes due 2028 (the "2028 Notes", collectively referred to hereafter as the "Notes") for both the three and six months ended February 28, 2025 was 6.4% and 6.3% compared to 6.1% for both comparable periods of the prior year. The increase in the effective rate for both periods results from the impact of the interest rate swaps.

## DEBT REFINANCING

On October 24, 2024, the Company amended and restated its Credit Facility (refer to note 6 of the interim condensed consolidated financial statements for further details), which resulted in a non-cash loss on debt refinancing of \$4.4 million.

## RESTRUCTURING AND OTHER COSTS

For the three and six months ended February 28, 2025, the Company incurred \$12.6 million and \$29.1 million, respectively, of restructuring and other costs, compared to \$5.3 million and \$16.1 million in the comparable periods of the prior year. The current fiscal year costs relate primarily to restructuring costs associated with employee exits and professional fees, while the prior fiscal year costs relate to restructuring costs associated with employee exits as well as ongoing system integration costs.

### **OTHER EXPENSE (INCOME), NET**

Other expense for the three months ended February 28, 2025 was \$9.0 million, compared to \$0.3 million in the prior year's quarter. The current quarter includes foreign exchange loss of \$5.0 million related to the translation of USD denominated liabilities, as well as an impairment of \$4.1 million related to intangible assets no longer in use, and other expenses of \$0.6 million consisting of the retroactive portion of a reduction to Television retransmission royalties as well as redundant rent, net of rental income, offset by \$0.7 million of interest income. The prior year's quarter included \$0.9 million of interest income, net foreign exchange gains of \$0.2 million primarily related to the translation of USD denominated liabilities, and a recovery of a previous investment impairment of \$0.3 million, offset by other expenses of \$1.6 million consisting of the retroactive portion of a reduction to Television retransmission royalties as well as redundant rent, net of rental income.

Other expense for the six months ended February 28, 2025 was \$3.7 million, compared to income of \$0.3 million in the prior year. In the current year-to-date period, other expenses included foreign exchange losses of \$8.8 million primarily related to the translation of USD denominated liabilities, an impairment loss of \$4.1 million related to intangible assets no longer in use and \$1.9 million of other expenses related to the retroactive portion of retransmission royalties and redundant rent, net of rental income, offset by interest income of \$1.4 million, and a \$9.7 million gain on a property disposal. In the prior year's comparable period, other income included interest income of \$2.2 million, a gain on sale of land of \$1.0 million, a recovery of a previous investment impairment of \$0.3 million, offset by foreign exchange losses of \$0.7 million related to the translation of USD denominated liabilities, as well as \$2.6 million related to the retroactive portion of retransmission royalty reductions and redundant rent, net of rental income.

### **INCOME TAX EXPENSE (RECOVERY)**

The Company's effective income tax recovery rate for the three months ended February 28, 2025 was 4.9% compared to 28.1% of the prior year's quarter. The difference between the statutory rate of 26.4% and the effective tax rate mainly resulted from increases in derecognized deferred income tax assets.

The Company's effective income tax rate for the six months ended February 28, 2025 was 8.7%, compared to the effective tax recovery rate for the six months ended February 29, 2024 of 26.3%. The difference between the year-to-date statutory rate of 26.3% and the effective income tax rate resulted from increases in derecognized deferred income tax assets and the non-taxable portion of capital gains.

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

Net loss attributable to shareholders for the second quarter of fiscal 2025 was \$55.9 million (\$0.28 loss per share basic), compared to net loss attributable to shareholders of \$9.8 million (\$0.05 loss per share basic) in the prior year's quarter. Net loss attributable to shareholders for the second quarter of fiscal 2025 includes restructuring and other costs of \$12.6 million (\$0.05 per share) and write-off of intangible assets of \$4.1 million (\$0.02 per share). Adjusting for the impact of these items results in an adjusted net loss attributable to shareholders of \$42.7 million (\$0.21 loss per share basic) in the quarter. Net loss attributable to shareholders for the second quarter of fiscal 2024 included restructuring and other costs of \$5.3 million (\$0.02 per share). Adjusting for the impact of this item results in an adjusted net loss attributable to shareholders of \$5.9 million (\$0.03 loss per share basic) in the prior year's quarter.

Net loss attributable to shareholders for the six months ended February 28, 2025 was \$44.0 million (\$0.22 loss per share basic), compared to income of \$22.9 million (\$0.12 per share basic) in the prior year. Net loss attributable to shareholders for the six months ended February 28, 2025 includes a debt refinancing loss of \$4.4 million (\$0.02 per share), restructuring and other costs of \$29.1 million (\$0.11 per share) and write-off of intangible assets of \$4.1 million (\$0.02 per share). Adjusting for the impact of these items results in an adjusted net loss attributable to shareholders of \$14.4 million (\$0.07 loss per share basic). Net income attributable to shareholders for the six months ended February 29, 2024 includes restructuring and other costs of \$16.1 million (\$0.06 per share basic). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$35.3 million (\$0.18 per share basic) for the same comparable period of the prior year.

The weighted average number of basic shares outstanding for the three and six months ended February 28, 2025 was 199,440,000, consistent with the comparable periods in the prior year.



## **OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES**

Other comprehensive loss for the three months ended February 28, 2025 was \$8.5 million, compared to \$5.9 million in the prior year's quarter. For the three months ended February 28, 2025, other comprehensive loss includes an actuarial loss on the remeasurement of post-employment benefit plans of \$4.1 million, an unrealized loss on the fair value of financial assets of \$3.8 million, and an unrealized loss in the fair value of cash flow hedges of \$1.3 million, offset by an unrealized gain from foreign currency translation adjustments of \$0.7 million. In the prior year's quarter, other comprehensive loss includes an actuarial loss on the remeasurement of post-employment benefit plans of \$1.1 million and an unrealized loss on the change in the fair value of financial assets of \$4.8 million, offset by an unrealized gain from foreign currency translation adjustments of \$0.1 million.

Other comprehensive loss for the six months ended February 28, 2025 was \$6.4 million, compared to \$11.5 million in the prior year. For the six months ended February 28, 2025, other comprehensive loss includes an actuarial loss on the remeasurement of post-employment benefit plans of \$1.4 million, an unrealized loss on the fair value of cash flow hedges of \$2.2 million and an unrealized loss on the fair value of financial assets of \$4.3 million, offset by an unrealized gain from foreign currency translation adjustments of \$1.6 million. For the six months ended February 29, 2024, other comprehensive loss includes an unrealized loss on the fair value of cash flow hedges of \$2.8 million, an unrealized loss on the fair value of financial assets of \$6.5 million and an actuarial loss on the remeasurement of post-employment benefit plans of \$2.4 million, offset by unrealized gain from foreign currency translation adjustments of \$0.2 million.

## **BUSINESS SEGMENT INFORMATION**

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

### **TELEVISION**

The Television segment is comprised of 30 specialty television networks, 15 conventional television stations, digital and streaming services, a social media digital agency, a social media creator network, technology and media services, and the Corus content business, which includes the production and distribution of films and television programs, merchandise licensing, and book publishing. Revenue is generated from advertising, subscribers and the licensing of proprietary films and television programs as well as the provision of production services, merchandise licensing, book publishing, and the provision of technology and media services.

### **RADIO**

The Radio segment comprises 36 radio stations, situated primarily in urban centres in English Canada, with a concentration in the densely populated area of Southern Ontario. Revenue is derived from advertising aired over these stations.

### **CORPORATE**

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

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

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

## TELEVISION

### FINANCIAL HIGHLIGHTS

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
(thousands of Canadian dollars)				
<b>Revenue</b>				
Advertising	<b>129,539</b>	148,979	<b>306,228</b>	358,275
Subscriber	<b>111,880</b>	117,285	<b>227,578</b>	235,535
Distribution, production and other	<b>10,389</b>	11,795	<b>21,631</b>	26,682
Total revenue	<b>251,808</b>	278,059	<b>555,437</b>	620,492
Expenses	<b>229,196</b>	219,156	<b>446,861</b>	439,831
Segment profit <sup>(1)</sup>	<b>22,612</b>	58,903	<b>108,576</b>	180,661
Segment profit margin <sup>(1)</sup>	<b>9%</b>	21%	<b>20%</b>	29%

Revenue for the three months ended February 28, 2025 declined in Television by 9% from the prior year's quarter as a result of decreases of 13% in advertising revenue, 5% in subscriber revenue, and 12% in distribution, production and other revenue. Advertising revenue declined as demand and spending in the media industry remained challenged by an oversupply of premium digital video inventory. The decrease in advertising revenue was driven by declines across most major advertising categories, partially mitigated by increases in the non alcoholic beverages and video game categories. Subscriber revenue decreased from the prior year's quarter principally as a result of declines in the traditional linear business. The decrease in distribution, production and other revenue was attributable to fewer episode deliveries and reduced service work.

