MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the year ended August 31, 2025 is prepared as at October 29, 2025. The following should be read in conjunction with the Company's August 31, 2025 audited consolidated financial statements and notes therein. The financial highlights included in the discussion of the segmented results are derived from the audited consolidated financial statements. All amounts are stated in Canadian dollars unless specified otherwise.

Corus Entertainment Inc. ("Corus" or the "Company") reports its financial results under 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.

USE OF NON-GAAP FINANCIAL MEASURES

The Management's Discussion and Analysis contains references to certain measures that do not have a standardized meaning under IFRS as prescribed by the International Accounting Standards Board ("IASB") and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management's perspective. Accordingly, non-IFRS or non-Generally Accepted Accounting Principles ("GAAP") measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. The Company presents non-IFRS or non-GAAP measures, specifically, segment profit (loss), segment profit margin, adjusted segment profit, adjusted net income (loss) attributable to shareholders, adjusted basic earnings (loss) per share, free cash flow, net debt and net debt to segment profit, proforma net debt to segment profit, as well as supplementary financial measures such as new platform revenue.

The Company believes these non-IFRS or non-GAAP and supplementary financial measures are frequently used by securities analysts, investors and other interested parties as measures of financial performance and to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures. A reconciliation of the Company's non-IFRS or non-GAAP measures is included in the *Key Performance Indicators and Non-GAAP Financial Measures* section of this report.

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 document, or any of the documents referenced in herein, 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, Corus Entertainment Inc.'s ("Corus" or the "Company") objectives, goals, strategies, targets, intentions, plans, estimates and outlooks and includes but is not limited to: the adoption and anticipated impact of the Company's capital allocation strategy, capital structure and liability management including liquidity and leverage targets; Corus' ability to repay debt and/or maintain necessary access to loan and credit facilities; the Company's strategic, operation or business plans; anticipated revenue and subscription trends; and expectations regarding financial or operational performance, operating costs, tariffs, taxes and fees. The foregoing 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, anticipated outcomes or impacts, 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 many material 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, which are subject to risk or change and may cause actual results to differ materially from expectations, calculations, plans, or forecasts, including without limitation, factors and assumptions relating to or impacting: the sustainability of Corus' current or proposed capital and debt structure; the ability to maintain access, renegotiate, obtain relief from, or meet covenants under the Company's senior credit facility, senior unsecured notes or other instruments or facilities; the Company's ability to access sufficient capital to provide liquidity to manage its cash flow requirements; general economic, business and market conditions; the ability of management to execute its business strategies and plans; the Company's financial and operating results being consistent with expectations; the Company's ability to attract, retain and manage fluctuations in advertising or subscription revenue; the continuity of relationships with Corus' key suppliers, partners, clients

and customers; the impact of macroeconomic and geopolitical conditions; the impact of pending or threatened litigation, regulatory decisions, or appeals thereof; changes in laws or regulations or the interpretation or application of those laws and regulations including statements, decisions or positions by applicable courts or 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; impacts of new competition, and industry mergers and acquisitions and the ability to compete in any of the industries in which it does business including with competitors that may not be regulated in the same way or to the same degree; strategic opportunities or partnerships (or lack thereof) that may be presented to and pursued by the Company; changes to applicable tax, licensing and regulatory regimes; operating and capital costs and tariffs, taxes and fees; impacts of interest rates, inflation and imposed and threatened tariffs; the Company's ability to source, produce or sell desirable content; unanticipated or un-mitigatable programming costs; retention and reputation risks related to its employees, contractors and on-air talent; physical and operational changes to the Company's key facilities and infrastructure; industry or Company labour actions; cybersecurity threats or incidents to the Company or its key suppliers and vendors; epidemics, pandemics or other public health and safety crises in Canada and globally; and changes in accounting standards.

Actual results may differ materially from those expressed or implied in such information and the foregoing list is not exhaustive.

Additional information about these material risk factors and assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in Company's Management's Discussion and Analysis for the year ended August 31, 2025 (the "2025 MD&A"), which disclosure may be supplemented or amended by subsequent disclosures in the Company's quarterly management's discussion and analysis or by subsequent press releases, which are also filed on SEDAR+. 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 all the foregoing information, including any incorporated by reference, and any 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.

OVERVIEW

Corus is a leading media and content company that develops and delivers high quality brands and content across platforms for audiences around the world. Engaging audiences since 1999, the Company's portfolio of multimedia offerings encompass 30 specialty television services (25 effective September 1, 2025), 15 conventional television stations, 36 radio stations, digital and streaming platforms, technology and media services and a global content business.

Corus operates through two reporting segments: Television and Radio. The Corporate results represent the incremental cost of corporate overhead in excess of the amount allocated to the operating segments. Generally, Corus' financial results depend on a number of factors, including the strength of the Canadian national economy and the local economies of Corus' served markets, local and national market competition from other broadcasting stations, platforms and other advertising media, government regulation, market competition from other distributors of animated and unscripted and scripted lifestyle programming and Corus' ability to continue to provide popular programming.

TELEVISION

The Television segment is comprised of 30 specialty television networks (25 effective September 1, 2025), 15 conventional television stations, digital and streaming platforms, a social media digital agency, 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 for the specialty television networks is generated from both advertising and subscribers, while revenue from the conventional television stations are derived primarily from advertising. Revenue for the content business is generated from the licensing of proprietary films and television programs as well as the provision of production services, merchandise licensing, and book publishing. Media and technology services revenue is generated principally from the provision of services. For both advertising and subscriber revenue, it is critical that the Company offers Canadians entertaining content that engages them. The Company's content is available to Canadians through a variety of platforms, including conventional or specialty television, streaming platforms, online websites, mobile apps and connected TVs. Catering to consumer demand for quality and choice, the Company strives to offer the best content available to Canadians when and where they choose to consume it.

RADIO

The Radio segment is comprised of 36 radio stations across Canada situated primarily in urban centres in English Canada, with a concentration in the densely populated area of Southern Ontario. The Company's primary method of distribution is over-the-air, analog radio transmission, with additional delivery platforms including HD Radio, websites, podcasts and mobile apps.

Revenue for the Company's radio business is derived primarily from advertising.

KEY FINANCIAL INFORMATION

The following table presents key summary financial information for Corus, its operating segments, and a reconciliation of segment profit to net income for each of the listed years ended August 31:

(in millions of Canadian dollars, except per share amounts)

	2025	2024
Revenue		
Television	**1,042.8**	1,176.7
Radio	**84.6**	93.9
Consolidated revenue	**1,127.4**	1,270.6
Segment profit (loss) [1]		
Television	**201.3**	294.8
Radio	**13.0**	9.4
Corporate	**(25.0)**	(20.8)
Consolidated segment profit [1]	**189.3**	283.4
Depreciation and amortization	**90.3**	111.1
Interest expense	**120.8**	107.8
Goodwill, broadcast licence and other asset impairment	**266.5**	960.0
Debt refinancing	**7.3**	0.8
Restructuring and other costs	**72.1**	55.2
Loss on business divestiture	**—**	0.6
Other income, net	**(27.6)**	(1.7)
Loss before income taxes	**(340.1)**	(950.4)
Income tax recovery	**(18.3)**	(183.6)
Net loss for the year	**(321.8)**	(766.8)
Net loss attributable to:		
Shareholders	**(328.4)**	(772.7)
Non-controlling interest	**6.6**	5.9
Net loss for the year	**(321.8)**	(766.8)
Adjusted net income (loss) attributable to shareholders [1]	**(73.5)**	11.4
Earnings (loss) per share		
Basic and diluted	**($1.65)**	($3.87)
Adjusted basic [1]	**($0.37)**	$0.06
Free cash flow [1]	**(21.8)**	114.2
Total assets	**1,266.1**	1,486.9
Long-term debt (inclusive of current portion)	**1,089.7**	1,052.8

Notes:

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

FISCAL 2025 COMPARED TO FISCAL 2024

For a discussion on the Company's results of operations for the fourth quarter of fiscal 2025, we refer you to Corus' Fourth Quarter 2025 Report to Shareholders filed on SEDAR+ on October 30, 2025.

The following discussion describes the significant changes in the consolidated results from operations for the year ended August 31, 2025 compared to the prior year.

REVENUE

For the year ended August 31, 2025, consolidated revenue of $1,127.4 million decreased 11% from $1,270.6 million in the prior year. On a consolidated basis, advertising revenue decreased 16%, subscriber revenue was down 5%, while distribution, production and other revenue declined 11% from the prior year. Revenue decreased 11% in Television and 10% in Radio. Further analysis of revenue is provided in the discussion of segmented results.

DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended August 31, 2025, direct cost of sales, general and administrative expenses of $938.1 million decreased 5% from $987.2 million in the prior year. On a consolidated basis, direct cost of sales increased 1%, employee costs decreased 11% and other general and administrative costs decreased 14%. The increase in direct cost of sales was driven principally by the increase in amortization of program rights offset by a decrease in film amortization and other cost of sales. The decrease in employee costs was primarily due to reduced labour costs and commission expense, offset by increased short-term compensation accruals. Other general and administrative expenses decreased largely 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

For the year ended August 31, 2025, segment profit was $189.3 million, a decrease of 33% from $283.4 million in the prior year. The decrease in segment profit was principally a result of revenue declines as well as an increase in amortization of program rights, partially offset by a decrease in general and administrative expenses in the current year. Segment profit margin of 17% for the year ended August 31, 2025 was down from 22% in the prior year. Further analysis of segment profit is provided in the discussion of segmented results.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the year ended August 31, 2025 was $90.3 million , a decrease from $111.1 million in the prior year. The decrease was a result of reductions in the amortization of brands and trade marks of $20.5 million, due primarily to the impairment of certain intangible assets in the third quarter of fiscal 2024, and capital assets of $0.9 million.

INTEREST EXPENSE

Further information about debt financing can be found in the *Liquidity and Capital Resources* section of this report, under the subheading *Liquidity and Going Concern Uncertainty*.

Interest expense for the year ended August 31, 2025 of $120.8 million increased from $107.8 million in the prior year. The increase principally results from higher imputed interest of $7.4 million on long-term liabilities associated with program rights, trade marks and right-of-use assets and higher interest on long-term debt of $6.7 million in the current year. Interest on long-term debt was higher due to the termination of the interest rate swap.

The effective interest rate on the Credit Facility and the $250.0 million of 6.0% Senior Unsecured Notes due 2030 (the "2030 Notes") together with the $500.0 million of 5.0% Senior Unsecured Notes due 2028 (the "2028 Notes", collectively referred to hereafter as the "Notes") for the year ended August 31, 2025 was 6.2% compared to 6.0% in the prior year.

GOODWILL, BROADCAST LICENCES AND OTHER ASSET IMPAIRMENT

Goodwill and broadcast licences are tested for impairment annually as at August 31 or more frequently if events or changes in circumstances indicate that they may be impaired. The labour action of the Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA") between June 2023 and November 2023 impacted the majority of scripted productions world-wide that employ SAG-AFTRA talent, which delayed the delivery of programming available for airing on the Company's services. This resulted in a further contraction

in advertising demand, particularly in the Television cash generating unit ("CGU"). Further, the Company was unable to renew certain programming and trade mark output arrangements with Warner Bros. Discovery Inc. which expired on December 31, 2024. Accordingly, impairment testing was required for both the Television CGU and Radio at May 31, 2024.

As a result, the Company completed impairment testing of broadcast licences, goodwill and definite life intangible assets within the Television CGU and Radio group of CGUs and determined that impairment charges were required. The Company recorded non-cash impairment charges in the Television CGU totalling $915.6 million. This included charges against broadcast licences of $526.7 million, brands and trade marks of $315.3 million and program rights of $73.6 million. The Company recorded non-cash impairment charges in the Radio group of CGUs totalling $44.4 million. This included charges against goodwill of $21.1 million and broadcast licences of $23.3 million (refer to note 10 of the audited consolidated financial statements for further details).

As a result of the annual impairment test conducted as at August 31, 2025, the Company recorded non-cash impairment charges in the TV CGU totalling $242.7 million. This included charges against broadcast licenses of $106.4 million, brands and trademarks of $133.5 million, and land and buildings of $2.8 million. The Company recorded non-cash impairment charges in the Radio group of CGUs totalling $19.8 million, which was against broadcast licenses.

In addition, as at August 31 2025, the Company identified impairment in film investments of $2.4 million and recorded an impairment related to program rights of $1.5 million.

DEBT REFINANCING

On October 24, 2024, the Company amended and restated its Credit Facility, (refer to note 13 of the audited consolidated financial statements for further details), which resulted in a non-cash loss on debt refinancing of $4.4 million. On March 21, 2025, the Company's Credit Facility was assigned, following which it was amended and restated, which resulted in a non-cash loss on debt refinancing of $3.0 million.

On October 26, 2023, May 30, 2024 and August 30, 2024, the Company amended its Credit Facility, which resulted in a non-cash loss on debt modification of $0.8 million for the October 26, 2023 amendment and nil for the others.

RESTRUCTURING AND OTHER COSTS

Restructuring and other costs for the year ended August 31, 2025 were $72.1 million compared to $55.2 million in the prior year. The current year costs relate primarily to restructuring costs associated with employee exits, professional fees and employee retention arrangements and a one time contract termination charge, while the prior year costs relate primarily to restructuring costs associated with employee exits as well as a small amount of professional fees and retention arrangements.

LOSS ON BUSINESS DIVESTITURE

On July 31, 2024, the Company completed the sale of its 51% interest in Aircraft Pictures Limited ("Aircraft"), which resulted in a net loss on disposal of $0.6 million (refer to note 26 of the audited consolidated financial statements for further details).

OTHER INCOME, NET

Other income for the year ended August 31, 2025 was $27.6 million compared to $1.7 million in the prior year. In the current year, other income includes interest income of $3.7 million, foreign exchange gains of $13.6 million primarily related to the translation of USD denominated liabilities, a $9.7 million gain on a property disposal, and a $4.2 million write off of historical unclaimed liabilities, offset by redundant rent of $4.8 million. In the prior year's comparable period, other income included $4.8 million of interest income, a $1.1 million gain on property disposal, an asset impairment reversal of $0.3 million and foreign exchange gains of $0.6 million, offset by $5.1 million of other expenses related to the retroactive portion of retransmission royalties and redundant rent, net of rental income.

INCOME TAX RECOVERY

The Company's effective income tax rate for the year ended August 31, 2025 was 5.4% compared to the effective tax rate for the year ended August 31, 2024 of 19.3%. The difference between the statutory rate of 26.5% and the effective tax rate resulted from changes in the derecognized deferred income tax assets.

NET LOSS ATTRIBUTABLE TO SHAREHOLDERS AND LOSS PER SHARE

Net loss attributable to shareholders for the year ended August 31, 2025 was $328.4 million ($1.65 loss per share basic), compared to a loss of $772.6 million ($3.87 loss per share basic) in the prior year. Net loss attributable to shareholders for the year ended August 31, 2025 includes broadcast licence and other asset impairment charges of $266.5 million ($0.98 per share), restructuring and other costs of $72.1 million ($0.27 per share), and a debt refinancing loss of $7.3 million ($0.03 per share). Adjusting for the impact of these items results in an adjusted net loss attributable to shareholders[(1)] of $73.5 million ($0.37 loss per share basic). Net loss attributable to shareholders for the year ended August 31, 2024 includes goodwill, broadcast licence and other asset impairment charges of $960.0 million ($3.72 per share) in the Television operating segment, a debt refinancing loss of $0.8 million ($nil per share), a loss on a business divestiture of $0.6 million ($nil per share), and restructuring and other costs of $55.2 million ($0.21 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $11.4 million ($0.06 per share basic) for the same comparable period of the prior year.

The weighted average number of basic shares outstanding for the year ended August 31, 2025, was 199,440,000, consistent with the prior year.