Revenue for the six months ended February 28, 2025 declined in Television by 10% from the prior year's comparable period as a result of decreases of 15% in advertising revenue, 3% in subscriber revenue, and 19% in distribution, production and other revenue. On a year-to-date basis, the majority of advertising categories continued to decline due to an oversupply of premium digital video inventory. Subscriber revenue decreased from the prior year-to-date as a result of declines in the traditional linear business. The decrease in distribution, production and other revenue was attributable to fewer episode deliveries and reduced service work.

Expenses for the three months ended February 28, 2025 were up 5% from the prior year's quarter as a result of an increase of 15% in direct cost of sales, offset by a decrease of 15% in employee costs, and a decrease of 4% in other general and administrative expenses. The increase in direct cost of sales was driven by a \$16.5 million (or 14%) increase in amortization of program rights, as a result of the writers' and actors' labour strikes in the prior year and a \$4.6 million (or 73%) increase in other cost of sales, offset by a decrease of \$1.3 million (or 41%) in amortization of film investments. The decrease of \$8.6 million in employee costs reflects significant headcount reductions. The decrease of \$1.2 million in other general and administrative expenses was attributable to continued cost containment measures.

Expenses for the six months ended February 28, 2025 were up 2% from the prior year's comparable period as a result of an increase of 9% in direct cost of sales and an increase of 1% in other general and administrative expenses, offset by a decrease of 15% in employee costs. The increase in direct cost of sales was driven by a \$19.9 million (or 8%) increase in amortization of program rights, as a result of the writers' and actors' labour strikes in the prior year and a \$6.6 million (or 46%) increase in other cost of sales, offset by a decrease of \$2.7 million (or 37%) in amortization of film investments. The decrease of \$17.5 million in employee costs reflects significant headcount reductions over the past twelve months. The increase of \$0.7 million in other general and administrative expenses was primarily the result of an increase in advertising and marketing costs to support the launch of new programming and brands, offset by continued cost containment measures.

Segment profit<sup>(1)</sup> for the three and six months period ended February 28, 2025 was down 62% and 40%, respectively. This decline was primarily a result of the decrease in advertising and subscriber revenue exceeding the decreases in expenses. Segment profit margin<sup>(1)</sup> for the three and six months ended February 28, 2025 was 9% and 20%, respectively, down compared to 21% and 29% in the prior year's comparable periods.

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

## RADIO

### FINANCIAL HIGHLIGHTS

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
(thousands of Canadian dollars)				
Revenue	18,545	21,478	42,087	48,949
Expenses	17,106	20,621	36,781	43,547
Segment profit <sup>(1)</sup>	1,439	857	5,306	5,402
Segment profit margin <sup>(1)</sup>	8%	4%	13%	11%

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

Revenue for the three and six months ended February 28, 2025 decreased 14% from the prior year's comparable period. The decline in advertising revenue for the quarter was driven principally by the professional services, automotive, telecommunications, beverages and restaurants categories, offset by modest growth in the government / political and entertainment categories.

Direct cost of sales and general and administrative expenses decreased 17% and 16% for the three and six months ended February 28, 2025, respectively. The decrease was a result of lower salaries and benefits due to continued cost containment measures, with a particular focus on headcount reductions.

Radio's segment profit<sup>(1)</sup> for the three months ended February 28, 2025 increased by \$0.6 million from the prior year's quarter as a result of cost containment measures exceeding revenue declines. Segment profit margin<sup>(1)</sup> for the three months of 8% increased from 4% in the prior year's quarter. Radio's segment profit for the six months ended February 28, 2025 decreased by \$0.1 million from the prior year's comparable period, as revenue declines exceeded cost containment measures. Segment profit margin for the six months of 13% increased from 11% in the prior year's comparable period.

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

## CORPORATE

### FINANCIAL HIGHLIGHTS

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
(thousands of Canadian dollars)				
Share-based compensation	(52)	1,156	6	77
Other general and administrative costs	6,600	5,859	12,150	12,392
	6,548	7,015	12,156	12,469

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

Share-based compensation expense in the three and six months ended February 28, 2025 decreased by \$1.2 million and \$0.1 million from the comparable periods of the prior year, as a result of a higher share price in the prior year.

Other general and administrative costs increased by \$0.7 million and decreased \$0.2 million in the three and six months ended February 28, 2025. The changes are principally attributable to additional professional fees offset by savings on employee costs due to decreased headcount.

## QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

### SEASONAL FLUCTUATIONS

As discussed in Management's Discussion and Analysis for the year ended August 31, 2024, Corus' operating results are subject to seasonal fluctuations that can significantly impact quarter-to-quarter operating results. The Company's advertising revenue is dependent on general advertising revenue and retail cycles associated with consumer spending activity, accordingly the first and third quarter results tend to be the highest and second and fourth quarter results tend to be the lowest in a fiscal year. The Company's distribution and production revenue is dependent on the number and timing of film and television programs delivered. Consequently, the Company's results may fluctuate materially from period-to-period and the results of any one period are not necessarily indicative of results for future periods.

The following table sets forth certain unaudited data derived from the Company's interim condensed consolidated financial statements for each of the eight most recent quarters ended February 28, 2025. In Management's opinion, these unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with the audited consolidated financial statements in the Company's Annual Report for the year ended August 31, 2024, except as disclosed in note 3 of the interim condensed consolidated financial statements.

(thousands of Canadian dollars, except per share amounts)

	Revenue	Segment profit <sup>(1)</sup>	Net income (loss) attributable to shareholders	Adjusted net income (loss) attributable to shareholders <sup>(1)</sup>	Earnings (loss) per share			
					Basic	Diluted	Adjusted basic <sup>(1)</sup>	Free cash flow <sup>(1)</sup>
<b>2025</b>								
2nd quarter	270,353	17,503	(55,880)	(42,727)	\$ (0.28)	\$ (0.28)	\$ (0.21)	46,017
1st quarter	327,171	84,223	11,908	28,372	\$ 0.06	\$ 0.06	\$ 0.14	(10,149)
<b>2024</b>								
4th quarter	269,353	42,300	(25,675)	(4,003)	\$ (0.13)	\$ (0.13)	\$ (0.02)	39,142
3rd quarter	331,804	67,535	(769,897)	(19,873)	\$ (3.86)	\$ (3.86)	\$ (0.10)	18,440
2nd quarter	299,537	52,745	(9,780)	(5,944)	\$ (0.05)	\$ (0.05)	\$ (0.03)	32,862
1st quarter	369,904	120,849	32,711	41,247	\$ 0.16	\$ 0.16	\$ 0.20	23,708
<b>2023</b>								
4th quarter	338,843	46,273	50,412	(9,075)	\$ 0.25	\$ 0.25	\$ (0.04)	31,654
3rd quarter	397,335	96,905	(495,073)	18,042	\$ (2.48)	\$ (2.48)	\$ 0.09	25,979

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

### ITEMS CAUSING VARIATIONS IN QUARTERLY RESULTS

- Net loss attributable to shareholders for the second quarter of fiscal 2025 was negatively impacted by restructuring and other costs of \$12.6 million (\$0.05 per share) and a write off of intangible assets of \$4.1 million (\$0.02 per share).
- Net income attributable to shareholders for the first quarter of fiscal 2025 was negatively impacted by restructuring and other costs of \$16.5 million (\$0.06 per share) and a loss on debt refinancing of \$4.4 million (\$0.02 per share).
- Net loss attributable to shareholders for the fourth quarter of fiscal 2024 was negatively impacted by restructuring and other costs of \$28.3 million (\$0.11 per share).
- Net loss attributable to shareholders for the third quarter of fiscal 2024 was negatively impacted by non-cash television and radio broadcast licence, goodwill and other asset impairment charges of \$960.0 million (\$3.72 per share) and restructuring and other costs of \$10.9 million (\$0.04 per share).
- Net loss attributable to shareholders for the second quarter of fiscal 2024 was negatively impacted by restructuring and other costs of \$5.3 million (\$0.02 per share).
- Net income attributable to shareholders for the first quarter of fiscal 2024 was negatively impacted by restructuring and other costs of \$10.8 million (\$0.04 per share) and a loss on debt refinancing of \$0.8 million (\$nil per share).

- Net income attributable to shareholders for the fourth quarter of fiscal 2023 was negatively impacted by non-cash television broadcast licence and other asset impairment charges of \$100.0 million (\$0.37 per share) and restructuring and other costs of \$5.0 million (\$0.02 per share), while positively impacted by a gain on a business disposition of \$142.3 million (\$0.68 per share).
- Net loss attributable to shareholders for the third quarter of fiscal 2023 was negatively impacted by non-cash television goodwill, broadcast licence and other asset impairment charges of \$590.0 million (\$2.53 per share) and restructuring and other costs of \$10.6 million (\$0.04 per share).

## FINANCIAL POSITION

Total assets at February 28, 2025 of \$1.8 billion increased by \$0.3 billion from August 31, 2024. The following discussion describes the significant changes in the consolidated statements of financial position since August 31, 2024.

Current assets at February 28, 2025 were \$355.7 million, a decrease of \$1.6 million from August 31, 2024.

Cash and cash equivalents increased by \$9.3 million from August 31, 2024. Refer to the discussion of cash flows in the next section.

Accounts receivable increased by \$8.2 million from August 31, 2024. The increase was primarily as a result of trade accounts receivable. The accounts receivable balance is subject to seasonal trends. Typically, the balance of trade receivables is higher at the end of the first and third quarters and lower at the end of the second and fourth quarters as a result of the broadcast advertising revenue seasonality. The Company carefully monitors the aging and collection performance of its accounts receivable.

Tax credits receivable increased \$2.2 million from August 31, 2024 as a result of accruals relating to film productions exceeding tax credit receipts.

Investments and other assets decreased \$6.0 million from August 31, 2024, primarily as a result of a decrease in the net asset position of certain post employment benefit plans, a decrease in the fair value of the venture funds and the expiration of the foreign exchange forward contract.

Property, plant and equipment decreased \$14.1 million from August 31, 2024 as a result of depreciation expense exceeding additions.

Program rights increased \$208.5 million from August 31, 2024, as acquisitions of \$467.8 million were offset by amortization of \$259.3 million.

Film investments decreased \$9.4 million from August 31, 2024, primarily as a result of tax credit accruals of \$4.3 million and film amortization of \$4.6 million.

Intangibles increased \$104.0 million from August 31, 2024, as trade mark renewal agreements of \$121.4 million and net additions to other intangible assets of \$9.9 million were offset by amortization of \$27.3 million.

Accounts payable and accrued liabilities increased \$31.5 million from August 31, 2024, principally as a result of higher accounts payable and accrued liabilities, deferred revenue, and program rights payable, offset by decreases in payroll accruals, sales tax payable, interest payable, short-term compensation accruals and capital asset purchases.

Provisions, including the long-term portion, decreased by \$3.5 million from August 31, 2024, principally as a result of payments exceeding restructuring-related additions.

Long-term debt, including the current portion, as at February 28, 2025 was \$1,046.4 million compared to \$1,052.8 million as at August 31, 2024. As at February 28, 2025, the \$3.3 million classified as the current portion of long-term debt consists of mandatory repayments of the Term Facility over the next twelve months. During the six months ended February 28, 2025, the Company decreased bank debt by \$11.6 million, amortized \$2.0 million of deferred financing charges, amended the Credit Facility resulting in a loss of \$4.4 million on debt refinancing and incurred \$1.3 million of financing fees.

Other long-term liabilities increased \$310.4 million from August 31, 2024, primarily from program rights and trade mark renewal agreements, an increase in the net asset position of certain post employment benefit plans and software license payable, offset by decreases in lease liabilities and deferred revenue.

Share capital remained consistent with August 31, 2024, while the contributed surplus increased as a result of the purchase of minority interest and share-based compensation expense.

## LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOWS

Overall, the Company's cash and cash equivalents position increased by \$4.1 million for the second quarter of fiscal 2025 and \$9.3 million for the six months ended February 28, 2025. Free cash flow<sup>(1)</sup> for the three and six months ended February 28, 2025 was \$46.0 million and \$35.9 million, respectively, compared to \$32.9 million and \$56.6 million in the same comparable prior year periods. The increase in free cash flow<sup>(1)</sup> in the second quarter was primarily attributable to an increase of \$10.2 million in cash provided by operating activities and a decrease of \$3.0 million in cash used in investing activities. The decrease in free cash flow<sup>(1)</sup> for the six months ended February 28, 2025 was attributable to a decrease of \$31.6 million in cash provided by operating activities, offset by an increase of \$11.3 million in cash provided by investing activities.

Cash provided by operating activities for the quarter was \$48.3 million compared to \$38.1 million provided by operating activities in the prior year's quarter. The increase in cash provided in the quarter of \$10.2 million arises from an increase in cash provided by working capital of \$48.5 million, offset by a decrease in cash flow from operations of \$38.3 million, which includes lower net income from operations (adjusted for non-cash items) of \$33.4 million and increased spend on program rights of \$7.3 million, offset by lower spend on film investments of \$2.4 million. The decrease in cash provided year-to-date of \$31.6 million arises from a decrease in cash flow from operations of \$56.3 million, which includes lower net income from operations (adjusted for non-cash items) of \$67.5 million and higher spend on film investments of \$0.3 million, offset by lower spend on program rights of \$11.5 million.

Cash used in investing activities for the quarter was \$2.3 million compared to \$5.3 million used in the prior year. The decrease in cash used in the quarter of \$3.0 million is attributable to decreased spend on property, plant and equipment of \$4.4 million, offset by a decrease in proceeds from the sale of assets of \$0.9 million and increased spend on intangibles, investments and other assets of \$0.5 million. Cash provided by investing activities for the six months ended February 28, 2025 was \$5.6 million compared to \$5.7 million used in the prior year. The decrease in cash used year-to-date of \$11.3 million is primarily attributable to decreased spend on property, plant and equipment of \$3.6 million and an increase in proceeds from the sale of property of \$7.9 million.

Cash used in financing activities for the quarter was \$41.9 million compared to \$30.7 million in the prior year's quarter. The increase in cash used in the quarter of \$11.2 million is primarily attributable to an increase in bank loan repayments of \$12.3 million and an increase of \$1.5 million in software licenses, offset by a reduction of dividends paid to non-controlling interests of \$2.7 million. Cash used in financing activities for the six months ended February 28, 2025 was \$26.6 million compared to \$50.9 million in the prior year's comparable period. The decrease in cash used year-to-date was attributable to a decrease in bank loan repayments of \$19.9 million and a reduction of dividends paid to non-controlling interests of \$6.7 million, offset by an increase of \$1.4 million in software licenses.

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

### LIQUIDITY

The Company manages its capital structure in accordance with changes in economic conditions and with appropriate prudence. Currently, the Company's capital management activities are focused on maintaining appropriate financial flexibility in order to pursue organic growth, achieve business goals and repay debt, all with the objective to provide returns to its shareholders.

The Company defines capital as the aggregate of its shareholders' equity and total long-term debt less cash and cash equivalents. In order to maintain or adjust its capital structure and enable its capital management activities, from time to time, the Company may elect to issue or repay long-term debt, issue shares, repurchase shares through a normal course issuer bid, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances.

The Company monitors capital using several key performance metrics including net debt to segment profit ratio. While leverage may be higher in the short-term, the Company endeavours to return to a more sustainable leverage target range in the future.

As at February 28, 2025, the Company was in compliance with all loan covenants, had a cash and cash equivalents balance of \$91.7 million and had approximately \$64.3 million available to be drawn under the Revolving Facility. Management believes that cash flow from operations and the existing Credit Facility will provide the Company with sufficient financial resources to fund its operations for the following 12 months.

On October 24, 2024, the Company's Credit Facility was amended and restated to, among other things, reduce the limit on the Revolving Facility to \$150.0 million from \$300.0 million, with ability for the Company to request

advances up to \$65.0 million, and increase the maximum total debt to cash flow ratio required under the financial covenants up to 5.75 through to and including December 31, 2024 and 7.25 from January 1, 2025 through and including March 31, 2025. There are also requirements for Corus to use any excess cash to repay outstanding balances on the Revolving Facility and certain amended terms related to the use of proceeds on asset disposals. The ability to incur certain indebtedness and certain reporting requirements have also been updated. The maturity date for both the Term Loan and the Revolving Facility was amended to March 18, 2026. The amendment of the Credit Facility resulted in the Company recording a net debt refinancing loss of approximately \$4.4 million.

Subsequent to the end of the quarter, on March 21, 2025, the Company's Credit Facility was assigned, following which it was amended and restated to, among other things, increase the maximum amount the Company may request on a "revolving" basis to \$75.0 million, remove certain requirements to use excess cash to repay the outstanding amounts on such advances, fix the interest rate at 7.29% per annum, and increase the maximum total debt to cash flow ratio required under the financial covenants to 9.5:1.0 through and including December 31, 2025, and 4.25:1.0 thereafter. The maturity date of the amended Credit Facility is now March 20, 2027.