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

OTHER COMPREHENSIVE LOSS, NET OF INCOME TAX

Other comprehensive loss for the year ended August 31, 2025 was $1.6 million, compared to $14.3 million in the prior year. For the year ended August 31, 2025, other comprehensive loss includes an unrealized loss on the fair value of financial assets of $6.9 million, offset by an actuarial gain on the remeasurement of post-employment benefit plans of $3.4 million, an unrealized gain on the fair value of cash flow hedges of $1.6 million, and an unrealized gain from foreign currency translation adjustments of $0.3 million. In the year ended August 31, 2024, other comprehensive loss includes an unrealized loss on the fair value of cash flow hedges of $6.5 million, an unrealized loss on the fair value of financial assets of $6.9 million and an actuarial loss on the remeasurement of post-employment benefit plans of $1.0 million, offset by an unrealized gain from foreign currency translation adjustments of $0.1 million.

TELEVISION

The Television segment is comprised of 30 specialty television services (25 effective September 1, 2025), 15 conventional television stations, digital and streaming platforms, a social media digital agency, technology and media services, and the Corus content business, which consists of the production and distribution of films and television programs, merchandise licensing and book publishing.

FINANCIAL HIGHLIGHTS

	Year ended August 31,	
(thousands of Canadian dollars)	**2025**	2024
Revenue		
Advertising	**545,881**	652,322
Subscriber	**448,949**	470,332
Distribution, production and other	**47,939**	54,084
Total revenue	**1,042,769**	1,176,738
Expenses	**841,423**	881,958
Segment profit [(1)]	**201,346**	294,780
Segment profit margin [(1)]	**19%**	25%

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

Revenue for the year ended August 31, 2025 declined 11% from the prior year as a result of decreases of 16% in advertising revenue, 5% in subscriber revenue, and 11% in distribution, production, and other revenue. Declines were most significant in the food, retail, direct to consumer, health and beauty and financial services categories. Subscriber revenue decreased from the prior year as a result of declines in the traditional linear business as well as the shutdown of three specialty networks. The decrease in distribution, production and other revenue was driven by fewer episode deliveries, and reduced service work.

Expenses for the year ended August 31, 2025 were down 5% from the prior comparable period as a result of an increase of 1% in direct cost of sales, a decrease of 12% in employee costs and a decrease of 15% in other general and administrative expenses. The increase in direct cost of sales was driven by a $17.8 million (or 4%)

increase in amortization of program rights due to the return of programming after the writers' and actors' labour actions impacted program deliveries in the prior year, as well as a decrease of $9.6 million (or 61%) in amortization of film investments, due primarily to a change in estimate in the recoverability of tax credits and a decrease of $1.1 million (or 4%) in other cost of sales. The decrease of $28.9 million in employee costs reflects significant headcount reductions over the year. The decrease of $18.7 million in other general and administrative expenses was a result of cost containment measures across the entire business and receipt of funding to offset news costs, offset by higher advertising and marketing expenditures related to the rebranding of two specialty networks.

Segment profit[(1)] for the year ended August 31, 2025 was down 32%. This decline was primarily a result of the decrease in advertising and subscriber revenue exceeding the decreases in expenses. Segment profit margin[(1)] for the year ended August 31, 2025 was 19%, down from 25% in the prior year.

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

RADIO

The Radio segment is comprised of 36 radio stations situated primarily in urban centres in English Canada, with a concentration in the densely populated area of Southern Ontario. Corus is one of Canada's leading radio operators in terms of audience reach.

FINANCIAL HIGHLIGHTS

	Year ended August 31,	
(thousands of Canadian dollars)	**2025**	2024
Revenue	**84,651**	93,860
Expenses	**71,676**	84,418
Segment profit [(1)]	**12,975**	9,442
Segment profit margin [(1)]	**15%**	10%

[(1)] As defined in the "Key Performance Indicators and Non-GAAP Financial Measures" section

Revenue for the year ended August 31, 2025, decreased $9.2 million (or 10%) from the prior year. The decline in advertising revenue for the year was driven principally by declines in the professional services, automotive, telecommunications and retail categories, offset by growth in government and home products.

Direct cost of sales and general and administrative expenses decreased $12.7 million (or 15%) for the year ended August 31, 2025. The decrease was a result of reduced employee costs driven by headcount reductions, lower copyright tariff fees that are positively correlated with revenue and continued cost containment measures.

Radio's segment profit[1)] for the year ended August 31, 2025 increased by $3.5 million from the prior year as a result of cost containment measures in excess of revenue declines. Segment profit margin[(1)] for the year at 15% was up from 10% in the prior year.

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

CORPORATE

The Corporate results are comprised of the incremental cost of corporate overhead in excess of the amount allocated to the operating divisions.

FINANCIAL HIGHLIGHTS

	Year ended August 31,	
(thousands of Canadian dollars)	**2025**	2024
Share-based compensation	**88**	(1,563)
Other general and administrative costs	**24,908**	22,356
	24,996	20,793

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 for the year ended August 31, 2025 was $0.1 million compared to a recovery of $1.6 million from the prior year. The changes from the prior year primarily result from reductions in the Company's share price.

Other general and administrative costs increased $2.6 million for the year ended August 31, 2025 from the prior year. The increase from the prior year is primarily due to increased professional fees and variable compensation, partially offset by headcount reductions.

QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

SEASONAL FLUCTUATIONS

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 August 31, 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 filed on SEDAR+ on October 30, 2025, for the years ended August 31, 2025 and 2024, except as disclosed in note 3 of the consolidated financial statements.

(thousands of Canadian dollars, except per share amounts)					Earnings (loss) per share			
	Revenue	Segment profit [1]	Net income (loss) attributable to shareholders	Adjusted net income (loss) attributable to shareholders [1]	Basic	Diluted	Adjusted basic [1]	Free cash flow [1]
2025								
4th quarter	232,090	25,992	(277,097)	(70,871)	$ (1.39)	$ (1.39)	$ (0.36)	(25,153)
3rd quarter	297,806	61,607	(7,336)	12,646	$ (0.04)	$ (0.04)	$ 0.06	(32,526)
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)
2024								
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

[1] 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 fourth quarter of fiscal 2025 was negatively impacted by non-cash television and radio broadcast licence and other asset impairment charges of $263.6 million ($0.97 per share) and restructuring and other costs of $17.7 million ($0.06 per share).
- Net loss attributable to shareholders for the third quarter of fiscal 2025 was negatively impacted by restructuring and other costs of $25.3 million ($0.09 per share) and a loss on debt refinancing of $3.0 million ($0.01 per share).
- 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).

OUTLOOK

In the first quarter of fiscal 2026, we expect geopolitical and economic uncertainty and the continued shift in advertising demand to digital platforms will contribute to continued lower demand for linear advertising. As such, the year-over-year percentage decline in Television advertising revenue in the first quarter of fiscal 2026 is expected to be similar to the fourth quarter of fiscal 2025. Amortization of TV program rights in the quarter is expected to decrease in the range of 5% to 10% year-over-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 10% to 15% for the first quarter versus the prior year, excluding any potential benefit from the Independent Local News Fund.

FINANCIAL POSITION

Total assets at August 31, 2025 of $1.3 billion decreased from August 31, 2024 of $1.5 billion. The following discussion describes the significant changes in the consolidated statements of financial position since August 31, 2024.

Current assets at August 31, 2025 were $265.2 million, a decrease of $92.1 million from August 31, 2024.

Cash and cash equivalents were down $22.9 million from August 31, 2024. Refer to the discussion of cash flows in the next section.

Accounts receivable decreased by $45.4 million from August 31, 2024. The decrease was primarily in trade accounts receivable due to reduced revenue. 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 decreased $2.5 million from August 31, 2024 as a result of tax credit receipts and the application of credits towards tax liabilities, partially offset by new accruals relating to film productions and an adjustment to the estimated collectibility of claims.

Investments and other assets decreased $11.3 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 $19.5 million from August 31, 2024 as a result of depreciation expense exceeding additions and an impairment write-down of $2.8 million.

Program rights increased $109.9 million from August 31, 2024, as acquisitions of $608.3 million were offset by amortization of $496.9 million and an impairment of $1.5 million.

Film investments decreased $24.5 million from August 31, 2024, primarily as a result of tax credit accruals of $15.0 million, transfers to program rights of $8.0 million, 3rd party and co-producer working capital of $8.1 million, film amortization of $6.1 million, foreign exchange and other of $1.0 million, and an impairment write-down of $2.4 million, offset by spending of $16.1 million.

Intangibles decreased $180.9 million from August 31, 2024, primarily as a result of non-cash impairment charges in broadcast licences of $126.2 million and trade marks and brands of $133.5 million, as well as amortization of $54.0 million, offset by trade mark renewal agreements of $121.4 million and net additions to other intangible assets of $11.5 million.

Accounts payable and accrued liabilities decreased $130.2 million from August 31, 2024, principally as a result of lower program rights payable, trade marks payable, short-term lease liabilities, interest payable and accounts payable and accrued liabilities, offset by higher payroll accruals and deferred revenue.

Provisions, including the long-term portion, decreased by $5.7 million from August 31, 2024, principally as a result of payments exceeding restructuring-related additions.

Long-term debt, including the current portion, as at August 31, 2025 was $1,089.7 million compared to $1,052.8 million as at August 31, 2024. As at August 31, 2025, there are no mandatory repayments of the Term Facility over the next twelve months. During the year ended August 31, 2025, the Company increased borrowings under the credit facility by $28.4 million and amortized $2.5 million of deferred financing charges. The Credit Facility amendment on March 21, 2025 resulted in a net write-off of $2.9 million of deferred financing fees and incurred $0.1 million of financing fees. The Credit Facility amendment on October 24, 2024 resulted in a loss of $4.4 million on debt refinancing and incurred $1.3 million of financing fees.

Other long-term liabilities increased $237.7 million from August 31, 2024, primarily from program rights and trade mark agreements renewals and software license payable, offset by decreases in lease liabilities, post employment benefit plans 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 decreased by $22.9 million for the year ended August 31, 2025. Free cash flow[(1)] for the year ended August 31, 2025 was an outflow of $21.8 million compared to an inflow of $114.2 million in the prior year. The decrease in free cash flow[(1)] for the year is mainly attributable to an increase in cash used by operating activities of $144.2 million, offset by a decrease of $15.4 million in cash used in investing activities.

Cash used in operating activities for the year ended August 31, 2025 was $13.6 million compared to $130.7 million provided in the prior year. The increase in cash used for the year of $144.2 million arises from an increase of cash used in working capital of $58.7 million and a decrease in cash flow from operations of $85.5 million, which is a result of lower net income from operations (adjusted for non-cash items) of $116.2 million, offset by lower spend on program rights and film investments of $21.8 million and $8.9 million, respectively.

Cash used in investing activities for the year ended August 31, 2025 was $8.2 million compared to cash used in investing activities of $23.7 million in the prior year. The decrease in cash used in the year of $15.4 million is a result of decreased spend on property, plant and equipment and intangibles of $0.7 million, an investment in specialty television service CMT of $4.0 million in the prior year and the divestiture of Aircraft Pictures, net of divested cash of $2.8 million in the prior year, offset by increased proceeds received from the sale of property of $7.9 million.

Cash used in financing activities in the year ended August 31, 2025 was $1.1 million compared to $80.7 million for the prior year. The decrease in cash used of $79.7 million in the year arises from an increase in the credit facility borrowings of $28.4 million in fiscal 2025 versus a repayment of $38.8 million in the prior year, a reduction in dividends paid of $9.1 million and a return of capital to a non-controlling interest of $5.9 million in the prior year.

(1) A definition and reconciliation of free cash flow to the consolidated statements of cash flows is provided in the "*Key Performance Indicators and Non-GAAP Financial 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 achieve business objectives and repaying debt.

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. The Company's stated long-term objective is a leverage target (net debt to segment profit ratio) below 2.5 times. In the short term, the Company may permit the long-term leverage range to be exceeded, but endeavours to return to the leverage target range as the Company believes that these objectives provide a reasonable framework for providing a return to shareholders and is supportive of maintaining the Company's credit ratings.

On October 26, 2023, the Company's Credit Facility was amended to increase the maximum total debt to cash flow ratio required under the financial covenants up to and including August 31, 2024, reintroduce mandatory quarterly repayments of the Term Facility, change certain conditions related to the use of proceeds on asset disposals and to introduce additional restrictions on distributions to shareholders. The amendment of the Credit Facility resulted in the Company recording a net debt refinancing loss of approximately $0.8 million.

On August 30, 2024 the Credit Facility was amended to, among other things, increase the maximum Total Debt to Cash Flow Ratio required under the financial covenants to 4.75:1.0 through to and including October 15, 2024, and limit the Company to request Advances under the Revolving Facility up to $30.0 million. Requirements to use any Excess Cash to repay outstanding balances on the Revolving Facility and certain terms related to the use of proceeds on asset disposals, the ability to incur certain indebtedness, the ability to designate certain subsidiaries and certain reporting requirements, were also amended. The terms of this amendment were updated on October 15, 2024 to extend the Total Debt to Cash Flow Ratio required under the financial covenants to 4.75:1.0 through to and including October 25, 2024.

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 to 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 amended to March 18, 2026. The amendment of the Credit Facility resulted in the Company recording a debt refinancing loss of approximately $4.4 million.

On March 21, 2025, the Company's Credit Facility was assigned to strategic debtholders, 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. The amendment of the Credit Facility resulted in the Company recording a debt refinancing loss of $3.0 million.

On October 29, 2025, Corus completed an agreement to amend the Credit Facility to increase the Revolving Facility from $75.0 million to $125.0 million.

For further details on the Credit Facility, refer to note 13 of the Company's consolidated financial statements.

GOING CONCERN UNCERTAINTY

The 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 two 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. Throughout 2025, the Company has continued to be impacted by geopolitical and economic uncertainty and the continued shift in advertising demand to digital platforms. At August 31, 2025, the Company has a working capital deficit of $116.2 million and incurred losses of $321.8 million for the year ended August 31, 2025 resulting in an accumulated deficit attributable to shareholders of $706.6 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 uncertainty exists 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 consolidated 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 August 31, 2025, total capitalization was $430.6 million compared to $621.8 million at August 31, 2024, a decrease of $191.2 million. The decrease in total capitalization is due to a net increase in accumulated deficit of $241.2 million and a decrease in lease liabilities of $9.8 million, offset by an increase in credit facility of $36.9 million and a decrease in cash and cash equivalents of $22.9 million.

OFF BALANCE SHEET ARRANGEMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

In September 2022, the Company entered into a Canadian interest rate swap agreement to fix the interest rate on a portion of its outstanding term loan facility. On March 20, 2025, the interest rate swap was terminated at a cost of $5.2 million. The fair value of future cash flows of interest rate swap derivatives change with fluctuations in market interest rates. The estimated fair value of these agreements as at August 31, 2024 was a liability of $2.2 million, which was recorded in the consolidated statements of financial position as other long term liabilities (refer to note 13 of the audited consolidated financial statements for further details on interest rate swap agreements).

As at August 31, 2024, the Company had a series of forward foreign exchange contracts totalling $15.0 million U.S. dollars, to fix the foreign exchange rate and therefore cash flows related to a portion of the Company's U.S. dollar denominated liabilities. On December 31, 2024, the Company's foreign exchange forward contracts expired and were not renewed. These forward contracts were not designated as hedges for accounting purposes; they were measured at fair value at each reporting date by reference to prices provided by the counterparty. The estimated fair value of future cash flows of the forward contract derivatives change with fluctuations in the foreign exchange rate of the U.S. dollar to Canadian dollars. The estimated fair value of these agreements as at August 31, 2024 was an asset of $0.7 million, which was recorded in the consolidated statements of financial position as investment and other assets (refer to note 5 of the audited consolidated financial statements for further details), and within other income, net in the consolidated statements of loss and comprehensive loss (refer to note 19 of the audited consolidated financial statements for further details).