For further details on the Credit Facility, refer to note 6 of the Company's interim condensed consolidated financial statements.

### **GOING CONCERN UNCERTAINTY**

The interim condensed consolidated unaudited financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's revenue and profitability have declined significantly over the past several years, in turn impacting cash flows from operations negatively. As previously identified, 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.

In the 2024 fiscal year, there were both extended writers' and actors' labour actions in the U.S. which significantly impacted programming deliveries and, in turn, reduced television audience levels and advertising revenues. The Company also disclosed a change to a programming supply agreement which took effect in January 2025. However, while the Company operates, and intends to continue operating, its widely-distributed suite of lifestyle channels, there are risks associated with audience adoption of re-branded and re-programmed channels and therefore, associated revenues. Cash flows from operations are currently positive but could decline further in the future. In addition, at February 28, 2025, the Company has a working capital deficit of \$190.1 million and an accumulated deficit attributable to shareholders of \$426.9 million.

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-cutting 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, which sets a maximum total debt to cash flow ratio of 9.5:1.0 through and including December 31, 2025, and 4.25:1.0 thereafter, or; (ii) the Senior Unsecured Notes. The Company's ability to mitigate the concerns above is dependent on its ability to 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.

These events and conditions indicate material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The interim condensed consolidated unaudited financial statements do not reflect the adjustments to the carrying values of assets or liabilities and the reported expenses and consolidated balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

## TOTAL CAPITALIZATION

As at February 28, 2025, total capitalization was \$638.5 million compared to \$621.8 million at August 31, 2024, an increase of \$16.7 million. The increase in total capitalization arises from a net decrease in the accumulated deficit of \$45.4 million, offset by a decrease in bank debt of \$6.4 million, a decrease in lease liabilities of \$6.1 million, and an increase of cash and cash equivalents of \$9.3 million.

## OFF-BALANCE SHEET ARRANGEMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

On September 28, 2022, the Company entered into a Canadian interest rate swap agreement to fix the interest rate on a portion of its term loan facilities commencing November 30, 2022 (refer to Note 6 of the Company's interim condensed consolidated financial statements for further details). Subsequent to quarter end, on March 20, 2025, the interest rate swap was terminated at a cost of \$5.2 million.

On December 1, 2023, 1,706,000 shares under a total return swap were settled at a cost of \$7.5 million.

On December 31, 2024, the Company's foreign exchange forward contracts expired and were not renewed.

## OUTSTANDING SHARE DATA

(shares/units)	As at February 28, 2025	As at August 31, 2024
<b>Shares Outstanding</b>		
Class A Voting Shares	3,365,394	3,365,394
Class B Non-Voting Shares	196,074,764	196,074,764
<b>Stock Options</b>		
Vested	3,343,025	5,693,250
Non-vested	1,338,975	1,832,750

## KEY PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

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

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

## NEW PLATFORM REVENUE

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

(thousands of Canadian dollars, except percentages)	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	% change	February 28, 2025	February 29, 2024	% change
New platform revenue (numerator)	30,456	32,813	(7%)	65,224	70,883	(8%)
Television advertising revenue	129,539	148,979	(13%)	306,228	358,275	(15%)
Television subscriber revenue	111,880	117,285	(5%)	227,578	235,535	(3%)
Total Television advertising and subscriber revenue (denominator)	241,419	266,264	(9%)	533,806	593,810	(10%)
<b>New platform revenue percentage</b>	<b>13%</b>	12%		<b>12%</b>	12%	



## SEGMENT PROFIT AND SEGMENT PROFIT MARGIN

Segment profit is calculated as revenue less direct cost of sales, general and administrative expenses as reported in the Company's consolidated statements of income (loss) and comprehensive income (loss). Segment profit and segment profit margin may be calculated and presented for an individual operating segment, a line of business, or for the consolidated Company. The Company believes these are important measures as they allow the Company to evaluate the operating performance of its business segments or lines of business and its ability to service and/or incur debt; therefore, it is calculated before (i) non-cash expenses such as depreciation and amortization; (ii) interest expense; and (iii) items not indicative of the Company's core operating results, and not used in management's evaluation of the business segment's performance, such as: goodwill and broadcast licence impairment; intangible and other asset impairment; debt refinancing; non-cash gains or losses; restructuring and other costs; gain (loss) on dispositions; and certain other income and expenses as included in note 10 to the interim condensed consolidated financial statements. Segment profit is also one of the measures used by the investing community to value the Company and is included in note 12 to the interim condensed consolidated financial statements. Segment profit margin is calculated by dividing segment profit by revenue. Segment profit and segment profit margin do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Segment profit and segment profit margin should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by the IASB.

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
(thousands of Canadian dollars, except percentages)				
Revenue	270,353	299,537	597,524	669,441
Direct cost of sales, general and administrative expenses	252,850	246,792	495,798	495,847
<b>Segment profit</b>	<b>17,503</b>	52,745	<b>101,726</b>	173,594
<b>Segment profit margin</b>	<b>6%</b>	18%	<b>17%</b>	26%

## FREE CASH FLOW

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
(thousands of Canadian dollars)				
Cash provided by (used in):				
Operating activities	48,282	38,127	30,259	61,885
Investing activities	(2,265)	(5,265)	5,609	(5,661)
	46,017	32,862	35,868	56,224
Add: cash used in business acquisitions and strategic investments <sup>(1)</sup>	—	—	—	346
<b>Free cash flow</b>	<b>46,017</b>	32,862	<b>35,868</b>	56,570

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

## ADJUSTED NET INCOME (LOSS) AND ADJUSTED BASIC EARNINGS (LOSS) PER SHARE

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
(thousands of Canadian dollars, except per share amounts)				
<b>Net income (loss) attributable to shareholders</b>	<b>(55,880)</b>	(9,780)	<b>(43,972)</b>	22,931
<b>Adjustments, net of income tax:</b>				
Debt refinancing	—	—	<b>3,223</b>	555
Restructuring and other costs	<b>10,162</b>	3,836	<b>23,403</b>	11,817
Write-off of intangible assets	<b>2,991</b>	—	<b>2,991</b>	—
<b>Adjusted net income (loss) attributable to shareholders</b>	<b>(42,727)</b>	(5,944)	<b>(14,355)</b>	35,303
<b>Basic earnings (loss) per share</b>	<b>(\$0.28)</b>	(\$0.05)	<b>(\$0.22)</b>	\$0.12
<b>Adjustments, net of income tax:</b>				
Debt refinancing	—	—	<b>\$0.02</b>	—
Restructuring and other costs	<b>\$0.05</b>	\$0.02	<b>\$0.11</b>	\$0.06
Write-off of intangible assets	<b>\$0.02</b>	—	<b>\$0.02</b>	—
<b>Adjusted basic earnings (loss) per share</b>	<b>(\$0.21)</b>	(\$0.03)	<b>(\$0.07)</b>	\$0.18

## NET DEBT AND NET DEBT TO SEGMENT PROFIT

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

	As at February 28, 2025	As at August 31, 2024
(thousands of Canadian dollars)		
Total debt, net of unamortized financing fees and prepayment options	<b>1,046,390</b>	1,052,834
Lease liabilities	<b>110,777</b>	116,834
Cash and cash equivalents	<b>(91,687)</b>	(82,422)
<b>Net debt</b>	<b>1,065,480</b>	1,087,246
Net debt (numerator)	<b>1,065,480</b>	1,087,246
Segment profit (denominator) <sup>(1)</sup>	<b>211,561</b>	283,429
<b>Net debt to segment profit</b>	<b>5.04</b>	3.84

<sup>(1)</sup> Reflects aggregate amounts for the most recent four quarters, as detailed in the table in the "Quarterly Consolidated Financial Information" section.

## RISKS AND UNCERTAINTIES

Significant risks and uncertainties affecting the Company and its business are discussed under the heading “Risks and Uncertainties” and “Seasonal Fluctuations” in the 2024 MD&A, as filed at [www.sedarplus.ca](http://www.sedarplus.ca) on October 28, 2024. These discussions are important to understanding the assumptions and factors which may affect the Company’s outlook and results.

As discussed further in the 2024 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, affect interest rates or otherwise impact financial market conditions (such as but not limited to, uncertainty from imposed and threatened tariffs, including trade disruptions, restrictions on cross-border supply chains, shifting policies, uncertainty, timing and the resolution thereof), may each affect discretionary consumer and business spending, and advertising and marketing demand. Any of the foregoing can cause or result in changes to demand for Corus’ product and services offerings and adversely impact its revenue and profitability or ability to realize its plans or strategies.

The Company continuously monitors all major risks affecting it or the industry more broadly, including regulatory, legal and judicial developments and decisions and appeals, repeals or variations of or to CRTC decisions, orders or policy. The Company and its subsidiaries are also involved in litigation arising in the ordinary course and conduct of its business from time to time. The Company recognizes liabilities for contingencies when a loss is probable and capable of being estimated. There is always a risk that given the complex and unpredictable nature of regulatory and legal proceedings the amount of loss ultimately incurred in relation to those matters may be material and may be substantially different from the amounts accrued. A repeal of, change to or delay in implementation of a regulatory, legal or judicial decision, including one made by the CRTC or court of competent jurisdiction, can also materially, adversely impact the Company’s outlook, operations and business, and financial results. Actions currently against or in which the Company is a stakeholder or otherwise involved, including but not limited to, the appeal of CRTC decisions by certain U.S. streamers and by another major Canadian distributor, may result in judgments, settlements, injunctions, limitations or changes to business activities, or other results adverse to the Company, which could individually or in the aggregate materially affect the Company’s businesses, financial condition and operations, cause reputational harm to the Company, or affect the Company’s future business prospects. A comprehensive and more extensive discussion of risks and uncertainties that may affect the Company’s business, operations and financial performance and by extension, the assumptions or actual results, related to any forward looking information or outlook, can be found in the 2024 Annual MD&A.

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 affected or elevated by the foregoing risks include 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 2024 MD&A for a full discussion of these and other risks and uncertainties.

## OUTLOOK

In the third quarter, we continue to expect the over-supply of premium digital video inventory from foreign competitors and continued generally lower demand for linear advertising. As such, year-over-year percentage declines in Television advertising revenue in the third quarter of fiscal 2025 are expected to be in the mid-teens. Amortization of TV program rights is expected to be relatively flat in the third quarter compared to the prior year. The Company will continue with its implementation of additional cost reduction initiatives and expects general and administrative expenses to decline in the range of 5 to 10% for the third quarter versus the prior year.

## **IMPACT OF NEW ACCOUNTING POLICIES**

The IASB continues to issue new and revised IFRS. A listing of the recent accounting pronouncements promulgated by the IASB and not yet adopted by the Company is included in note 3 in the Company's February 28, 2025 unaudited interim condensed consolidated financial statements.

## **NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2025**

The Company has adopted new amendments to the following accounting standards effective for its interim and annual consolidated financial statements commencing September 1, 2024. The effects of these pronouncements on the Company's results and operations are described below.

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

In January 2020, the IASB issued an amendment to IAS 1, which affects only the presentation of liabilities in the interim condensed consolidated statements of financial position and not the amount or timing of their recognition. The amendment clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendment is effective for annual reporting periods beginning on or after January 1, 2024 and are to be applied retrospectively. The Company concluded that there was no impact of adopting this amendment on its interim condensed consolidated financial statements.

### **IAS 7 – Statement of Cash Flows ("IAS 7") and IFRS 7 – Financial Instruments: Disclosures ("IFRS 7")**

In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7 and requires additional quantitative and qualitative disclosure about supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, although earlier application is permitted; comparative prior period information is not required in the year of initial application. The Company concluded that there was no impact of adopting this amendment on its interim condensed consolidated financial statements.

### **IFRS 16 – Leases ("IFRS 16")**

In September 2022, the IASB issued an amendment to IFRS 16, which adds subsequent measurement requirements for sale and leaseback transactions for seller-lessees. The amendment is effective for annual reporting periods beginning on or after January 1, 2024 and are to be applied retrospectively. The Company concluded that there was no impact of adopting this amendment on its interim condensed consolidated financial statements.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS, specifically IAS 34 - *Interim Financial Reporting*. For details of the Company's material accounting policies under IFRS, refer to note 3 of the Company's unaudited interim condensed consolidated financial statements for the three months ended February 28, 2025 and the Company's annual consolidated financial statements for the year ended August 31, 2024. For details of the Company's critical accounting estimates and assumptions under IFRS, refer to Management's Discussion and Analysis in its 2024 Annual Report.

## **CONTROLS AND PROCEDURES**

### **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There were no changes in the Company's internal control over financial reporting that occurred in the second quarter ended February 28, 2025 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting.

## CORUS ENTERTAINMENT INC.

### INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

See Basis of presentation and going concern uncertainty - Note 3

(unaudited - in thousands of Canadian dollars)	As at February 28, 2025	As at August 31, 2024
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	91,687	82,422
Accounts receivable	240,263	232,040
Income taxes recoverable	5,366	25,006
Prepaid expenses and other assets	18,399	17,857
<b>Total current assets</b>	<b>355,715</b>	<b>357,325</b>
Tax credits receivable	21,998	19,756
Investments and other assets	51,373	57,325
Property, plant and equipment, net	236,722	250,810
Program rights (note 4)	702,524	494,022
Film investments	45,877	55,312
Intangible assets (note 5)	356,355	252,358
<b>Total assets</b>	<b>1,770,564</b>	<b>1,486,908</b>
<b>LIABILITIES AND DEFICIT</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	519,556	488,098
Current portion of long-term debt (note 6)	3,290	9,903
Provisions	22,953	25,467
<b>Total current liabilities</b>	<b>545,799</b>	<b>523,468</b>
Long-term debt (note 6)	1,043,100	1,042,931
Other long-term liabilities	507,911	197,499
Provisions	9,734	10,697
Deferred income tax liabilities	52,984	54,041
<b>Total liabilities</b>	<b>2,159,528</b>	<b>1,828,636</b>
<b>DEFICIT</b>		
Share capital (note 7)	281,052	281,052
Contributed surplus (note 7)	2,102,602	2,013,797
Accumulated deficit	(2,830,129)	(2,784,729)
Accumulated other comprehensive income	19,541	24,481
Total deficit attributable to shareholders	(426,934)	(465,399)
Equity attributable to non-controlling interests	37,970	123,671
<b>Total deficit</b>	<b>(388,964)</b>	<b>(341,728)</b>
<b>Total liabilities and deficit</b>	<b>1,770,564</b>	<b>1,486,908</b>

See accompanying notes

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
<small>(unaudited - in thousands of Canadian dollars, except per share amounts)</small>				
Revenues	270,353	299,537	597,524	669,441
Direct cost of sales, general and administrative expenses (note 8)	252,850	246,792	495,798	495,847
Depreciation and amortization	22,769	29,850	45,145	60,168
Interest expense (note 9)	30,984	28,073	56,118	57,161
Debt refinancing (note 6)	—	—	4,377	753
Restructuring and other costs	12,606	5,267	29,115	16,068
Other expense (income), net (note 10)	8,992	253	3,710	(317)
Income (loss) before income taxes	(57,848)	(10,698)	(36,739)	39,761
Income tax expense (recovery) (note 11)	(2,827)	(3,002)	3,203	10,439
<b>Net income (loss) for the period</b>	<b>(55,021)</b>	<b>(7,696)</b>	<b>(39,942)</b>	<b>29,322</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 (note 6)	(1,277)	(4)	(2,162)	(2,844)
Unrealized foreign currency translation adjustment	657	53	1,558	232
	<b>(620)</b>	<b>49</b>	<b>(604)</b>	<b>(2,612)</b>
<b>Items that will not be reclassified to income (loss):</b>				
Unrealized change in fair value of financial assets	(3,828)	(4,815)	(4,336)	(6,458)
Actuarial loss on post-retirement benefit plans	(4,066)	(1,096)	(1,428)	(2,430)
	<b>(7,894)</b>	<b>(5,911)</b>	<b>(5,764)</b>	<b>(8,888)</b>
Other comprehensive loss, net of income taxes	<b>(8,514)</b>	<b>(5,862)</b>	<b>(6,368)</b>	<b>(11,500)</b>
<b>Comprehensive income (loss) for the period</b>	<b>(63,535)</b>	<b>(13,558)</b>	<b>(46,310)</b>	<b>17,822</b>
<b>Net income (loss) attributable to:</b>				
Shareholders	(55,880)	(9,780)	(43,972)	22,931
Non-controlling interests	859	2,084	4,030	6,391
	<b>(55,021)</b>	<b>(7,696)</b>	<b>(39,942)</b>	<b>29,322</b>
<b>Comprehensive income (loss) attributable to:</b>				
Shareholders	(64,394)	(15,642)	(50,340)	11,431
Non-controlling interests	859	2,084	4,030	6,391
	<b>(63,535)</b>	<b>(13,558)</b>	<b>(46,310)</b>	<b>17,822</b>
<b>Earnings (loss) per share attributable to shareholders:</b>				
Basic	(\$0.28)	(\$0.05)	(\$0.22)	\$0.12
Diluted	(\$0.28)	(\$0.05)	(\$0.22)	\$0.12