The Company had a total return swap agreement on 1,706,000 share units to offset its exposure to changes in the fair value of certain cash settled share-based compensation awards. The estimated fair value of this Level 1 financial instrument would fluctuate with the market price of the Company's shares. On December 1, 2023, the total return swap was settled at a cost of $7.5 million including interest. This was recorded within employee costs in the consolidated statements of loss and comprehensive loss.

CONTRACTUAL COMMITMENTS

The Company has the following undiscounted contractual obligations at August 31, 2025:

(thousands of Canadian dollars)	Total	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years
Total debt [1]	1,268,870	67,782	928,691	272,397	—
Purchase obligations [2]	1,059,982	497,951	327,907	154,649	79,475
Lease liabilities [3]	231,914	33,965	62,710	58,968	76,271
Other obligations [4]	205,729	44,529	69,436	56,820	34,944
Total contractual obligations	**2,766,495**	**644,227**	**1,388,744**	**542,834**	**190,690**

[1] Principal and interest repayments on Credit Facility and Notes.

[2] Purchase obligations are contractual obligations under contracts relating to program rights, satellite distribution and license costs and various other operating expenditures, that the Company has committed to for periods ranging from one to five years.

[3] Lease liabilities relate to right-of-use assets which include land and buildings related to television and radio operations and equipment leases.

[4] Other obligations include financial liabilities, trade marks and other intangibles.

In fiscal 2025 the Company incurred interest on bank debt and Notes of $70.6 million (2024 – $63.9 million).

KEY PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

The Company measures the success of its strategies using a number of key performance indicators. Certain investors, analysts and others utilize these measures in assessing the Company's operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. These have been outlined below, including a discussion as to their relevance, definitions, calculation methods and underlying assumptions. In addition to disclosing results in accordance with IFRS as issued by the IASB, the Company also provides non-IFRS or non-GAAP financial measures as a method of evaluating the Company's performance. Certain key performance indicators are not financial measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS. These non-IFRS or non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

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

REVENUE

Revenue is a measurement defined by IFRS. Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity that results in increases in equity, such as cash, receivables or other consideration arising from the sale of products and services and is net of items such as trade or volume discounts and certain excise and sales taxes. It is one of the bases upon which free cash flow, a key performance indicator defined below, is determined; therefore, it measures the potential to deliver free cash flow as well as indicating the level of growth in a competitive marketplace.

The primary sources of revenue for the Company are outlined in the *Overview* section.

The Company's sources of revenue are well diversified, with revenue streams for the year ended August 31, 2025 derived primarily from three areas: advertising 55%, subscriber fees 40% and 5% distribution, production and other (2024 – 58%, 37% and 5%, respectively).

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)	**2025**	2024	% change
New platform revenue (numerator)	**129,093**	137,111	(6%)
Television advertising revenue	**545,881**	652,322	(16%)
Television subscriber revenue	**448,949**	470,332	(5%)
Total Television advertising and subscriber revenue (denominator)	**994,830**	1,122,654	(11%)
New platform revenue percentage	**13%**	12%	

DIRECT COST OF SALES, AND GENERAL AND ADMINISTRATIVE EXPENSES

Direct cost of sales, and general and administrative expenses include amortization of program rights (costs of programming intended for broadcast, from which advertising and subscriber revenue is derived); amortization of film investments (costs associated with internally produced and acquired television and film programming, from which distribution and licensing revenue is derived); other cost of sales relating to book publishing, merchandising, marketing (research and advertising costs); employee remuneration; regulatory licence fees; and, selling, general administration which includes overhead costs. For the year ended August 31, 2025, consolidated direct cost of sales, and general and administrative expenses were comprised of direct cost of sales 57%, employee remuneration 29% and general and administrative expenses 14% (2024 – 54% , 30%, and 16%, respectively).

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 loss and comprehensive 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 disposition; and certain other income and expenses as included in note 19 to the audited 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 21 to the audited consolidated financial statements. Segment profit margin is calculated by dividing segment profit by revenue. Segment profit and segment profit margin do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Segment profit and segment profit margin should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by the IASB.

(thousands of Canadian dollars, except percentages)	**2025**	2024
Revenue	**1,127,420**	1,270,598
Direct cost of sales, general and administrative expenses	**938,095**	987,169
Segment profit	**189,325**	283,429
Segment profit margin	**17%**	22%

FREE CASH FLOW

Free cash flow is calculated as cash provided by operating activities less cash used in investing activities, as reported in the consolidated statements of cash flows, and then adding back cash used specifically for business combinations and strategic investments and deducting net proceeds from dispositions. Free cash flow is a key metric used by the investment 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 as issued by the IASB.

(thousands of Canadian dollars)	2025	2024
Cash provided by (used in):		
Operating activities	**(13,570)**	130,657
Investing activities	**(8,241)**	(23,653)
	(21,811)	107,004
Add: cash used in business acquisitions and strategic investments [1]	**—**	7,148
Free cash flow	**(21,811)**	**114,152**

[1] 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) attributable to shareholders and adjusted basic earnings (loss) per share as a measure of enterprise-wide performance. Adjusted net income (loss) attributable to shareholders 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 acquisitions and/or 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) and basic earnings (loss) per share attributable to shareholders as prepared in accordance with IFRS as issued by the IASB.

(thousands of Canadian dollars, except per share amounts)	2025	2024
Net loss attributable to shareholders	**(328,405)**	(772,641)
Adjustments, net of income tax:		
Goodwill, broadcast licence and other asset impairment	**196,121**	742,016
Debt refinancing	**5,400**	555
Loss on business divestiture	**—**	584
Restructuring and other costs	**53,425**	40,913
Adjusted net income (loss) attributable to shareholders	**(73,459)**	11,427
Basic loss per share	**($1.65)**	($3.87)
Adjustments, net of income tax:		
Goodwill, broadcast licence and other asset impairment	**$0.98**	$3.72
Debt refinancing	**$0.03**	—
Loss on business divestiture	**—**	—
Restructuring and other costs	**$0.27**	$0.21
Adjusted basic earnings (loss) per share	**($0.37)**	$0.06

NET DEBT

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 is an important measure as it reflects the principal amount of debt owing by the Company as at a particular date. Net debt does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies.

(thousands of Canadian dollars)	2025	2024
Total debt, net of unamortized financing fees and prepayment options	**1,089,741**	1,052,834
Lease liabilities	**106,998**	116,834
Cash and cash equivalents	**(59,555)**	(82,422)
Net debt	**1,137,184**	**1,087,246**

NET DEBT TO SEGMENT PROFIT

Net debt to segment profit is calculated as net debt divided by segment profit for the year. Net debt to segment profit is an important measure of the Company's liquidity and it is one of the key metrics used by the investing community to measure the Company's ability to repay debt through ongoing operations. Net debt to segment profit does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies.

(thousands of Canadian dollars)	2025	2024
Net debt (numerator)	**1,137,184**	1,087,246
Segment profit (denominator) [1]	**189,325**	283,429
Net debt to segment profit	**6.01**	3.84

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK AND APPROACH

Risks primarily arise from the Company's business environment, strategies and objectives. Corus strives to proactively mitigate its risk exposures through rigorous performance planning, risk review and reporting, and effective operations and business management. Residual exposure for certain risks is further mitigated through appropriate insurance coverage where this is deemed to be most effective and commercially available.

Corus strives to avoid taking on undue risk outside of its risk appetite and assesses potential risks for alignment with business strategies, objectives, values and risk tolerance. The Company has established an Enterprise Risk Management Framework ("ERMF") which includes identifying, assessing, managing, monitoring and communicating the principal business risks that impact the Company.

Corus' ERMF supports its risk culture, capabilities and practices that we rely on to manage risks in creating, preserving and realizing value. The ERMF emphasizes transparency and accountability and supports a common understanding among stakeholders of how Corus manages risk. Principally, the ERMF enables Corus to:

- determine and define the types risks arising from or most relevant to its strategy and operations;
- create and maintain effective risk management governance and oversight; and
- appropriately manage and respond to risks.

Corus has defined the following major risk categories and related subcategories to which its businesses and operations could be exposed:

MAJOR RISK CATEGORY	RISK
STRATEGIC	Economic Conditions
	Industry and Competition
	Key Customers and Suppliers
OPERATIONAL	People
	Technology and Cybersecurity
	Process
	Health and Safety
	Physical and Infrastructure
FINANCIAL	Liquidity
	Tax
	Market
	Physical and Infrastructure
LEGAL AND COMPLIANCE	Legal
	Regulatory
	Privacy
	Compliance
REPUTATIONAL	Reputational
	Environmental & Social

Risk Culture

Corus believes that risk culture starts with the "tone at the top" i.e. set by the Board of Directors ("Board"), the Chief Executive Officer ("CEO"), and the Senior Leadership Team ("SLT"). The Company's culture embraces accountability, listening, learning, communication, and transparency. This includes a culture and approach to risk taking and management, which means that all employees are encouraged to identify and escalate risks when they believe the Company is or could be operating outside of its risk appetite.

At Corus, ethical conduct is an important part of the risk culture. Corus has a Code of Business Conduct that applies to and guides employees and directors in their business activities and conduct and requires them to act, at all times, with integrity, professionalism and ethically. If there are any concerns that cannot be or are not addressed through the governance structures in place to identify, discuss and manage risk, Corus has comprehensive policies and processes to enable any employee to raise a concern, including anonymously through a hotline.

Risk Appetite

Part of delivering against Corus' strategy and doing the right thing for its stakeholders is growing value. As such, Corus takes risks necessary to build and grow its businesses, products and brands, but only if they:

- fit the Corus business strategy;
- are understood and manageable; and
- do not harm the reputation of the Company or its brand(s).

RISK GOVERNANCE

The Company's governance structure emphasizes and balances Board and management level oversight with clear ownership and management of risks within businesses. The Company's Board has overall responsibility for risk governance and ensures that there are processes in place to effectively identify, assess, monitor, and manage principal business risks to which the Company is exposed. This includes oversight of the implementation of enterprise risk management procedures and the development of entity level controls. The Board carries out its risk management mandate primarily through its Committees and senior management as follows:

- the Audit Committee, which is responsible for overseeing the Company's policies and processes designed to mitigate and manage applicable regulatory compliance risk, including the adequacy of internal control over financial reporting;
- the Human Resources and Governance Committee, which is responsible for the Company's policies and processes designed to mitigate and manage risks associated with the Company's governance processes and compensation plans;
- the SLT, which is responsible for the establishment of enterprise risk management processes; and
- the Company's Risk Management Committee ("RMC"), which oversees and manages risk management processes.

In addition, entity level controls, (including the Company's Code of Business Conduct), financial controls and other governance processes are in place and monitored regularly by the Company's Risk and Compliance group, which functions independently from management and provides the Audit Committee and management with objective evaluations of the Company's risk and control environment.

A strategic risk assessment is conducted as part of the Company's strategic planning process to identify and assess the principal business risks facing the Company and their potential impact on the achievement of the Company's strategic objectives. Emerging risks are included in the assessment and risks are prioritized using standard risk assessment criteria.

The RMC, which reports to the SLT, is mandated to maintain the Company's ERMF for identifying, assessing, managing, monitoring, and reporting the principal business risks that impact the Company. The RMC is comprised of various senior managers from across the organization, with all key operating segments and functions represented. The Committee meets on a quarterly basis to review strategic, operational, financial, legal and compliance as well as reputational risks to the Company. The likelihood and impact of these risks are ranked on a high, medium and low basis. These risks are reviewed by the Company's Disclosure Committee, the SLT, and finally, by the Board as part of the quarterly risk review process.

As part of comprehensive risk management, Corus has risk identification and assessment mechanisms that are focused on recognizing and understanding existing risks, risks that may arise from new or evolving business initiatives, aggregate risks, and non-traditional or emerging risks. The Company supports a process of risk identification and assessment that enables and enhances its understanding of risk interdependencies and supports the identification of emerging risk.

Corus has risk control processes that are established and communicated through the Audit Committee and other committees of the Board, ELT and management approved policies. The Company also has associated processes, guidelines and procedures that further enable compliance with these policies. In addition, where required or appropriate, there are risk controls in the form of monetary limits, limitations on delegated authorities to risk tolerances, processes for escalating concerns, incidents or breaches, and review and testing procedures for key controls. The Risk and Compliance group has a direct line of reporting to the Audit Committee and conducts independent testing of key controls in the Company as well as continuous monitoring.

There is regular reporting on risk throughout business activities and in business forums. In addition, the RMC regularly reports on its risk monitoring activities to the SLT, the Board and its committees. Finally, committees are established and convened to monitor and report on certain specific risk areas that may require more focus, particular expertise or frequency of monitoring.

RISKS AND UNCERTAINTIES

This section provides a summary description of the principal risks and uncertainties that could have a material adverse effect on the business and financial results of the Company. This discussion is not exhaustive and any discussion about risks should be read in conjunction with the "Cautionary Statement Regarding Forward-Looking Information" and the Company's most recent public disclosure documents.

A. STRATEGIC RISKS

ECONOMIC CONDITIONS

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 may affect discretionary consumer and business spending, resulting in increased or decreased demand for Corus' product offerings. Current ongoing factors that can create or exacerbate recessionary conditions, affect interest rates, or otherwise impact financial market conditions include, but are not limited to, uncertainty from imposed and threatened tariffs, trade disruptions, and restrictions on cross-border supply chains. In addition, elevated consumer price index inflation driven by increases in energy and food prices as well as supply disruptions and strong demand for goods can also affect the Company's business, operations and financial performance. All of the foregoing factors may adversely affect the Company through disruption to supply chains, increased costs of labour or disruption to availability of labour, related reduced advertising demand or spending, or lower demand for the Company's products and services, all of which may lead to decreased revenue or profitability. Finally, in all cases, the Company's business and financial condition are subject to audience and consumer acceptance of its brands, programming, and talent. Changes to or negative perception of any of Corus' brands, programming or talent could adversely affect the Company, including by affecting audience and consumer acceptance, reducing the attractiveness or value of the Company's brand, programming or talent to advertisers or partners, or disrupting its ability to provide programming as planned or anticipated. Any or all of the foregoing can negatively impact the Company's operations and financial results and plans.

INDUSTRY AND COMPETITION; CUSTOMER CHANGE AND ADOPTION

Industry and Competition

Corus operates in an open and highly competitive marketplace. The television production industry and television and radio broadcasting services have always involved a substantial degree of risk. There can be no assurance of the economic success of the Company's radio stations, music formats, talent, television programs or networks because the revenue derived from such services and products depend upon audience acceptance of these or other competing programs released into, or networks existing in the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, public tastes generally and other intangible factors, all of which could rapidly change, and many of which are beyond Corus' control. The lack of audience acceptance for Corus' radio stations, television programs, specialty (discretionary) television networks and conventional (basic) television stations would have an adverse impact on Corus' businesses, results of operations, prospects and financial condition. Corus' failure to compete in these areas could materially adversely affect Corus' results of operations.

Corus also faces competition from both regulated and unregulated players using existing, new or evolving technologies and from illegal services. The rapid deployment of evolving technologies, services, products and strategic partnerships have reduced the traditional lines between internet and broadcast services and further expanded the competitive landscape. The Company may also be affected by changes in customer discretionary spending patterns, which in turn are dependent on consumer confidence, disposable consumer income and general economic conditions. New or alternative media technologies and business models, such as video-on-demand, subscription-video-on-demand, personal video recorders, mobile television, internet protocol television, over-the-top internet-based video entertainment services, connected TVs, virtual multichannel programming distributors, audio streaming platforms, digital radio services, satellite radio, podcasting and direct-to-home satellite compete with, or may in the future compete with, Corus' services for programming and audiences. As well, mobile devices like smartphones and tablets allow consumers to access content anywhere, anytime and are creating consumer demand for mobile, portable or free content. These technologies and business models may increase audience fragmentation, reduce subscribers to Corus' services, reduce Corus' linear television and radio ratings or have an adverse effect on advertising revenue from local and national audiences. Technological developments may also disrupt traditional distribution platforms by enabling content owners to provide content directly to consumers, thus bypassing traditional content aggregators. While Corus invests in infrastructure, technology and programming in efforts to maintain an appropriately competitive position, there can be no assurance that these investments or Corus' strategy will be sufficient to maintain Corus' market share or performance at expected or sufficient levels in the future.