See accompanying notes

**CORUS ENTERTAINMENT INC.**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)**

	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to shareholders	Equity attributable to non-controlling interests	Total deficit
<small>(unaudited - in thousands of Canadian dollars)</small>							
As at August 31, 2024	281,052	2,013,797	(2,784,729)	24,481	(465,399)	123,671	(341,728)
Comprehensive income (loss)	—	—	(43,972)	(6,368)	(50,340)	4,030	(46,310)
Dividends declared	—	—	—	—	—	(1,000)	(1,000)
Purchase of minority interest (note 7)	—	88,731	—	—	88,731	(88,731)	—
Actuarial loss on post-retirement benefit plans	—	—	(1,428)	1,428	—	—	—
Share-based compensation expense	—	74	—	—	74	—	74
<b>As at February 28, 2025</b>	<b>281,052</b>	<b>2,102,602</b>	<b>(2,830,129)</b>	<b>19,541</b>	<b>(426,934)</b>	<b>37,970</b>	<b>(388,964)</b>

	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total equity attributable to shareholders	Equity attributable to non-controlling interests	Total equity
<small>(unaudited - in thousands of Canadian dollars)</small>							
As at August 31, 2023	281,052	2,012,936	(2,014,077)	37,841	317,752	141,248	459,000
Comprehensive income (loss)	—	—	22,931	(11,500)	11,431	6,391	17,822
Dividends declared	—	—	—	—	—	(7,670)	(7,670)
Change in fair value of put option liability	—	—	677	—	677	(4,865)	(4,188)
Actuarial loss on post-retirement benefit plans	—	—	(2,430)	2,430	—	—	—
Share-based compensation expense	—	411	—	—	411	—	411
As at February 29, 2024	281,052	2,013,347	(1,992,899)	28,771	330,271	135,104	465,375

See accompanying notes

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
<i>(unaudited - in thousands of Canadian dollars)</i>				
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	(55,021)	(7,696)	(39,942)	29,322
Adjustments to reconcile net income (loss) to cash flow from operations:				
Amortization of program rights	136,385	119,857	259,289	239,368
Amortization of film investments	1,892	3,188	4,581	7,321
Depreciation and amortization	22,769	29,850	45,145	60,168
Deferred income tax recovery	(1,764)	(238)	(1,595)	(3,123)
Write-off of intangible assets	4,070	—	4,070	—
Gain on sale of assets	(12)	—	(9,659)	—
Share-based compensation expense	46	164	74	411
Imputed interest	13,875	11,189	22,374	23,421
Debt refinancing	—	—	4,377	753
Payment of program rights	(143,316)	(135,988)	(254,724)	(266,182)
Net spend on film investments	(4,670)	(7,027)	(10,450)	(10,143)
Other	753	53	706	(782)
<b>Cash flow from operations</b>	<b>(24,993)</b>	<b>13,352</b>	<b>24,246</b>	<b>80,534</b>
Net change in non-cash working capital balances related to operations	73,275	24,775	6,013	(18,649)
<b>Cash provided by operating activities</b>	<b>48,282</b>	<b>38,127</b>	<b>30,259</b>	<b>61,885</b>
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(2,066)	(6,477)	(4,012)	(7,603)
Proceeds from sale of property	15	931	10,095	2,224
Net cash flows for intangibles, investments and other assets	(214)	281	(474)	(282)
<b>Cash provided by (used in) investing activities</b>	<b>(2,265)</b>	<b>(5,265)</b>	<b>5,609</b>	<b>(5,661)</b>
<b>FINANCING ACTIVITIES</b>				
Decrease in bank loans	(33,822)	(21,473)	(11,565)	(31,486)
Financing fees	—	—	(1,250)	(619)
Payment of lease liabilities	(4,634)	(4,514)	(9,244)	(8,951)
Dividends paid to non-controlling interests	(1,000)	(3,705)	(1,000)	(7,670)
Other	(2,472)	(999)	(3,544)	(2,156)
<b>Cash used in financing activities</b>	<b>(41,928)</b>	<b>(30,691)</b>	<b>(26,603)</b>	<b>(50,882)</b>
Net change in cash and cash equivalents during the period	4,089	2,171	9,265	5,342
Cash and cash equivalents, beginning of the period	87,598	59,334	82,422	56,163
<b>Cash and cash equivalents, end of the period</b>	<b>91,687</b>	<b>61,505</b>	<b>91,687</b>	<b>61,505</b>

Supplemental cash flow disclosures (note 13)

See accompanying notes



**CORUS ENTERTAINMENT INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**February 28, 2025**

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

**1. CORPORATE INFORMATION**

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

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

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

**2. STATEMENT OF COMPLIANCE**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in the preparation of these interim condensed consolidated financial statements conform with those in the Company's audited annual consolidated financial statements for the year ended August 31, 2024, except as described in note 3. These interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements and, accordingly, should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2024, which are available at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.corusent.com](http://www.corusent.com).

These interim condensed consolidated financial statements of the Company for the three and six months ended February 28, 2025 were authorized for issue in accordance with a resolution of the Company's Board of Directors on April 10, 2025.

**3. MATERIAL ACCOUNTING POLICIES**

**BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTY**

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

The interim condensed consolidated financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's revenue and profitability have declined significantly over the past several years, in turn impacting cash flows from operations negatively. As previously identified, 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 impacts 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.

In the 2024 fiscal year, there were both extended writers' and actors' labour actions in the U.S. which significantly impacted programming deliveries and, in turn, reduced television audience levels and advertising revenues. The Company also disclosed a change to a programming supply agreement which took effect in January 2025. However, while the Company operates, and intends to continue operating,

**CORUS ENTERTAINMENT INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**February 28, 2025**

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

its widely-distributed suite of lifestyle channels, there are risks associated with audience adoption of re-branded and re-programmed channels and therefore, associated revenues. Cash flows from operations are currently positive, but could decline further in the future. In addition, at February 28, 2025, the Company has a working capital deficit of \$190.1 million and an accumulated deficit attributable to shareholders of \$426.9 million.

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-cutting 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, which sets a maximum total debt to cash flow ratio of 9.5:1.0 through and including December 31, 2025, and 4.25:1.0 thereafter, or; (ii) the Senior Unsecured Notes. The Company's ability to mitigate the concerns above is dependent on its ability to 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.

These events and conditions indicate material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets or liabilities and the reported expenses and interim condensed consolidated statements of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

**NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2025**

The Company has adopted new amendments to the following accounting standards effective for its interim and annual consolidated financial statements commencing September 1, 2024.

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

In January 2020, the IASB issued an amendment to IAS 1, which affects only the presentation of liabilities in the interim condensed consolidated statements of financial position and not the amount or timing of their recognition. The amendment clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendment is effective for annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company concluded that there was no impact of adopting this amendment on its interim condensed consolidated financial statements.

**IAS 7 – Statement of Cash Flows ("IAS 7") and IFRS 7 – Financial Instruments: Disclosures ("IFRS 7")**

In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7 and requires additional quantitative and qualitative disclosure about supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, although earlier application is permitted; comparative prior period information is not required in the year of initial application. The Company concluded that there was no impact of adopting this amendment on its interim condensed consolidated financial statements.

**CORUS ENTERTAINMENT INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**  
**February 28, 2025**

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

**IFRS 16 – Leases (“IFRS 16”)**

In September 2022, the IASB issued an amendment to IFRS 16, which adds subsequent measurement requirements for sale and leaseback transactions for seller-lessees. The amendment is effective for annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company concluded that there was no impact of adopting this amendment on its interim condensed consolidated financial statements.

**PENDING ACCOUNTING CHANGES**

**IFRS 9 – Financial Instruments (“IFRS 9”) and IFRS 7 – Financial Instruments: Disclosures**

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, relating to the classification and measurement requirements of financial instruments recognized within those standards. These amendments will be effective for annual periods beginning on or after January 1, 2026 and will be applied retrospectively with an adjustment to opening retained earnings. Prior periods will not be required to be restated and can only be restated without using hindsight. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures, and can apply other amendments subsequently. The Company is still assessing the impact of adopting these amendments on its interim condensed consolidated financial statements.

**IFRS 18 – Presentation and Disclosure in Financial Statements (“IFRS 18”)**

In April 2024, the IASB issued an amendment to IFRS 18, which will replace IAS 1. The issuance introduces new categories and subtotals in the statements of comprehensive income (loss), requires disclosure of management-defined performance measures, and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18 will be effective for annual periods beginning on or after January 1, 2027 and is to be applied retrospectively. Early adoption is permitted and must be disclosed. The Company is still assessing the impact of adopting this amendment on its interim condensed consolidated financial statements.

**4. PROGRAM RIGHTS**

Balance - August 31, 2024	494,022
Net additions	467,791
Amortization	(259,289)
<b>Balance – February 28, 2025</b>	<b>702,524</b>

**5. INTANGIBLE ASSETS**

	Broadcast licences <sup>(1)</sup>	Brands and trade marks	Other <sup>(2)</sup>	Total
Balance - August 31, 2024	126,192	118,549	7,617	252,358
Additions	—	121,487	9,791	131,278
Amortization	—	(22,949)	(4,332)	(27,281)
<b>Balance – February 28, 2025</b>	<b>126,192</b>	<b>217,087</b>	<b>13,076</b>	<b>356,355</b>

<sup>(1)</sup> Broadcast licences are located in Canada.

<sup>(2)</sup> Other intangible assets are principally comprised of computer software.

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**6. LONG-TERM DEBT**

	<b>February 28, 2025</b>	August 31, 2024
Credit facility	<b>302,496</b>	309,932
Senior unsecured guaranteed notes	<b>750,000</b>	750,000
Deferred financing charges and prepayment options	<b>(6,106)</b>	(7,098)
	<b>1,046,390</b>	1,052,834
Less: current portion of long-term debt <sup>(1)</sup>	<b>(3,290)</b>	(9,903)
	<b>1,043,100</b>	1,042,931

<sup>(1)</sup> Current portion relates to mandatory bank loan repayments over next 12 months.

Interest rates on the bank loans under the Amended Credit Agreement dated October 24, 2024 (the "Credit Facility") fluctuate with Canadian Overnight Repo Rate Average ("CORRA") and prior to May 31, 2024, Canadian bankers' acceptances. The Company has 5.0% Senior Unsecured Notes of \$500.0 million due in 2028 issued in fiscal 2021 (the "2028 Notes") and the 6.0% Senior Unsecured Notes of \$250.0 million due in 2030 (the "2030 Notes" and, together with the 2028 Notes, collectively referred to hereafter as the "Notes") issued on February 28, 2022. As at February 28, 2025, the weighted average interest rate on the outstanding bank loans and Notes was 6.3% (February 29, 2024 – 5.9%). The effective interest on the bank loans and Notes for the three and six months ended February 28, 2025 averaged 6.4% and 6.3%, respectively (February 29, 2024 – 6.1% for both comparable periods).

Under the Credit Facility, the lenders hold, as collateral, a first ranking charge on all assets and undertakings of Corus and certain of Corus' subsidiaries as designated under the Credit Facility, as amended from time to time. Under the Credit Facility, the Company has undertaken to comply with financial covenants regarding a minimum interest coverage ratio and a maximum debt to cash flow ratio. Management has determined that the Company was in compliance with the covenants provided under the Credit Facility as at February 28, 2025.

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

**CREDIT FACILITY**

On October 24, 2024, the Credit Facility was amended and restated to, among other things, reduce the total limit on the Revolving Facility to \$150.0 million from \$300.0 million, with ability for the Company to request advances up to \$65.0 million, and increase the maximum total debt to cash flow ratio required under the financial covenants to 5.75:1.0 through and including December 31, 2024 and 7.25:1.0 from January 1, 2025 through and including March 31, 2025. There are also requirements for Corus to use any excess cash to repay outstanding balances on the Revolving Facility and certain amended terms related to the use of proceeds on asset disposals. The ability to incur certain indebtedness and certain reporting requirements, have also been updated. The maturity date for both the Term Loan and the Revolving Facility was March 18, 2026. The amendment of the Credit Facility resulted in the Company recording a net debt refinancing loss of \$4.4 million.

Amendments dated August 30, 2024, May 30, 2024, October 26, 2023 and February 17, 2023 were also completed.

Subsequent to the end of the quarter, on March 21, 2025, the Company's Credit Facility was assigned, following which it was amended and restated to, among other things, increase the maximum amount the Company may request as an advance on a "revolving" basis to \$75.0 million, remove certain requirements to use excess cash to repay the outstanding amounts on such advances, fixes the interest rate per annum at 7.29%, and increase the maximum total debt to cash flow ratio required under the financial covenants to 9.5:1.0 through and including December 31, 2025, and 4.25:1.0 thereafter. The maturity date of the amended Credit Facility is now March 20, 2027.

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***Credit Facility - Term Loan***

As at February 28, 2025, the Term Facility balance was \$302.5 million with a maturity date of March 18, 2026. Advances under the Term Facility may be outstanding in the form of either prime loans or CORRA advances and bear interest at the applicable reference rate plus an applicable margin depending on the type of advance and Corus' total debt to cash flow ratio.

***Credit Facility - Revolving Loan***

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

Advances under the Revolving Facility may be drawn in Canadian dollars as either a prime rate loan, CORRA or Canadian dollar denominated letters of credit, or in U.S. dollars as either a base rate loan, Secured Overnight Financing Rate ("SOFR") advance or U.S. dollar denominated letters of credit. Amounts drawn under the Revolving Facility will bear interest at the applicable reference rate plus an applicable margin depending on the type of advance and Corus' total debt to cash flow ratio. A standby fee will also be payable on the unutilized amount of the Revolving Facility. As at February 28, 2025, the Company had no borrowings drawn under the Revolving Facility and \$0.7 million of Letters of Credit outstanding, leaving \$64.3 million available to be drawn.

**SENIOR UNSECURED NOTES**

The Notes are senior unsecured obligations guaranteed by certain of the Company's subsidiaries and contain covenants that limit the Company's ability to incur additional debt, make certain restricted payments and investments, create liens, enter into transactions with affiliates, and consolidate, merge, transfer or sell all or substantially all of its property and assets. Interest on the Notes is paid semi-annually. There have been no changes to the terms of the Notes since the last annual financial statements.

The prepayment options associated with the Notes were fair valued at the time of debt issuance. The initial value of the prepayment options related to the Notes was a \$9.6 million increase to indebtedness. This liability has been subsequently amortized using the effective interest rate method and as at February 28, 2025 was \$5.5 million.

**INTEREST RATE SWAP AGREEMENTS**

On September 28, 2022, the Company entered into a Canadian interest rate swap agreement to fix the interest rate at 3.818%, plus applicable margins on \$250.0 million of its outstanding Term Facility, which commenced on November 30, 2022 and expires on February 26, 2027. The counterparties of the swap agreement are highly rated financial institutions and the Company does not anticipate any non-performance. The fair value of Level 2 financial instruments, such as interest rate swap agreements, is calculated by way of discounted cash flows, using market interest rates and applicable credit spreads. The Company had assessed that there was no ineffectiveness in the hedge of its interest rate exposure. As an effective hedge, unrealized gains or losses on the interest rate swap agreement were recognized in other comprehensive loss. The estimated fair value of these agreements as at February 28, 2025 was a liability of \$5.1 million (August 31, 2024 – \$2.2 million). The effectiveness of the hedging relationship is reviewed on a quarterly basis.

Subsequent to the end of the quarter, on March 20, 2025, the agreement was terminated for \$5.2 million.

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**FORWARD CONTRACTS**

All foreign exchange forward contracts fix the foreign exchange rate and cash flows related to a portion of the Company's U.S. dollar denominated liabilities. The forward contracts are not designated as hedges for accounting purposes and, as a result, are measured at fair value at each reporting date. The counterparty of the forward contracts is a highly rated financial institution and the Company does not anticipate any non-performance. The estimated fair values of future cash flow of the U.S. dollar forward contract derivatives change with fluctuations in the foreign exchange rate of U.S. dollars to Canadian dollars. This was recorded in the interim condensed consolidated statements of financial position as investments and other assets, and within other expense (income), net (note 10) in the interim condensed consolidated statements of income (loss) and comprehensive income (loss). On December 31, 2024, the contract expired and was not renewed.