Television – Broadcast Business

The financial success of Corus' specialty television services depend on obtaining revenue from advertising and subscribers, while Corus' conventional television services depend primarily on obtaining revenue from advertising. These services are also dependent on the effective management of programming costs. Any failure by Corus' discretionary and basic television services to compete effectively could materially adversely affect Corus' results of operations.

i) Advertising and Subscriber Revenue

The conventional and specialty television business and the advertising markets the Company operates in are highly competitive. Numerous broadcast and specialty television networks, alternative forms of entertainment, as well as online advertising platforms and websites, and over-the-top digital distribution services that are not regulated by the CRTC compete with Corus for advertising and subscriber revenue. The CRTC also does not require the licensing of new discretionary services. These services can be launched at any time using the CRTC's exemption order which further increases competition. Corus' services also compete with a number of foreign programming services which have been authorized for distribution in Canada by the CRTC, such as A+E and CNN. This competition is for both supply of programming and also for audiences and can affect both the costs and revenue of a network. In addition, competition among specialty television services in Canada is highly dependent upon the offering of prices, marketing and advertising support and other incentives to cable operators and other distributors for carriage so as to favourably position and package the services to subscribers to achieve high distribution levels. Corus' ability to compete successfully depends on a number of factors, including its ability to secure popular television and other programming rights for all platforms, including traditional linear broadcast rights and non-linear rights, in order to achieve audience acceptance, high distribution levels and attract advertising. Corus' ability to continue to attract advertising customers also depends on its ability to meet the evolving expectations of its advertising customers. Accordingly, there can be no assurance that Corus' television services will be able to maintain or increase their current share of audience and advertising revenue as well as maintain or increase current levels of subscriber distribution and penetration.

ii) Programming Expenditures / Audience Acceptance

Programming costs are the most significant expenses in the Television segment. Although the Company has processes to effectively manage these costs, increased competition in the television broadcasting industry due to factors mentioned above, changes in viewer preferences and other developments, including the decisions of domestic broadcasters or cable companies to outbid the Company at unanticipated or higher rates, could impact the availability of premium content and/or increase the cost of programming content which could have a material adverse effect on Corus' operations and/or financial results. Programming costs are also subject to inflationary factors and macroeconomic conditions.

In addition, programming content may be purchased or commissioned for broadcast one or two years in advance, making it more difficult to predict how such content will perform in terms of audience acceptance. Audience acceptance cannot be accurately predicted. The success of a program also depends on the type and extent of promotional and marketing activities, the quality and acceptance of competing programs, general economic

conditions and other intangible factors, all of which can rapidly change and many of which are beyond Corus' control. A failure to select and obtain content demanded by viewers or otherwise a lack of audience acceptance of Corus' television programming could have a material adverse effect on Corus' operations and/or financial results.

Commission of original television programs requires a significant amount of capital. Factors such as labour disputes, technology changes or other disruptions affecting aspects of production may affect Corus or its independent production partners and cause cost overruns and delay or hamper completion of a production (see also *Reliance on Key Suppliers and Customers*).

Television – Content Business

The production and distribution of television, books and other media content is very competitive. There are numerous suppliers of media content, including vertically integrated major motion picture studios, television networks, streaming entities, independent television production companies and book publishers around the world. Many of these competitors are significantly larger than Corus and have substantially greater resources, including easier access to capital. Corus competes with other television and motion picture production companies (including streamed content producers) for ideas and storylines created by third parties as well as for actors, directors and other personnel required for a production.

Further, vertical integration of the television broadcast industry worldwide and the creation and expansion of new networks, which create a substantial portion of their own programming, have decreased the number of available timeslots for programs produced by third-party production companies. There also continues to be intense competition for the most attractive timeslots offered by those services. There can be no assurances that Corus will be able to compete successfully in the future or that Corus will continue to produce or acquire rights to additional successful programming or enter into agreements for the financing, production, distribution or licensing of programming on terms favourable to Corus or that Corus will be able to increase or maintain penetration of broadcast schedules.

Radio

The financial success of each of Corus' radio stations is dependent principally upon its share of the overall advertising revenue within its geographic market, its promotional and other expenses incurred to obtain the revenue and the economic strength of its geographic market. Radio advertising revenue is highly dependent upon audience share (derived from interest in on-air talent, music formats, and other intangible factors). Other stations may change programming formats at any time to compete directly with Corus' stations for listeners and advertisers or launch aggressive promotional campaigns in support of already existing competitive formats. If a competitor, particularly one with substantial financial resources, were to attempt to compete in either of these fashions, ratings at Corus' stations could be adversely impacted, resulting in lower net revenue.

Radio broadcasting is also subject to competition from other media, such as television, outdoor advertising, print and internet as well as alternative media technologies, such as satellite, music streaming, podcasting and music downloading services. Potential advertisers can substitute advertising through the broadcast television system (which can offer concurrent exposure on a number of networks to enlarge the potential audience) or through daily, weekly and free-distribution newspapers, outdoor billboard advertising, magazines, other print media, direct mail marketing, internet and mobile advertising. Competing media commonly target the customers of their competitors, and advertisers regularly shift dollars from radio to these competing media and vice versa. In markets near the U.S. border, such as Kingston, Ontario, Corus also competes with U.S. radio stations. Accordingly, there can be no assurance that Corus' radio stations will be able to maintain or increase their current audience share and advertising revenue share.

KEY CUSTOMERS AND SUPPLIERS

Corus uses and recognizes the value of using third parties to support its businesses, as they provide access to leading applications, processes, products and services, specialized expertise, innovation, economies of scale, and operational efficiencies. However, they may also create reliance upon the provider with respect to continuity, reliability, and security, and their associated processes, people and facilities. Applications, processes, products, and services of its providers could be subject to failures or disruptions as a result of human error, natural disasters, utility disruptions, pandemics or other public health emergencies, malicious insiders, cyber-attacks or other criminal or terrorist acts, or non-compliance with regulations, which could in turn impact Corus' operations. Such adverse effects could limit Corus' ability to deliver products and services to customers, or damage its reputation, which in turn could lead to disruptions to its businesses and financial loss.

Reliance on Key Customers and Suppliers

Corus procures its content from a limited number of key third party suppliers, some of whom are global in scale and have significant negotiating leverage. Certain of these third parties are launching or have launched their own direct-to-consumer businesses in Canada, which could impact the terms on, and the extent to, which the Company is able to secure premium content. While Corus may have alternate sources of content, there can be no assurance that Corus would be able to source alternate content desirable to the Company's viewers. The loss of a key supplier or premium content from a key supplier, may adversely affect Corus' operations and/or its financial results. Suppliers may also experience business difficulties, including labour strikes, privacy and/or security incidents, restructure their operations, be consolidated with other suppliers, discontinue products or sell their operations or products to other vendors, which could affect the future development and support of the Company's services.

Corus enters into long-term agreements with various Broadcasting Distribution Undertakings ("BDUs") for the distribution of its television services. Corus derives most of its subscriber revenue from its relationships with a small number of the largest BDUs. As these contracts expire, there could be an adverse effect on Corus' operations and/or its financial results if Corus is unable to renew them on acceptable terms or at all, including revenue per subscriber and packaging that affects the networks' subscriber reach. Disputes with BDUs, if unresolved or not resolved as expected or favorably to Corus, can also adversely affect Corus' financial results.

Similarly, the majority of Corus' advertising revenue is derived from a small number of large advertising agency "upfront commitments". Any significant change in volume, rates and/or other terms associated with these sales commitments may have a positive or adverse effect on Corus' operations and/or financial results.

Corus relies on certain information technology providers, telecommunications carriers and certain utilities to conduct Corus' business. Any disruption to the services provided by these suppliers, including labour strikes and other work disruptions, bankruptcies, technical difficulties or other events affecting the business operations of these information technology providers, telecommunications carriers and utilities may affect Corus' ability to operate and therefore have an adverse impact on its operations and/or its financial results.

The media industry continues to evolve with a number of recently announced mergers and acquisitions, which may have commercial and competitive implications for the Company and the industry generally. For example, on April 3, 2023 a transaction closed whereby Rogers Communications Inc. ("Rogers") purchased all outstanding Class A Shares and Class B Shares of Shaw Communications Inc. ("Shaw", with the transaction referred to as the "Rogers/Shaw Transaction"). As a result of this transaction, the Shaw Family Living Trust ("SFLT"), which is the controlling shareholder of Corus, is one of the largest shareholders in Rogers, but SFLT is not the controlling shareholder. While Corus strives to maintain strong business relationships with its key suppliers, clients and partners, the terms and conditions or revenue derived from current subscriber, programming, licensing and advertising arrangements may change materially in the future and the other risks noted in this document in respect of BDUs and advertiser revenues may also materialize. In addition, the funding that was provided by Shaw to Corus for the production of local news, pursuant to CRTC policies, has been discontinued as Rogers has redirected these funds to its affiliated Citytv television stations.

ACQUISITIONS AND OTHER STRATEGIC TRANSACTIONS

The Company may, from time to time, make strategic acquisitions which involve significant risks and uncertainties. As such, the Company may experience difficulties in realizing the anticipated benefits, incur unanticipated expenses and/or have difficulty incorporating or integrating the acquired business, the occurrence of which could have a material adverse effect on the Company.

B. OPERATIONAL RISKS

Corus inherently, and in normal course business, faces operational risks. This includes risks, losses, or other negative impacts associated with or loss resulting from inadequate or failed internal processes or technology or from human activities or from external events. Corus seeks to actively and continuously identify, monitor, manage, mitigate and, where required, remediate operational risk in order to create and sustain shareholder value, successfully execute its business strategies, and operate efficiently. However, failure to adequately mitigate such risks could impact Corus' ability to meet strategic objectives, pose a risk of censure or penalty, may lead to litigation, and increase reputational, financial, legal and other risks.

PEOPLE

Employee Retention, Recruitment, Engagement and Diversity

Corus' operations depend on the expertise, efforts and engagement of its employees. The talent and workforce in Corus' industry is highly competitive and the Company's success is highly linked to its ability to attract and retain a high-performing, diverse, and engaged workforce, including in key growth areas, of technology and digital media fields as well as in specialized creative, and on-air areas. To achieve this, the Company recognizes the need to focus on providing career and development opportunities, competitive compensation and benefits, fostering an inclusive, equitable and diverse workplace, and a great employee experience to both attract and retain qualified and high performing individuals. The Company undertakes semi-annual engagement surveys and has talent review and succession planning processes to assess capabilities for all areas of the business. The outcomes from these processes inform plans throughout the Company to retain, develop, or acquire talent.

Failure to maintain and achieve this focus, and changes to the Company's workforce as a result of factors such as turnover, restructuring, retirement, inadequate succession planning, cost reduction initiatives, labour disruption, deterioration in overall employee morale and engagement, or other events, could have an adverse impact on Corus' operations and/or financial results.

The Company's broadcasting assets in television and radio are federally regulated by statute and by related policies governing on air depiction and employment diversity. The Company is committed to building and maintaining a diverse workforce and an inclusive and equitable work environment throughout the organization. To this end the Company has a Diversity, Equity and Inclusion Council to provide feedback and ideas about diversity, equity and inclusion priorities, and monitors the implementation of the triennial Employment Equity Plan.

The Company recognizes that an essential element of building a strong and successful company is having and hiring people with the right capabilities, experiences, character and mind-set, and a diverse, equitable and inclusive workforce. To further support its commitment to diversity, equity and inclusion, seven Employee Resource Groups have been formed to support Black, Latinx / Hispanic, Asian, 2SLGBTQ+ and indigenous communities, as well as people with disabilities and Women. These groups provide the Company an important sounding board, resource and partners to develop Corus' diversity, equity and inclusion initiatives. Failure to address perceived or actual systemic racism and bias, to recruit and retain a diverse workforce or foster and maintain a diverse, equitable and inclusive work environment could have an adverse impact on Corus' ability to execute its strategies, reputation, operations or financial results.

Unionized Labour

As at August 31, 2025, 30.5% of the Company's employees were employed under one of six collective agreements represented by two unions. Generally, renegotiating collective bargaining agreements can be very challenging and present risk in the short term (during the period of bargaining) and longer term, depending on the results and ultimate terms reached in respect of a collective agreement. For example, without limitation, a renewal of a collective agreement can result in higher labour costs or different terms of work. All of this can be particularly challenging for the Company in the context of a declining workload due to transformation, a maturing footprint and improved efficiencies. During the bargaining process, there may also be, without limitation, project delays and work disruptions, including work stoppages or work slowdowns, which could have an adverse impact on Corus' operational and/or financial results. Reputational impacts from any perceived or actual Company actions during the collective bargaining process, a work stoppage, or in the resulting agreement, could also impact the Company's operational and/or financial results.

TECHNOLOGY AND CYBERSECURITY

Technology and cybersecurity risks for virtually all businesses have increased in recent years. This is due, in part, to the proliferation, sophistication and constant evolution of new technologies and attack methodologies used by sociopolitical entities, organized criminals, malicious insiders, or service providers, nation states, hackers and other internal or external parties. In the normal course of business, Corus' technologies, systems and networks, and those of third parties including key suppliers and partners (including mobile, internal, and cable providers) providing services to Corus or distributing Corus' product and content, continue to be subject to cyber-attacks, and may be subject to disruption of services, data security or other breaches. In the ordinary course and from time to time, it does experience a limited number of service disruptions. In general, Corus can experience financial, operational, reputational and other losses or damage arising from technology or cyber security threats to itself or to key suppliers, customers and partners.

Information Technology Systems
The day-to-day operations of Corus are highly dependent on information technology systems and internal business processes and the ability of Corus and its service providers to protect the Company's networks and information technology systems. An inability to operate or enhance information technology systems could have an adverse impact on Corus' business, including its ability to manage its day-to-day business and operations, deliver programming and services, produce accurate and timely invoices, manage operating expenses and produce accurate and timely financial reports. Although Corus has taken steps to reduce these risks, there can be no assurance that potential failures of, or deficiencies in, these systems or processes will not have an adverse effect on Corus' operations and/or its financial results.

An inability to protect the Company's systems, applications and information repositories against cyber threats, which include cyber-attacks such as, but not limited to, hacking, computer viruses, denial of service attacks, industrial espionage, unauthorized access to confidential, proprietary or sensitive information, unauthorized access to corporate or network information technology systems or other breaches of security could result in service disruptions to, or could have an adverse impact on, the Company's business operations, including the ability to deliver programming and other related services, and could harm the Company's brand, reputation and customer relationships. Although the Company has taken steps to reduce these risks, there can be no assurance that future cyber threats, if to occur, will not have an adverse effect on the Company's operating results. Establishing response strategies and business continuity protocols to maintain operations if any disruptive event materializes is critical to the Company. A failure to complete planned and sufficient testing, maintenance or replacement of the Company's networks, equipment and facilities as appropriate, could disrupt the Company's operations or require significant resources.

The Company uses several cloud-based systems in the operation of its business. The Company depends on these cloud-based technology system providers to provide uninterrupted system access as well as to ensure the Company's data, which resides in those systems, is appropriately protected and safeguarded. An inability to have continuous access to these systems could result in an adverse impact to Corus' day-to-day operations, including the inability to generate accurate and timely financial data. The third party cloud-based system providers may also be subject to cyber-attacks, which could result in the loss of data and/or reputational damage. There can be no assurance that the steps Corus takes to reduce the risk of service outages or cyber-attacks will be adequate to prevent them in the future or provide adequate resources and tools to mitigate the harm caused by a successful attack or event.

INTELLECTUAL PROPERTY RIGHTS

Television / Radio – Broadcast Business
Corus pays significant licence fees to acquire rights to content and branding on an exclusive basis.

From time to time, various third parties may contest or infringe upon these owned or licensed rights. Any such infringement, including increasingly rampant online piracy and illegal distribution of copyrighted television content, may have a material adverse impact on Corus' operations and financial results. Corus takes commercially reasonable efforts to minimize these risks including negotiating and enforcing protective covenants in its content licensing agreements.

There are systems in place to track proper registration and renewal of Corus' owned trade mark portfolio, and to have notice of third-party applications that may potentially conflict with Corus' trade marks, all with a view to ensuring that Corus' registrable intellectual property is afforded the maximum protection under applicable law.

Upon notice of a potential infringement of its owned or licensed intellectual property, Corus reviews these matters to determine what, if any, steps may be required or should be taken to protect its rights, including legal action, negotiated settlement and/or seeking remedies from intellectual property licensors. There can be no assurance that the steps that Corus takes to establish and protect its intellectual property will be adequate to prevent or eliminate infringement of its intellectual property and protect Corus' ability to competitively market and brand its television and digital services and/or be the exclusive distribution source of key licensed content in Canada.

Corus' linear television and digital platforms and services broadcast, make available, distribute and may contain many forms of content including licensed audio-visual programming, text, news, graphics, databases, photographs, recipes, audio files (music or otherwise) and rich interactive content, blog content, and user-generated content including story comments, and internal and external links. Corus takes steps to ensure that procedures are in place to clear rights and to monitor user-generated content. There remains a

risk, however, that some potentially defamatory or infringing content can be posted on a Corus website. Corus carries insurance coverage against this risk but there remains an exposure to liability for third-party claims, as well as potential for reputational or brand risk.

Television – Content Business

Corus must be able to protect its trade marks, copyrights and other proprietary rights to competitively produce, distribute and licence its television programs and published materials and market its merchandise. Accordingly, Corus devotes resources to the establishment and protection of trade marks, copyrights and other proprietary rights on a worldwide basis.

From time to time, various third parties may contest or infringe upon the Company's intellectual property rights. The Company reviews these matters to determine what, if any, actions may be required or should be taken, including legal action or negotiated settlement. There can be no assurance that the Company's actions to establish and protect trade marks, copyrights and other proprietary rights will be adequate to prevent imitation or unauthorized reproduction of the Company's products by others or prevent third parties from seeking to block sales, licensing or reproduction of these products as a violation of their trade marks, copyrights and proprietary rights. Moreover, there can be no assurance that others will not assert rights in, or ownership of, the Company's trade marks, copyrights and other proprietary rights, or that the Company will be able to successfully resolve these conflicts. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States or Canada.

NEWS OPERATIONS

Global News' primary objective is to report accurate, balanced, timely and comprehensive news and information in the public interest. Independence is a fundamental Global News value and, accordingly, Global News will resist attempts at censorship or pressure to alter news content, real or apparent. Integrity, fairness and transparency are at the foundation of the Company's news gathering process, and Global News is committed to reporting news without distortion or misrepresentation.

In support of its objectives, the Company has promulgated and has in effect a comprehensive set of Journalistic Principles and Practices setting out guidelines and standards for all news staff in their dealings with frequently asked editorial, ethical and legal, and professional conduct questions. These Journalistic Principles and Practices adhere closely to, amongst other things, the Radio Television Digital News Association Canada's Code of Ethics and Professional Standards, the Canadian Association of Broadcasters' Code of Ethics and the Canadian Association of Journalists Ethics Guidelines.

Due to the unique nature of news-gathering and news-reporting, a number of risks may also arise in the ordinary course of Global News' investigation and reporting on the activities of individuals, corporations and governments. These include legal and ethical risks such as claims in respect of defamation, invasion of privacy, misrepresentation, and infringement of other rights (for example, Intellectual Property Rights and Piracy). A significant part of news-gathering and reporting arises in the context of court proceedings. Certain mandatory publication bans apply to criminal proceedings and, in addition, a court may impose a discretionary publication ban or sealing order in respect of the proceedings or materials used or related to investigations leading to a criminal charge. Where Global News has not otherwise successfully overturned or reduced the scope of a publication ban or sealing order through proper legal process, its policy is to fully comply with court-ordered publication bans and sealing orders. However, because there is no formalized publication ban notice system in place in most provinces, and because publication bans can often be subject to different interpretations, there is no assurance that Global News will not inadvertently breach a publication ban or sealing order and if that happens, there is a risk that Global News may be held to be in contempt of court. Similarly, Global News' policy is to resist production orders, warrants and subpoenas for its footage and other materials through proper legal process but, where this is not successful, Global News will comply with production orders, warrants and subpoenas of proper scope and detail.

Due to Global News' strong commitment to editorial independence, certain news-reporting may pose a risk to the Company's advertising revenue streams if advertisers are displeased with their portrayal in news programming and, as a result, choose to reduce or withdraw entirely, their advertising business with the Company.

The deliberate deployment of journalists to dangerous and hostile environments may expose employees and the Company to risks related to kidnapping, injury and death, as well as costs related to medical care and emergency repatriation of employees.

The Journalistic Principles and Practices articulate appropriate ways to deal with the above risks and describe proper protocol when such risks arise. In addition, news staff are provided with regular training to mitigate these risks and the Company carries customary and appropriate insurance to further mitigate risks. However, there

can be no assurances that the Journalistic Principles and Practices comprehensively mitigate such risks. Events out of the Company's control may affect the Company's ability to operate and therefore have an adverse impact on its operations and/or its financial results.

PRODUCTION OF FILM AND TELEVISION PROGRAMS

Each production is an individual artistic work and its commercial success is determined primarily by the size of the market and audience acceptance. The latter cannot be accurately predicted. The success of a program is also dependent on the type and extent of promotional and marketing activities, the quality and acceptance of other competing programs, general economic conditions and other ephemeral and intangible factors, all of which can rapidly change and many of which are beyond Corus' control.

Production of film and television programs requires a significant amount of capital. Factors such as labour disputes, technology changes or other disruptions affecting aspects of production may affect Corus or its co-production partners and cause cost overruns, and delay or hamper completion of a production (see *Reliance on Key Customers and Suppliers*).

Financial risks exist in productions relating to tax credits and co-production treaties. The aggregate amount of federal and provincial tax credits a qualifying production may receive can constitute a material portion of a production budget and typically can be as much as 30% to 40% of the Canadian production budget. There is no assurance that government tax credits and industry funding assistance programs will continue to be available at current levels or that Corus' production projects will continue to qualify for them. As well, a number of Corus' productions are co-productions involving international treaties that allow Corus to access foreign financing and reduce production risk as well as qualify for Canadian government tax credits. If an existing treaty between Canada and the government of one of the current co-production partners were to be abandoned, one or more co-productions currently underway may also need to be abandoned. Losing the ability to rely on co-productions would have a significant adverse effect on Corus' production capabilities and production financing.

Results of operations for the production and distribution business for any period are dependent on the number, timing and commercial success of television programs and feature films delivered or made available to various media, none of which can be predicted with certainty.

Consequently, revenue from production and distribution may fluctuate materially from period to period and the results of any one period are not necessarily indicative of results for future periods. Cash flows may also fluctuate and are not necessarily closely correlated with revenue recognition.

Revenue from the film library can vary substantially from year to year, both by geographic territory and by year of production. The timing of the Company's ability to sell library product in certain territories will depend on the market outlook in the particular territory and the availability of product by territory, which depends on the extent and term of any prior sale in that territory.

HEALTH & SAFETY

Pandemics, epidemics and other systemic or widespread health and safety risks could occur, and could materially negatively impact the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations, including but not limited to its ability to maintain operations or meet revenue or expense targets, projections or plans. These health and safety risks could have an adverse effect on the Company's ability to maintain operations, the general economy and financial markets and the ability of suppliers to provide products and services needed to operate the business. Any or all of the foregoing can result in a declining level of retail and commercial activity, which could, in turn, have a negative impact on the demand for, and prices of, the Company's products and services. By nature, the severity and length of such risks depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision.

ENVIRONMENTAL

Global climate change could exacerbate certain of the threats facing the Company, including the frequency and severity of weather-related events. Corus' operations, service performance, reputation and business continuity depend on how well the Company and its contracted service providers, protect networks and IT systems, as well as other infrastructure and facilities, from events such as fire, natural disaster (including, without limitation, seismic and severe weather-related events such as snow and wind storms, wildfires, flooding, extended heat waves, and tornadoes), power loss, building cooling loss and other events. Establishing response strategies and business continuity protocols to maintain service consistency if any disruptive event materializes is critical to the achievement of continued operations and could require significant resources and result in significant remediation costs.

The Company also owns or leases a variety of properties, including its transmitter sites. Some or all of these sites may contain fuel storage systems for backup power generation. Leaks or spills from any of these storage tanks may pose an environmental risk or result in adverse environmental conditions that could result in liability for the Company.

Failure to understand the opportunities and expectations resulting from the societal shift to increased focus on Environmental, Social and Governance ("ESG") factors could result in additional operational costs and overlooking areas for innovation or differentiation.

Any of the above-mentioned events could have an adverse effect on Corus' operational and/or financial results.

C. FINANCIAL RISKS

LEVERAGE, LIQUIDITY AND FINANCIAL COVENANT RISK

While the Company aims to prudently manage capital and debt levels, there is always risk associated with financial covenants and the terms and conditions of credit and debt facilities. Risks are exacerbated by significant changes in operations, financial or business outlook, or in the macroeconomic environment, among other things. In certain circumstances, the Company may exceed the historic or targeted leverage range, but endeavours to return to historic levels as the Company believes that provides a reasonable framework for providing a return to shareholders and is supportive of maintaining the Company's credit ratings.

Under the Credit Facility and the terms of the unsecured Notes, the Company has undertaken to comply with certain business and financial covenants. Failure to remain in compliance with applicable covenants could result in the termination of lender commitments to make advances under the Credit Facility or to provide access to liquidity under the Credit Facility, the acceleration of debt repayment and, in the case of secured lenders, the exercise of any and all rights under the security provided. Management has taken and continues to take significant cost reduction actions and make appropriate investments in areas or assets which support sustainable profitability. Management is also actively pursuing options to obtain or maintain such amendments or relief, concurrent with such cost reduction actions and its regulatory advocacy. However, should the Company's 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 9.50:1 through to and including December 31, 2025, and 4.25:1 thereafter, or; (ii) the Senior Unsecured Notes.

In the case of a breach of financial covenants, or another reason that the Company may lose access to its Credit Facility, it may face increased liquidity risk i.e. a risk it will not meet short-term financial obligations due to insufficient cash or the inability to convert assets into cash without significant loss. While the Company may endeavor to obtain alternative financing arrangements in such a situation, there are no assurances it will be able to do so in a timely manner or on similar terms and conditions, or anticipated terms and conditions.

The Company's ability to mitigate the concerns and risks noted 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, on terms and conditions anticipated or sufficient to support its then-relevant financial and business plans and forecasts. 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 or that it will obtain terms and conditions on similar bases or bases adequate for it to mean its then-applicable financial or business goals or forecasts.

The Company's maintenance of increased levels of debt and the terms of such debt could adversely affect its financial condition and results of operations. In addition, increased debt service payments could adversely impact cash flows from operating activities, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, future business opportunities, and other general corporate purposes, as well as limiting the Company's ability to pay dividends.

MARKET VOLATILITY

The market price for the Class B Non-Voting Shares may be volatile and subject to fluctuations in response to numerous factors, many of which may be beyond Corus' control. Financial markets have experienced significant price and volume fluctuations that have been particularly affected by the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. The market price for the Company's Class B Non-Voting Shares may decline in the future, even if the Company's operating results, underlying asset values or prospects have not changed.

CAPITAL MARKETS
The Company may require continuing access to capital markets to sustain its operations. Disruptions in the capital markets, including changes in market interest rates or lending practices or the availability of capital, could have a materially adverse effect on the Company's ability to raise or refinance debt. There can be no assurances that additional financing could be available to the Company when needed or on terms that are acceptable. The Company's inability to raise or refinance capital when required to fund on-going operations or capital expenditures could limit growth and may have a material adverse effect on Corus, its operations and/or its financial results.

TAXES
Corus' business is subject to various tax laws, changes to tax laws and the adoption of new tax laws, regulations thereunder and interpretations thereof, which may have adverse tax consequences to the Company. While Corus believes it has adequately provided for all income and commodity taxes based on information that is currently available, the calculation and the applicability of taxes in many cases require significant judgement in interpreting tax rules and regulations. In addition, Corus' tax filings are subject to government audits which could result in material changes in the amount of current and deferred income tax assets and liabilities and other liabilities which may, in certain circumstances, result in the assessment of interest and penalties.

CREDIT RISK
In the normal course of business, the Company is exposed to credit risk from its accounts receivable from customers. The carrying amounts for accounts receivable are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information. As at August 31, 2025, the Company's trade receivables and allowance for doubtful accounts balances were $173.4 million and $2.7 million, respectively.

FOREIGN CURRENCY RISK
A portion of the Company's revenue and expenses are in currencies other than Canadian dollars and, therefore, are subject to fluctuations in exchange rates. In fiscal 2025 approximately 2% (2024 – 2%) of Corus' total revenue was in foreign currencies, the majority of which was U.S. dollars. As at August 31, 2025, the Company had U.S. dollar denominated payables of approximately $292.1 million (2024 – $99.6 million). Accordingly, fluctuations in the Canadian dollar - U.S. dollar exchange rate may adversely affect Corus' financial results.

The impact of foreign exchange gains and losses are described in note 23 to the audited consolidated financial statements in the *Risk Management* section.

HOLDING COMPANY STRUCTURE
Substantially all of Corus' business activities are operated by its subsidiaries. As a holding company, the Company's ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal payments on intercompany advances, management fees, cash dividends and other payments from its subsidiaries together with proceeds raised by the Company through the issuance of equity and the incurrence of debt, and from proceeds received on the sale of assets. The payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries and are subject to various business and other considerations.

D. OWNERSHIP RISK

CONTROL OF CORUS BY THE SHAW FAMILY
A majority of the outstanding Class A Voting Shares of the Company are held by SFLT and its subsidiaries. As at August 31, 2025, SFLT and its subsidiaries hold 2,885,530 Class A Voting Shares, representing approximately 86% of the outstanding Class A Voting Shares, for the benefit of descendants of the late JR Shaw and Carol Shaw. The sole trustee of SFLT is a private company controlled by a board comprised of seven directors, including, as at August 31, 2025, Heather Shaw, Julie Shaw, two other members of the Shaw family and three independent directors. The Class A Voting Shares are the only shares entitled to vote in all shareholder matters except in limited circumstances as described in the Company's Annual Information Form. Accordingly, SFLT is, and as long as it holds a majority of the Class A Voting Shares will continue to be able to elect a majority of the Board of Directors of the Company and to control the vote on matters submitted to a vote of the Company's Class A shareholders.

E. LEGAL AND COMPLIANCE

Legal and compliance risk includes legal, regulatory, compliance and related risks. These are risks associated with the Company's actual, threatened, anticipated or perceived failure to comply with applicable laws, rules, regulations, regulatory guidance, contractual obligations including those under financial instruments or covenants, Code of Conduct, or standards of fair business conduct or market conduct, which could lead to financial loss, fines, sanctions, liabilities, or reputational harm that could be material to the Company.

Corus is exposed to such risks, inherently, in virtually all of its activities as part of the normal course of business. While it strives to appropriately and continuously identify, monitor, manage, mitigate and if required, remediate, such risks, failure to adequately mitigate such risks could impact Corus' ability to meet strategic objectives, pose a risk of censure or penalty, may lead to litigation, and increase reputational risks. Financial penalties, reputational damage, and other costs associated with legal proceedings, and unfavourable judicial or regulatory determinations may also adversely affect Corus' prospects, plans, business, results of operations and financial condition.