**7. SHARE CAPITAL**

**AUTHORIZED**

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

	Class A		Class B		Total
	Voting Shares		Non-Voting Shares		
	#	\$	#	\$	\$
Balance - August 31, 2024 and February 28, 2025	3,365,394	3,320	196,074,764	277,732	281,052

**EARNINGS PER SHARE**

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
<b>Net income (loss) attributable to shareholders (numerator)</b>	<b>(55,880)</b>	(9,780)	<b>(43,972)</b>	22,931
<b>Weighted average number of shares outstanding (denominator)</b>				
Weighted average number of shares outstanding – basic	199,440	199,440	199,440	199,440
Effect of dilutive securities	—	—	—	—
<b>Weighted average number of shares outstanding – diluted</b>	<b>199,440</b>	199,440	<b>199,440</b>	199,440

The calculation of diluted earnings per share for the three and six months ended February 28, 2025 excluded 4,682 and 4,698, respectively, (February 29, 2024 – 8,924 and 9,113, respectively) weighted average Class B Non-Voting Shares issuable under the Company's Stock Option Plan because these options were not "in-the-money".

**SHARE-BASED COMPENSATION**

Share-based compensation recorded for the second quarter and year-to-date of fiscal 2025 in respect of Stock Options as well as the Performance Share Units, Deferred Share Units and Restricted Share Units plans was a recovery of \$52 and expense of \$6 (2024 – expense of \$1,156 and \$77). As at February 28, 2025, the carrying value of the liability for these plans was \$1,107 (August 31, 2024 – \$1,270).

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**CONTRIBUTED SURPLUS**

Contributed surplus increased \$88.7 million for the three and six months ended February 28, 2025, primarily as a result of the purchase of minority interest of HGTV Canada, Food Network Canada and Cooking Channel.

**8. DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
<b>Direct cost of sales</b>				
Amortization of program rights	136,385	119,857	259,289	239,368
Amortization of film investments	1,892	3,188	4,581	7,321
Other cost of sales	11,630	7,269	22,575	16,412
<b>General and administrative expenses</b>				
Employee costs	65,405	77,200	132,260	154,692
Other general and administrative	37,538	39,278	77,093	78,054
	<b>252,850</b>	<b>246,792</b>	<b>495,798</b>	<b>495,847</b>

**9. INTEREST EXPENSE**

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Interest on long-term debt (note 6)	16,701	16,301	32,935	32,561
Imputed interest on long-term liabilities	13,875	11,189	22,374	23,421
Other	408	583	809	1,179
	<b>30,984</b>	<b>28,073</b>	<b>56,118</b>	<b>57,161</b>

**10. OTHER EXPENSE (INCOME), NET**

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Interest income	(687)	(888)	(1,400)	(2,247)
Foreign exchange loss (gain) (note 6)	5,037	(163)	8,828	687
Equity (gain) loss of associates	(1)	(2)	7	(5)
Asset impairment reversal	—	(319)	—	(319)
Loss (gain) on asset disposal <sup>(1)</sup>	(12)	6	(9,659)	(1,002)
Write-off of intangible assets	4,070	—	4,070	—
Other expense	585	1,619	1,864	2,569
	<b>8,992</b>	<b>253</b>	<b>3,710</b>	<b>(317)</b>

<sup>(1)</sup>Relates to gain on land sale in Edmonton, Alberta. Prior year relates to disposal of vacant land at Foothills site in Calgary, Alberta and Kelowna, British Columbia property.

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**11. INCOME TAXES**

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

	February 28, 2025		Six months ended	
			February 29, 2024	
	\$	%	\$	%
Income tax at combined federal and provincial rates	<b>(9,662)</b>	<b>26.3%</b>	10,454	26.3%
Income subject to tax at less than statutory rates	<b>(6)</b>	<b>—%</b>	(17)	—%
Non-taxable portion of capital gains	<b>(1,263)</b>	<b>3.4%</b>	(77)	(0.2%)
Increase in derecognized deferred income tax assets	<b>13,268</b>	<b>(36.1%)</b>	105	0.3%
Transaction costs	<b>772</b>	<b>(2.1%)</b>	—	—%
Increase of various tax reserves	<b>—</b>	<b>—%</b>	15	—%
Miscellaneous differences	<b>94</b>	<b>(0.2%)</b>	(41)	(0.1%)
	<b>3,203</b>	<b>(8.7%)</b>	10,439	26.3%

**12. BUSINESS SEGMENT INFORMATION**

The Company's business activities are conducted through two segments: Television and Radio, and are primarily based in Canada.

**TELEVISION**

The Television segment comprises 30 specialty television networks, 15 conventional television stations, digital and streaming services, a social media digital agency, a social media creator network, technology and media services, and the Corus content business, which includes the production and distribution of films and television programs, merchandise licensing, and book publishing. Revenue is generated from advertising, subscribers and the licensing of proprietary films and television programs as well as the provision of production services, merchandise licensing, book publishing, and the provision of technology and media services.

**RADIO**

The Radio segment comprises 36 radio stations, situated primarily in urban centres in English Canada, with a concentration in the densely populated area of Southern Ontario. Revenue is derived from advertising aired over these stations.

**CORPORATE**

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

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

The accounting policies of the segments are the same as those described in the material accounting policies of the most recent annual audited consolidated financial statements.



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**REVENUE AND SEGMENT PROFIT**

<b>Three months ended February 28, 2025</b>	<b>Television</b>	<b>Radio</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenues	<b>251,808</b>	<b>18,545</b>	<b>—</b>	<b>270,353</b>
Direct cost of sales, general and administrative expenses	<b>229,196</b>	<b>17,106</b>	<b>6,548</b>	<b>252,850</b>
<b>Segment profit (loss)</b>	<b>22,612</b>	<b>1,439</b>	<b>(6,548)</b>	<b>17,503</b>
Depreciation and amortization				<b>22,769</b>
Interest expense				<b>30,984</b>
Restructuring and other costs				<b>12,606</b>
Other expense, net				<b>8,992</b>
<b>Loss before income taxes</b>				<b>(57,848)</b>

<b>Three months ended February 29, 2024</b>	<b>Television</b>	<b>Radio</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenues	278,059	21,478	—	299,537
Direct cost of sales, general and administrative expenses	219,156	20,621	7,015	246,792
<b>Segment profit (loss)</b>	<b>58,903</b>	<b>857</b>	<b>(7,015)</b>	<b>52,745</b>
Depreciation and amortization				29,850
Interest expense				28,073
Restructuring and other costs				5,267
Other expense, net				253
<b>Loss before income taxes</b>				<b>(10,698)</b>

<b>Six months ended February 28, 2025</b>	<b>Television</b>	<b>Radio</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenues	<b>555,437</b>	<b>42,087</b>	<b>—</b>	<b>597,524</b>
Direct cost of sales, general and administrative expenses	<b>446,861</b>	<b>36,781</b>	<b>12,156</b>	<b>495,798</b>
<b>Segment profit (loss)</b>	<b>108,576</b>	<b>5,306</b>	<b>(12,156)</b>	<b>101,726</b>
Depreciation and amortization				<b>45,145</b>
Interest expense				<b>56,118</b>
Debt refinancing				<b>4,377</b>
Restructuring and other costs				<b>29,115</b>
Other income, net				<b>3,710</b>
<b>Loss before income taxes</b>				<b>(36,739)</b>

<b>Six months ended February 29, 2024</b>	<b>Television</b>	<b>Radio</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenues	620,492	48,949	—	669,441
Direct cost of sales, general and administrative expenses	439,831	43,547	12,469	495,847
<b>Segment profit (loss)</b>	<b>180,661</b>	<b>5,402</b>	<b>(12,469)</b>	<b>173,594</b>
Depreciation and amortization				60,168
Interest expense				57,161
Debt refinancing				753
Restructuring and other costs				16,068
Other income, net				(317)
<b>Income before income taxes</b>				<b>39,761</b>

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Revenue is derived from the following areas:

	Three months ended		Six months ended	
	<b>February 28,</b> <b>2025</b>	February 29, 2024	<b>February 28,</b> <b>2025</b>	February 29, 2024
Advertising	<b>146,882</b>	168,753	<b>345,786</b>	404,106
Subscriber	<b>111,880</b>	117,285	<b>227,578</b>	235,535
Distribution, production and other	<b>11,591</b>	13,499	<b>24,160</b>	29,800
	<b>270,353</b>	299,537	<b>597,524</b>	669,441

**13. INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

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

	Three months ended		Six months ended	
	<b>February 28,</b> <b>2025</b>	February 29, 2024	<b>February 28,</b> <b>2025</b>	February 29, 2024
Interest paid	<b>15,210</b>	14,657	<b>34,287</b>	33,893
Interest received	<b>687</b>	888	<b>1,400</b>	2,247
Income tax recovery (payment)	<b>18,507</b>	(1,461)	<b>17,122</b>	(2,088)