Impact of Regulation and Regulatory Matters

Corus' radio and television business activities are regulated by the CRTC under the *Broadcasting Act*. Accordingly, Corus' results of operations could be adversely affected by changes in regulations, policies and decisions by the CRTC. These changes may relate to, or may have an impact on Corus' licensing conditions, the distribution of Corus channels by broadcasting distributors, among other matters. In addition, the costs of providing services may be increased from time to time as a result of compliance with industry or legislative initiatives to address consumer protection concerns or Internet-related issues such as copyright infringement, unsolicited commercial e-mail, cybercrime, and lawful access. There can be no assurance that future regulatory requirements will not be imposed on Corus. Any changes in the regulatory regime could have a material adverse effect on Corus and its reputation, as well as Corus' results of operations and future prospects.

The CRTC, among other things, issues licences to operate radio and television stations. The Company's CRTC licences must be renewed from time to time and cannot be transferred without regulatory approval. Corus' radio stations must also meet technical operating requirements under the *Radiocommunication Act* and regulations promulgated under the *Broadcasting Act*.

The CRTC imposes a range of obligations upon licencees, including exhibition (number of hours broadcast) requirements for Canadian content, Canadian content expenditure requirements and accessibility obligations (i.e. closed captioning or descriptive video). Failures by the Company to comply with the conditions, orders or regulations associated with a broadcasting licence could result in a range of consequences including, revocation or suspension of a broadcasting licence, the imposition of mandatory orders, or the imposition of administrative monetary penalties.

Canadian content programming is also subject to certification by the CRTC or the Canadian Audio Visual Certification Office. If programming fails to so qualify, the Company's television licencees would not be able to use the programs to meet its Canadian content programming obligations and Corus' Nelvana operations might not qualify for certain Canadian tax credits and industry incentives.

Corus' radio, conventional television and specialty television undertakings rely upon blanket licences held by rights-holding collectives in order to make use of musical selections, the music component of programming and other uses of works used by these undertakings. Under these licences, Corus is required to pay a range of tariff royalties established by the Copyright Board of Canada pursuant to the requirements of the *Copyright Act (Canada)* (the "*Copyright Act*") to the collectives (which represent the copyright owners) and individual copyright owners. These royalties are paid by these undertakings in the normal course of their business. The levels of the tariff royalties payable by Corus are subject to change upon application by the collecting societies and approval by the Copyright Board. The Government of Canada may, from time to time, make amendments to the *Copyright Act* to implement Canada's international treaty obligations and for other purposes. Any such amendments could result in Corus' broadcasting undertakings being required to pay additional royalties for these licences.

Refer also to the Canadian Communications Industry – Regulatory Environment section of the Company's Annual Information Form for further information.

Group Based Licensing

In 2010, the CRTC adopted a "group-based licensing" ("GBL") approach for the renewal of the televisions licences of larger groups such as Corus. This established a framework of policy and regulation that is applied on a group basis rather than to individual licensees. The CRTC grouped all services into three licence categories: basic; discretionary; and on-demand services. As a result, Corus' television licences are all issued and renewed simultaneously. Radio licensees continue to be renewed on an individual basis.

During the weeks of November 22, 2016 through December 2, 2016, the CRTC held public hearings concerning the renewal of the group based television licences held by the large English- and French-language ownership groups including Corus. On May 15, 2017, the CRTC issued its decisions. All Corus English-language and French-language television services were given new five-year licence terms, which began on September 1, 2017 and were scheduled to conclude on August 31, 2022. The key issues arising from these decisions include the Canadian Program Expenditure ("CPE") requirements and expenditure towards programming of public national interest ("PNI") which for the first time were standardized across all of the large English market media groups. CPE requirements were set at 30% and PNI requirements were set at 5%. The CRTC also removed the vestiges of legacy conditions of licence in accordance with the CRTC's Let's Talk TV policy.

Following an appeal of the 2017 GBL decisions to the federal Cabinet, on August 30, 2018, the CRTC released "reconsideration" decisions for the television services of the large English- and French-language private ownership groups, including Corus. Revised and additional conditions came into effect on September 1, 2018 and were intended to apply until August 31, 2022, the intended conclusion of the licence term.

As a result of the reconsideration, effective September 1, 2018, Corus' English-language group of services became subject to an 8.5% PNI expenditure requirement of the previous year's gross revenue, and a requirement to direct 0.17% of previous year's gross revenue to the Foundation Assisting Canadian Talent on Recordings (or "FACTOR"). Also, per the reconsideration, and effective September 1, 2018, Corus' French-language group of services became subject to a requirement to devote at least 50% of their CPE to original French-language programs. That requirement increased from 50% to 75% as of September 1, 2019. Corus' French-language group was also required to direct 0.17% of their previous year's gross revenue to La Fondation Musicaction était née (or "MUSICACTION") until the intended end of the licence term.

On July 4, 2022, the CRTC administratively renewed all Corus (and the other large television groups') English- and French-language television licences for two years on their existing terms and conditions with the intention that those licences would expire on August 31, 2024.

On November 17, 2022, Corus filed an application under Part 1 of the Canadian Radio-television and Telecommunications Rules of Practice and Procedures seeking interim relief on CPE, expenditure on PNI, and other changes that have emerged since the Company's last full renewal. Corus filed that application to mitigate the impact of the CRTC's decision to administratively renew Corus' television licences.

On February 17, 2023, the CRTC confirmed that the requirements to direct payments to FACTOR and Musication expired on August 31, 2022, at their end of the original licence term.

On August 8, 2023, the CRTC administratively renewed Corus' English- and French-language television licences (and those of the other large television groups) on the existing terms and conditions for an additional two years. These licences are now scheduled to expire on August 31, 2026.

On October 11, 2023, Corus filed a new application for interim relief under Part 1 of the Canadian Radio-television and Telecommunications Rules of Practice and Procedures. In it, Corus specifically requested that PNI requirements applicable to its English-language television group be reduced from 8.5% to 5% of previous year's gross revenues. Corus further requested the removal of a requirement that all CPE and PNI under-expenditures by its English television group be made up by the end of the licence term. On May 13, 2024, the CRTC issued an order granting the relief requested, and implementing the changes as of that date.

More information can be found at www.crtc.gc.ca. Information contained on, or accessible through, third party websites is not deemed to form a part of, or be incorporated by reference into, this MD&A.

Broadcasting Act Amendments

On April 27, 2023, Bill C-11 ("Bill") received royal assent. The Bill enacted amendments to the *Broadcasting Act* which explicitly incorporated online broadcasting undertakings that operate in Canada into the Canadian broadcasting regulatory framework.

Rather than prescribe an entire new broadcasting regulatory framework, the Bill brings a new class of "online undertakings" into the existing framework and delegates authority to the CRTC to execute the transition.

To assist the CRTC, the Bill grants the regulator new regulatory tools such as: the authority to issue "administrative monetary penalties" for non-compliance; comprehensive information-gathering and monitoring powers; and the flexibility to structure service conditions at a business segment, corporate group and a service level.

Concurrently, the CRTC commenced proceedings to implement changes to the *Broadcasting Act* in regulation. Among other things, the CRTC is considering which online undertakings should be required to contribute to the policy objectives of the *Broadcasting Act*.

There is no guarantee that future broadcasting regulations will apply equitably between foreign digital and traditional Canadian broadcasters or will result in new reductions in regulatory requirements on Canadian broadcasting groups. Indeed, implementation could result in increased regulatory obligations such as new spending requirements on previously exempt Corus online platforms and a range of new reporting requirements.

There is also a risk that industry or regulatory initiatives with a potential positive impact on the Company, such as funding for local news production, will be delayed, modified or overturned, and thus have a less positive - or even negative - impact on the Company.

CRTC's earliest decisions have introduced some new reporting obligations for online platforms and increased Part 1 broadcasting licence fees payable given registration of online platforms. However, in June 2024, the CRTC decided to exempt online platforms affiliated with Canadian broadcasters from initial financial contributions (exempting STACKTV), while requiring them to support news content, among other things. That decision is being appealed in the Federal Court of Appeal by several streaming companies.

More information can be found at www.canada.ca. Information contained on, or accessible through, third party websites is not deemed to form a part of, or be incorporated by reference into, this MD&A.

Copyright Act Requirements

The Company's radio, conventional television and specialty television undertakings rely upon licences issued under the *Copyright Act* to make use of the music component of the programming and other uses of works used or distributed by these undertakings. Under these licences, the Company is required to pay a range of tariff royalties established by the Copyright Board pursuant to the requirements of the *Copyright Act* to collectives (which represent the copyright owners) and individual copyright owners. These royalties are paid by these undertakings in the normal course of their business.

The levels of the tariff royalties payable by the Company are subject to change upon application by the collective societies and approval by the Copyright Board. The Government of Canada may, from time to time, make amendments to the *Copyright Act* to implement Canada's international treaty obligations and for other purposes. Any such amendments could result in Corus' broadcasting undertakings being required to pay additional royalties for these licences.

PRIVACY

Canada's anti-spam legislation (together with the related regulations, "CASL") sets out a comprehensive regulatory regime regarding online commerce, including requirements to obtain consent prior to sending commercial electronic messages and installing computer programs. CASL is administered primarily by the CRTC and non-compliance may result in fines of up to $10 million. To minimize risks of non-compliance, Corus maintains a set of CASL compliance guidelines for its employees, and provides support to employees through its Privacy Office.

The *Personal Information Protection and Electronic Documents Act* ("PIPEDA") sets out the federal standards for obtaining consent for the collection, use and retention of personal information, and similar privacy requirements apply in Quebec, British Columbia, Alberta and the European Union. Protection of personal information is an area of law that is fast evolving in order to keep pace with technological and business model changes. Corus believes it takes reasonable steps to comply with privacy legislation, including having appointed a Privacy Officer to manage all privacy issues relating to Corus' business activities, maintaining privacy breach protocols, and implementing a privacy impact assessment protocol on all new data collection initiatives. Breaches of security safeguards that expose personal information collected or retained by Corus are inherently difficult to predict and may be beyond the Company's capacity to prevent, including in breaches of third party vendor systems which collect or retain personal information on Corus' behalf. In such cases, the Company may become subject to investigations, orders or penalties from relevant privacy regulators and/or liable for civil damages through legal actions commenced by affected individuals.

There can be no assurance that the Company's compliance procedures will prevent a non-compliance event, which could materially adversely impact Corus' results of operations.

Restrictions on non-Canadian Ownership and Control

The Company is subject to Canadian ownership and control restrictions applicable to broadcasting licence holders, including restrictions on the ownership of the Class A Voting Shares by non-Canadians. Although the Company believes it to be in compliance with the relevant requirements, there can be no assurance that a future CRTC determination, or events beyond the Company's control, will not result in Corus ceasing to be

in compliance. If such a development were to occur, the ability of Corus' subsidiaries to operate as Canadian licenced broadcasters under the Broadcasting Act could be jeopardized and the Company's business could be materially adversely affected.

Litigation and Contingencies
The Company and its subsidiaries are involved in litigation arising in the ordinary course and conduct of its business from time to time.

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.

F. REPUTATIONAL
Corus has reputational risk associated with the potential that stakeholder perceptions, whether true or not, regarding its business prospects, plans, practices, actions or inactions, will or may cause a significant decline in its value, brand, liquidity or customer base, or require costly measures to address. This could include negative perception or publicity of individuals, particularly public-facing talent, who work for or with Corus, whether true or not. Such negative perceptions could harm Corus' reputation overall as well as the reputations, financial values, and prospects of individual brands, programs, stations or businesses.

The Company includes the consideration of Environmental and Social risks as part of reputational risk while recognizing that such risks may impact or be impacted by other types of risks. Environmental and social risk is the risk of financial loss or reputational damage resulting from the Company's inability to appropriately meet or adapt to changing environmental or social risks and opportunities that impact or are associated with its business and operations, including affects on clients or the communities in which Corus operates. A failure to monitor and address evolving stakeholder expectations, environmental management standards, and prepare for or comply with regulatory requirements related to ESG or sustainability disclosures and performance could adversely impact the Company's reputation and result in higher operational costs and, in the event of regulatory non-compliance, financial loss.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are reviewed by Corus' Human Resources and Governance Committee, all of whom are independent directors. There were no material related party transactions during the current or prior year.

OUTSTANDING SHARE DATA

Class A Voting Shares are convertible at any time into an equivalent number of Class B Non-Voting Shares. The Class B Non-Voting Shares are convertible into an equivalent number of Class A Voting Shares in limited circumstances as described in the Company's most recent Annual Information Form.

(shares/units)	**As at October 29, 2025**	As at August 31, 2024
Shares Outstanding		
Class A Voting Shares	**3,364,994**	3,365,394
Class B Non-Voting Shares	**196,075,164**	196,074,764
Stock Options		
Vested	**3,268,025**	5,693,250
Non-vested	**828,800**	1,832,750

IMPACT OF NEW ACCOUNTING POLICIES

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2025

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 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 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 consolidated financial statements.

PENDING ACCOUNTING PRONOUNCEMENTS

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

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 does not expect material impacts of adopting these amendments on its consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements ("IFRS 18")
In April 2024, the IASB issued a new IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces the following key changes:

• IFRS 18 introduces a defined structure for the statement of income composed of operating, investing, financing categories with defined subtotals, such as operating earnings, earnings before financing and income taxes and net earnings for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income.

• Disclosures on management defined performance measures (MPMs) – IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income and provide reconciliations between the MPMs and the most similar specified subtotals within the statement of income in a single note.

• Aggregation and disaggregation (impacting all primary financial statements and notes) – IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's significant accounting policies are described in note 3 to the fiscal 2025 audited consolidated financial statements and notes thereto, which have been prepared in accordance with IFRS. The preparation of these fiscal 2025 consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, and related disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods.

Management uses estimates when accounting for certain items such as revenue, allowance for doubtful accounts, amortization of programming and film investments, useful lives of capital assets, asset impairments, provisions, share-based compensation plans, employee benefit plans, deferred income taxes and impairment of goodwill and intangible assets. Estimates are also made by management when recording the fair value of assets acquired and liabilities assumed in a business combination.

Estimates are based on a number of factors, including historical experience, current events and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Actual results could differ from those estimates. Critical accounting estimates and significant judgments are generally discussed with the Audit Committee each quarter. The most significant estimates and judgments made by management are described below.

IMPAIRMENT OF LONG-LIVED ASSETS

At each reporting date, the Company assesses its long-lived assets, including property, plant and equipment, program rights, film investments, goodwill and intangible assets, for potential indicators of impairment, such as an adverse change in business climate that may indicate that these assets may be impaired. If any impairment indicator exists, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU to which it belongs. An asset's or CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, prices of comparable businesses, present value or other valuation techniques, or a combination thereof, necessitating management to make subjective judgments and assumptions.

Goodwill is allocated to a CGU or group of CGUs for the purposes of impairment testing based on the level at which management monitors it, which is not larger than an operating segment. The Company records an impairment loss if the recoverable amount of the CGU or the group of CGUs is less than the carrying amount. Goodwill and indefinite-life assets, such as broadcast licences, are not amortized but are tested for impairment

at least annually or more frequently if events or changes in circumstances indicate that an impairment may have occurred. The Company completes its annual impairment testing process for broadcast licences and goodwill during the fourth quarter each year.

The test for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset or CGU (or group of CGUs in the case of goodwill) to the carrying value. The recoverable amount is the higher of an asset's or CGU's (or group of CGUs in the case of goodwill) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets (such as broadcast licences and goodwill) and the asset's value in use cannot be determined to equal its fair value less costs to sell. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

In calculating the recoverable amount, management is required to make several assumptions including, but not limited to, segment profit growth rates, future levels of capital expenditures, expected future cash flows and discount rates. The Company's assumptions are influenced by current market conditions and general outlook for the industry, both of which may affect expected segment profit growth rates and expected cash flows. The Company has made certain assumptions for the discount and terminal growth rates to reflect possible variations in the cash flows; however, the risk premiums expected by market participants related to uncertainties about the industry, specific CGU or groups of CGUs may differ or change quickly depending on economic conditions and other events. Changes in any of these assumptions could have a significant impact on the recoverable amount of the CGU or groups of CGUs and the results of the related impairment testing.

The North American television media industry has contracted meaningfully and an over supply of digital inventory and decreased demand for linear advertising has persisted throughout fiscal 2024 and 2025. The Company's share price has continued to decline meaningfully from August 31, 2021, which resulted in the Company's carrying value being greater than its market enterprise value at May 31, 2023, and August 31, 2023, and May 31, 2024. Accordingly, impairment testing was required for both the Television and Radio CGUs at all of the preceding period ends.

For the year ended August 31, 2025, the Company recorded non-cash impairment charges in the Television CGU against broadcast licences of $106.4 million, brands and trade marks of $133.5 million and capital assets of $2.8 million, and impairment charges in the Radio group of CGUs against broadcast licences of $19.8 million (refer to note 10 of the consolidated financial statements). In addition, the Company recorded non-cash impairment charges in film investments of $2.4 million and in program rights of $1.5 million.

For the year ended August 31, 2024, the Company recorded non-cash impairment charges in the Television CGU against broadcast licences of $526.7 million, brand and trade marks of $315.3 million and program rights of $73.6 million, and impairment charges in the Radio group of CGUs against goodwill of $21.1 million and broadcast licenses of $23.3 million.

Due to the uncertainty related to the economic environment, the Company has noted there is significant estimation uncertainty related to the Company's growth rates and future cash flow estimates, which could change in the near term and the effect of such changes could be material. An increase of 50 basis points in the pre-tax discount rate, a decrease of 50 basis points in the earnings growth rate each year, or a decrease of 50 basis points in the terminal growth rate, each used in isolation to perform the impairment tests, would not have resulted in additional impairment charges.

A significant portion of the Company's total assets are long-lived intangible assets. As at August 31, 2025 6% (2024 — 17%) of the Company's total assets were long-lived intangible assets. The Company records impairment losses on its long-lived assets when it believes that their carrying value may not be recoverable. Recoverability is highly dependent on the projected operating results of the Company. There can be no assurance that the Company will not record impairment charges in the future that could materially adversely impact Corus' financial results.

INCOME TAXES

The Company is subject to income taxes in Canada and foreign jurisdictions. The calculation of income taxes in many cases, however, requires significant judgment in interpreting tax rules and regulations. The Company's tax filings are subject to audits which could materially change the amount of current and deferred income tax assets and liabilities and could, in certain circumstances, result in the assessment of interest and penalties.

Additionally, estimation of the income tax provision includes evaluating the recoverability of deferred tax assets based on the assessment of the Company's ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws, estimates of future profitability and tax planning strategies. If the future taxable results of the Company differ significantly from those expected,

the Company would be required to increase or decrease the carrying value of the deferred tax assets with a potentially material impact on the Company's consolidated statements of financial position and consolidated statements of loss and comprehensive loss. The carrying amount of deferred tax assets is reassessed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to utilize all or part of the deferred tax assets. Unrecognized deferred tax assets are recognized to the extent that it is more likely than not that taxable profit will be available against which deferred tax assets can be utilized.

POST-EMPLOYMENT BENEFIT PLANS

The Company has various registered defined benefit plans for certain unionized and non-unionized employees and a supplementary executive non-registered retirement plan which provides pension benefits to certain of its key senior executives. The amounts reported in the consolidated financial statements relating to the defined benefit plans are determined using actuarial valuations that are based on several assumptions including the discount rate, rate of compensation increase, trend in healthcare costs, and expected average remaining years of service of employees. While the Company believes these assumptions are reasonable, differences in actual results or changes in assumptions could affect employee benefit obligations and the related income and comprehensive income statement impact. The differences between actual and assumed results are immediately recognized in other comprehensive income (loss). The most significant assumption used to determine the present value of the future cash flows that is expected will be needed to settle employee benefit obligations and is also used to calculate the interest income on plan assets. It is based on the yield of long-term, high-quality corporate fixed income investments closely matching the term of the estimated future cash flows and is reviewed and adjusted as changes are required. The following table illustrates the incremental increase on the accrued benefit obligation and pension expense of a 1% decrease in the discount rate:

(thousands of Canadian dollars)	Accrued benefit obligation at August 31, 2025	Pension expense for the year ended August 31, 2025
Weighted average discount rate – registered plans	5.00%	4.80%
Weighted average discount rate – non-registered plans	5.03%	4.83%
Impact of: 1% decrease – registered plans	$25,296	$2,212
Impact of: 1% decrease – non-registered plans	$4,111	$170

The significant assumptions used on the benefit obligation are disclosed in note 28 to the fiscal 2025 audited consolidated financial statements.

SHARE-BASED COMPENSATION

In the evaluation of the fair value of stock options, DSUs, PSUs, and RSUs granted to eligible officers, directors and employees, the Company makes estimates and assumptions. Critical estimates and assumptions related to stock options include their expected life, the risk-free interest rate and the expected volatility of the market price of the shares. Critical estimates and assumptions related to DSUs, PSUs and RSUs include number of units expected to vest, the estimated dividend equivalents, and the achievement of specific vesting conditions. The Company believes that the assumptions used are reasonable based on information currently available, but changes to these assumptions could impact the fair value of stock options, DSUs, PSUs and RSUs and therefore, the share-based compensation costs are recorded in direct cost of sales, general and administrative expenses.

CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Management, under the supervision of the CEO and (Interim) CFO, is responsible for establishing and maintaining disclosure controls and procedures, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings,* and have designed such disclosure controls and procedures (or have caused it to be designed under their supervision) to provide reasonable assurance that material information with respect to Corus, including its consolidated subsidiaries, is made known to them. Disclosure controls and procedures ensure that information required to be disclosed by Corus in the reports that it files or submits under the provincial securities legislation is recorded, processed, summarized and reported within the time periods required. Corus has adopted or formalized such disclosure controls and procedures as it believes are necessary and consistent with its business and internal management and supervisory practices.

Management evaluated, under the supervision of and with the participation of the CEO and (Interim) CFO, the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by these annual filings, and have concluded that, as of August 31, 2025, the Company's disclosure controls and procedures were effective.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management, under the supervision of the CEO and (Interim) CFO, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings,* and have designed such internal control over financial reporting (or have caused it to be designed under their supervision) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with IFRS.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any of the effectiveness of internal control are subject to the risk that the controls or that the degree of compliance with the policies and procedures may deteriorate. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the financial statement preparation and presentation.

Management evaluated, under the supervision of and with the participation of the CEO and (Interim) CFO, the effectiveness of the Company's internal control over financial reporting, as of August 31, 2025, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on its evaluation under this framework, management concluded that the Company's internal control over financial reporting was effective as at August 31, 2025.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred during fiscal 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of certain events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Annual Information Form, can be found on SEDAR at www.sedarplus.ca.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Corus Entertainment Inc. ("Corus" or the "Company") and all of the information in this Annual Report are the responsibility of management and have been approved by the Board of Directors (the "Board").

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared the financial information presented elsewhere in this Annual Report and has ensured that it is consistent with the consolidated financial statements.

Corus maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that the Company's assets are appropriately accounted for and adequately safeguarded. During the past year, management has maintained the operating effectiveness of internal control over external financial reporting. As at August 31, 2025, the Company's Chief Executive Officer and (interim) Chief Financial Officer evaluated, or caused an evaluation of, under their direct supervision, the design and operation of the Company's internal controls over financial reporting (as defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*) and, based on that assessment, determined that the Company's internal controls over financial reporting were appropriately designed and operating effectively.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility through its Audit Committee (the "Committee").

The Committee is appointed by the Board, and all of its members are independent unrelated directors. The Committee meets periodically with management, as well as with the internal and external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting items, to satisfy itself that each party is properly discharging its responsibilities, and to review the Annual Report, the consolidated financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditor.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditor on behalf of the shareholders. Ernst & Young LLP has full and free access to the Committee.



John R. Gossling, FCPA, FCA

Chief Executive Officer

and (Interim) Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Corus Entertainment Inc.**

Opinion

We have audited the consolidated financial statements of **Corus Entertainment Inc.** and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at August 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in (deficit) equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at August 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of $322 million during the year ended August 31, 2025 resulting in an accumulated deficit attributable to shareholders of $707 million and, as of that date, the Group has an excess of current liabilities over current assets by $116 million. As stated in note 3, these events and conditions, along with other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified with respect to this matter.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Assessment of broadcast licences and brands and trademarks

Key Audit Matter

As at August 31, 2025, broadcast licences and brands and trademarks intangible assets amounted to nil and $61 million, respectively, as disclosed in note 9 to the consolidated financial statements. During the year, the Group recorded an impairment of $266 million, of which $243 million was in the Television cash generating unit ("CGU") with the remainder in the Radio group of CGUs. The impairment recorded in the Television CGU was allocated $106 million and $134 million, respectively, to broadcast licences and brands and trademarks intangible assets. The impairment in the Radio group of CGUs was allocated $20 million to broadcast licences.

Management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of these assets. When performing impairment tests, the Group estimates the recoverable amount of the CGU or group of CGUs, using the higher of a fair value less costs to sell ("FVLCS") or value in use ("VIU") model. The Group discloses significant judgments, estimates and assumptions and the result of their analysis in respect of impairment in note 10 to the consolidated financial statements.

Auditing management's estimated recoverable amount of the respective CGU and group of CGUs was complex, given the degree of judgment and subjectivity in evaluating management's estimates and assumptions in determining the recoverable amount. Significant assumptions included segment profit growth rates, terminal growth rate and discount rate, which are affected by expectations about future market and economic conditions. There is also judgment in estimating the allocation of impairment to assets.

How our audit addressed the key audit matter

To test the estimated recoverable amount of the CGU and group of CGUs, our audit procedures included, among others:

- Involved our valuation specialists to assess the Group's impairment models, valuation methodologies, and to compare the aggregate recoverable amounts of the CGUs to the Group's enterprise value;
- With the assistance of our valuation specialists, assessed the selection and application of the discount rate used in the models by comparing the risk-free rate and risk premiums to comparable market data;
- With the assistance of our valuation specialists, assessed the allocation of impairment to assets based on the valuation of the assets being the highest of fair value less costs to sell and value in use;
- Tested the mathematical accuracy of the impairment models;
- Evaluated the historical accuracy of management's estimates on segment profit growth rates by comparing management's past projections to actual performance;
- Compared management's estimated segment profit growth rates and terminal growth rates to historical performance and economic trends;
- Performed sensitivity analysis on the significant assumptions to evaluate the change in calculated recoverable amounts that would result from changes in the underlying inputs; and
- Assessed the adequacy of the Group's disclosures included in note 10 of the accompanying consolidated financial statements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis; and
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with *those charged with governance,* we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tracy Brennan.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada

October 29, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Basis of presentation and going concern uncertainty - refer to note 3

As at August 31,

(in thousands of Canadian dollars)	**2025**	2024
ASSETS		
Current		
Cash and cash equivalents	**59,555**	82,422
Accounts receivable (note 4)	**186,685**	232,040
Income taxes recoverable	**—**	25,006
Prepaid expenses and other assets	**18,945**	17,857
Total current assets	**265,185**	357,325
Tax credits receivable	**17,230**	19,756
Investments and other assets (note 5)	**46,036**	57,325
Property, plant and equipment, net (note 6)	**231,330**	250,810
Program rights (note 7)	**603,961**	494,022
Film investments (note 8)	**30,860**	55,312
Intangible assets, net (notes 9 and 10)	**71,519**	252,358
Total assets	**1,266,121**	1,486,908
LIABILITIES AND DEFICIT		
Current		
Accounts payable and accrued liabilities (note 11)	**357,851**	488,098
Current portion of long-term debt (note 13)	**—**	9,903
Current portion of provisions (note 12)	**21,790**	25,467
Income taxes payable	**1,794**	—
Total current liabilities	**381,435**	523,468
Long-term debt (notes 13 and 31)	**1,089,741**	1,042,931
Other long-term liabilities (note 14)	**435,150**	197,499
Provisions (note 12)	**8,674**	10,697
Deferred income tax liabilities (note 20)	**19,463**	54,041
Total liabilities	**1,934,463**	1,828,636
Share capital (note 15)	**281,052**	281,052
Contributed surplus	**2,102,623**	2,013,797
Accumulated deficit	**(3,109,685)**	(2,784,729)
Accumulated other comprehensive income (note 16)	**19,453**	24,481
Total deficit attributable to shareholders	**(706,557)**	(465,399)
Equity attributable to non-controlling interests (note 15)	**38,215**	123,671
Total deficit	**(668,342)**	(341,728)
Total liabilities and deficit	**1,266,121**	1,486,908

Commitments, contingencies and guarantees (notes 13 and 27)

See accompanying notes:

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended August 31, (in thousands of Canadian dollars, except per share amounts)	**2025**	2024
Revenue (notes 21 and 25)	**1,127,420**	1,270,598
Direct cost of sales, general and administrative expenses (note 17)	**938,095**	987,169
Depreciation and amortization (notes 6 and 9)	**90,335**	111,078
Interest expense (note 18)	**120,801**	107,827
Goodwill, broadcast licence and other asset impairment (notes 7, 8, 9 and 10)	**266,482**	960,000
Debt refinancing (note 13)	**7,333**	753
Restructuring and other costs (note 12)	**72,108**	55,225
Loss on business divestiture (note 26)	**—**	584
Other income, net (note 19)	**(27,606)**	(1,658)
Loss before income taxes	**(340,128)**	(950,380)
Income tax recovery (note 20)	**(18,298)**	(183,636)
Net loss for the year	**(321,830)**	(766,744)
Other comprehensive income (loss), net of income taxes (note 16):		
Items that may be subsequently reclassified to loss:		
Unrealized change in fair value of cash flow hedges	**1,588**	(6,533)
Unrealized foreign currency translation adjustment	**348**	57
	1,936	(6,476)
Items that will not be reclassified to loss:		
Unrealized change in fair value of financial assets	**(6,964)**	(6,884)
Actuarial gain (loss) on post-retirement benefit plans	**3,449**	(969)
	(3,515)	(7,853)
Other comprehensive loss, net of income taxes	**(1,579)**	(14,329)
Comprehensive loss for the year	**(323,409)**	(781,073)
Net loss attributable to:		
Shareholders	**(328,405)**	(772,641)
Non-controlling interests	**6,575**	5,897
	(321,830)	(766,744)
Comprehensive loss attributable to:		
Shareholders	**(329,984)**	(786,970)
Non-controlling interests	**6,575**	5,897
	(323,409)	(781,073)
Loss per share attributable to shareholders:		
Basic (note 15)	**($1.65)**	($3.87)
Diluted (note 15)	**($1.65)**	($3.87)

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian dollars)	Share capital (note 15)	Contributed surplus (note 15)	Accumulated deficit	Accumulated other comprehensive income (note 16)	Total deficit attributable to shareholders	Equity attributable to non-controlling interest	Total deficit
As at August 31, 2024	**281,052**	**2,013,797**	**(2,784,729)**	**24,481**	**(465,399)**	**123,671**	**(341,728)**
Comprehensive income (loss)	**—**	**—**	**(328,405)**	**(1,579)**	**(329,984)**	**6,575**	**(323,409)**
Dividends declared	**—**	**—**	**—**	**—**	**—**	**(3,300)**	**(3,300)**
Purchase of minority interest (note 15)	**—**	**88,731**	**—**	**—**	**88,731**	**(88,731)**	**—**
Actuarial gain on post-retirement benefit plans	**—**	**—**	**3,449**	**(3,449)**	**—**	**—**	**—**
Share-based compensation expense	**—**	**95**	**—**	**—**	**95**	**—**	**95**
As at August 31, 2025	**281,052**	**2,102,623**	**(3,109,685)**	**19,453**	**(706,557)**	**38,215**	**(668,342)**

(in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total equity (deficit) attributable to shareholders	Equity attributable to non-controlling interests	Total equity (deficit)
As at August 31, 2023	281,052	2,012,936	(2,014,077)	37,841	317,752	141,248	459,000
Comprehensive income (loss)	—	—	(772,641)	(14,329)	(786,970)	5,897	(781,073)
Dividends declared	—	—	—	—	—	(12,373)	(12,373)
Disposition of Aircraft Pictures	—	—	1,655	—	1,655	102	1,757
Actuarial loss on post-retirement benefit plans	—	—	(969)	969	—	—	—
Share-based compensation expense	—	861	—	—	861	—	861
Reallocation of equity interest	—	—	1,303	—	1,303	(5,303)	(4,000)
Return of capital to non-controlling interest	—	—	—	—	—	(5,900)	(5,900)
As at August 31, 2024	281,052	2,013,797	(2,784,729)	24,481	(465,399)	123,671	(341,728)

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended August 31, (in thousands of Canadian dollars)	**2025**	2024
OPERATING ACTIVITIES		
Net loss for the year	**(321,830)**	(766,744)
Adjustments to reconcile net loss to cash flow from operations:		
Amortization of program rights (notes 7 and 17)	**496,927**	479,170
Amortization of film investments (notes 8 and 17)	**6,123**	15,724
Depreciation and amortization (notes 6 and 9)	**90,335**	111,078
Deferred income tax recovery (note 20)	**(36,994)**	(191,362)
Goodwill, broadcast licence and other asset impairment (note 10)	**266,482**	960,000
Loss on business divestiture (note 26)	**—**	584
Foreign exchange gain	**(13,568)**	(560)
Gain on sale of assets (note 19)	**(9,723)**	(1,106)
Share-based compensation expense (note 15)	**95**	861
Imputed interest (note 18)	**49,250**	41,819
Debt refinancing	**7,333**	753
Payment of program rights	**(528,705)**	(550,543)
Net recovery on film investments	**(1,812)**	(10,672)
Other	**706**	1,140
Cash flow from operations	**4,619**	90,142
Net change in non-cash working capital balances related to operations (note 24)	**(18,189)**	40,515
Cash provided by (used in) operating activities	**(13,570)**	130,657
INVESTING ACTIVITIES		
Additions to property, plant and equipment (notes 6 and 21)	**(16,668)**	(17,785)
Proceeds from sale of property	**10,165**	2,271
Acquisition of non-controlling interest	**—**	(4,000)
Business divestiture, net of divested cash (note 26)	**—**	(2,801)
Net cash flows for intangibles, investments and other assets	**(1,738)**	(1,338)
Cash used in investing activities	**(8,241)**	(23,653)
FINANCING ACTIVITIES		
Increase (decrease) in credit facility borrowings	**28,435**	(38,805)
Financing fees	**(1,344)**	(1,210)
Return of capital to non-controlling interest	**—**	(5,900)
Payment of lease liabilities (note 6)	**(18,845)**	(18,108)
Dividends paid to non-controlling interest	**(3,300)**	(12,373)
Other	**(6,002)**	(4,349)
Cash used in financing activities	**(1,056)**	(80,745)
Net change in cash and cash equivalents during the year	**(22,867)**	26,259
Cash and cash equivalents, beginning of the year	**82,422**	56,163
Cash and cash equivalents, end of the year	**59,555**	82,422

Supplemental cash flow disclosures (note 24)

See accompanying notes

1. CORPORATE INFORMATION

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

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

These 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 and conventional television stations, the operation of radio stations; the operation of digital and streaming services, a social media digital agency, technology and media services; and the Corus content business, which consists of the production and distribution of films and television programs, merchandise licensing, and book publishing.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared using the accounting policies in note 3.

The consolidated financial statements have been prepared on a cost basis, except for derivative financial instruments and certain available-for-sale financial assets, which have been measured at fair value. The 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.

These consolidated financial statements have been authorized for issue in accordance with a resolution from the Board of Directors on October 29, 2025.

3. MATERIAL ACCOUNTING POLICIES

BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTY

The 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 two 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's 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. that 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 that took effect in January 2025. Throughout 2025, the Company has continued to be impacted by geopolitical and economic uncertainty and the continued shift in advertising demand to digital platforms. As at August 31, 2025, the Company has a working capital deficit of $116.2 million and incurred losses of $321.8 million for the year ended August 31, 2025 resulting in an accumulated deficit attributable to shareholders of $706.6 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 uncertainty exists 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 consolidated 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.

BASIS OF CONSOLIDATION

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, which are the entities over which the Company has control. Control exists when the entity is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The non-controlling interest component of the Company's subsidiaries is included as a separate component in equity.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the Company's subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses resulting from intercompany transactions and dividends are eliminated in full.

Associates and joint arrangements

Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation, as well as other relevant provisions in the shareholder agreements.

A joint venture is a type of joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control or significant influence are similar to those necessary to determine control over subsidiaries. The Company accounts for investments in associates and joint ventures using the equity method.

Investments in associates and joint ventures accounted for using the equity method are originally recognized at cost. Under the equity method, the investment in the associate or joint venture is carried on the consolidated statements of financial position at cost plus post-acquisition changes in the Company's share of income (loss) and other comprehensive income (loss) ("OCI"), less distributions of the associate. Goodwill on the acquisition of the associates and joint ventures is included in the cost of the investments and is neither amortized nor assessed for impairment separately.

The financial statements of the Company's equity-accounted investments are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company. All intercompany unrealized gains resulting from intercompany transactions and dividends are eliminated against the investment to the extent of the Company's interest in the associate. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

After the application of the equity method, the Company determines at each reporting date whether there

is any objective evidence that the investment in the associate or joint venture is impaired and consequently, whether it is necessary to recognize an additional impairment loss on the Company's investment in its associate or joint venture. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statements of income (loss) and comprehensive income (loss).

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method of accounting, which requires the Company to identify and attribute values and estimated lives to the identifiable intangible assets acquired based on their estimated fair value. These determinations involve significant estimates and assumptions regarding cash flow projections, economic risk and weighted average cost of capital. The purchase consideration of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree.

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in restructuring and other costs.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date in the consolidated statements of income (loss) and comprehensive income (loss).

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be a financial asset or liability will be recognized in accordance with IFRS 9 – *Financial Instruments: Classification and Measurement* ("IFRS 9") either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

REVENUE RECOGNITION

The Company derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ("point in time" recognition) or "over time" as control of the performance obligation is transferred to the customer.

Advertising revenue is recognized in the period in which the advertising is aired on the Company's television and radio stations or posted on various websites or other digital assets and when collection is reasonably assured.

Subscriber fee revenue is recognized monthly based on estimated subscriber levels for the period end, which are based on the preceding month's actual subscribers as submitted by the distributors.

Customer contracts can have a wide variety of performance obligations, from production contracts to distribution activities, training and support services. For these contracts each performance obligation is identified and evaluated. Under IFRS 15 – *Revenue from Contracts with Customers*, the Company needs to evaluate if a license represents a right to access the content (revenue recognized over time) or represents a right to use the content (revenue recognized at a point in time). The Company has determined that most license revenue is satisfied at a point in time due to there being limited ongoing involvement in the use of the license following its transfer to the customer. The Company has determined that most service revenue is satisfied over a period of time as project milestones are met and the Company has an enforceable right to payment for performance completed to date.

The Company's distribution and production revenue from the distribution and licensing of film rights; royalties from merchandise licensing, publishing and music contracts; revenue from customer support; and sale of books are recognized when the significant risks and rewards of ownership have transferred to the buyer; the amount of revenue can be measured reliably and the Company has a present right to payment for the good or service; the stage of completion of the transaction at the end of the reporting period can be measured reliably; the costs incurred for the transaction and the costs to complete the transaction can be measured reliably; and the Company does not retain either continuing managerial involvement or effective control.

Customer advances on contracts are recorded as unearned revenue until all of the foregoing revenue recognition conditions have been met.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short-term deposits with maturities of less than three months at the date of purchase. Cash that is held in escrow, or otherwise restricted from use, is reported separately from cash and cash equivalents.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment, and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Repair and maintenance costs are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

Leases and right-of-use assets

The Company assesses whether a contract is, or contains, a lease at the inception of the contract. The Company recognizes a lease liability with a corresponding right-of-use asset for all lease agreements in which it is the lessee, except for short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing its carrying amount to reflect accretion on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect lease payments made. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. The Company applies International Accounting Standard ("IAS") 36 – *Impairment of Assets*, to determine whether the asset is impaired and account for any identified impairment loss.

The Company does not recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and do not contain a purchase option or for leases related to low-value assets. Lease payments on short-term leases and lease of low-value assets are recognized as general and administrative expenses in the consolidated statements of income (loss) and comprehensive income (loss).

Right-of-use assets are measured at cost, comprised of the initial measurement of the corresponding lease liabilities and lease payments made at or before the commencement date of any initial direct costs. They are subsequently depreciated on a straight-line basis over their expected useful lives and reduced by impairment losses. Right-of-use assets are tested for impairment if indicators of impairment exist.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are presented as such in the consolidated statements of income (loss) and comprehensive income (loss).

Right-of-use assets are included in property, plant and equipment on the consolidated statements of financial position. The current portion of lease liabilities are included in accounts payable and accrued liabilities on the consolidated statements of financial position, while the long-term portion is included in other long-term liabilities.

Operating lease commitments, for which lease payments are recognized as an expense in the consolidated statements of income (loss) and comprehensive income (loss), are recognized on a straight-line basis over the lease term.

Depreciation
Depreciation is recorded on a straight-line basis over the estimated useful lives of the property, plant and equipment and right-of-use assets as follows:

Land	Not depreciated
Broadcasting equipment	5 – 10 years
Computer equipment	3 – 5 years
Leasehold improvements	Lease term
Right-of-use assets	Lease term
Buildings	
Structure	20 – 30 years
Components	10 – 20 years
Furniture and fixtures	7 years
Other	4 – 10 years

An item of property, plant and equipment and any significant part initially recognized are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of income (loss) and comprehensive income (loss) when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at least annually and the depreciation charge is adjusted prospectively, if appropriate.

BORROWING COSTS
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they are incurred.

PROGRAM RIGHTS
Program rights represent contract rights acquired from third parties to broadcast television programs, feature films and radio programs. The assets and liabilities related to these rights are recorded when the Company controls the asset, the expected future economic benefits are probable and the cost is reliably measurable. The Company generally considers these criteria to be met and records the assets and liabilities when the license period has begun, the program material is accepted by the Company and the material is available for airing. Long-term liabilities related to these rights are recorded at the net present value of future cash flows, using an appropriate discount rate. These costs are amortized over the contracted exhibition period as the programs or feature films are aired. Program and film rights are carried at cost less accumulated amortization and impairment.

The amortization period and the amortization method for program rights are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization of program rights is included in direct cost of sales, general and administrative expenses, and has been disclosed separately in the consolidated statements of cash flows.

FILM INVESTMENTS

Film investments represent the costs of projects in development, projects in process, the unamortized costs of proprietary films and television programs that have been produced by the Company or for which the Company has acquired distribution rights. Such costs include development and production expenditures and attributed studio and other costs that are expected to benefit future periods. Costs are capitalized upon project greenlight for produced and acquired films and television programs. The Company has segregated its film investments into two categories: current productions and library or acquired productions. Current productions are considered library productions immediately subsequent to their initial availability for licensing as they are considered completed.

Current productions are amortized using a declining balance method of 50% at the time of initial episodic delivery and at annual rates ranging from 15 – 25% thereafter. Library content is amortized using a declining balance method at rates ranging from 15 – 25% annually. Acquired rights are amortized using a straight-line method over the license term.

The amortization period and the amortization method for film investments are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Projects in process represent the accumulated costs of television series or feature films currently in production.

Amortization of film investments is included in direct cost of sales, general and administrative expenses, and has been disclosed separately in the consolidated statements of cash flows.

GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment charges, if any. Internally generated intangible assets such as goodwill, brands and customer lists, excluding capitalized program and film development costs, are not capitalized and expenditures are reflected in the consolidated statements of income (loss) and comprehensive income (loss) in the year in which the expenditure is incurred.

Intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income (loss) and comprehensive income (loss) in the expense category, consistent with the function of the intangible assets.

Amortization is recorded on a straight-line basis over the estimated useful life of the asset as follows:

Brands and trade marks and digital rights	3 – 15 years
Software	3 – 5 years

Intangible assets with indefinite useful lives are not amortized. Broadcast licences are considered to have an indefinite life based on management's intent and ability to renew the licences without significant cost and without material modification of the existing terms and conditions of the licence. The assessment of an indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in the consolidated statements of income (loss) and comprehensive income (loss). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to a cash generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The group of CGUs is not larger than the level at which management monitors goodwill or the Company's operating segments.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair value of the operation disposed of and the portion of the CGU retained.

Broadcast licences, indefinite life intangible assets and goodwill are tested for impairment annually or more frequently if events or circumstances indicate that they may be impaired. The Company completes its annual testing during the fourth quarter each year.

Broadcast licences and indefinite life intangible assets by themselves do not generate cash inflows and therefore, when assessing these assets for impairment, the Company looks to the CGU to which the asset belongs. The identification of CGUs involves judgment and is based on how senior management monitors operations; however, the lowest aggregations of assets that generate largely independent cash inflows represent CGUs for broadcast licence and indefinite life intangible asset impairment testing.

CGUs for broadcast licence and indefinite life intangible asset impairment testing
For the Television segment, the Company has determined that the CGU is the combined group of the conventional television stations and specialty television networks. This is the lowest level at which management monitors broadcast licences for internal management purposes and have independent cash inflows.

For the Radio segment, the Company has determined that the CGU is a radio cluster whereby a cluster represents a geographic area, generally a city, where radio stations are combined for the purpose of managing performance. These clusters are managed as a single asset and overhead costs are allocated amongst the cluster and have independent cash inflows at the cluster level.

Groups of CGUs for goodwill impairment testing
For purposes of impairment testing of goodwill, the Company has grouped the CGUs within the Television and Radio operating segments and performs the test at the Television CGU and Radio Group of CGUs. This is the lowest level at which management monitors goodwill for internal management purposes.

Other intangible assets
Gains or losses on an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of income (loss) and comprehensive income (loss) when the asset is derecognized.

GOVERNMENT FINANCING AND ASSISTANCE
The Company has access to several government programs that are designed to assist film and television production in Canada. Funding from certain programs provides a supplement to a series' Canadian license fee and is recorded as revenue when cash has been received. Government assistance with respect to federal and provincial production tax credits is recorded as a reduction of film investments when eligible expenditures are made and there is reasonable assurance of realization. Assistance in connection with internally produced film investments is recorded as a reduction in film investments. The accrual of production tax credits on a contemporaneous basis with production expenditures are based on a five-year historical trending of the ratio of actual production tax credits received to total production tax credits applied for.

Government grants approved for specific publishing projects are recorded as revenue when the related expenses are incurred and there is reasonable assurance of realization.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities of operations having a functional currency other than Canadian dollars are translated at the rate of exchange as at the consolidated statements of financial position date. Revenue and expenses are translated at average exchange rates for the year. The resulting foreign currency translation adjustments are recognized in OCI.

Foreign currency transactions are translated into the functional currency at the rate of exchange at the transaction date. Foreign currency denominated monetary assets and liabilities are translated into the functional currency at the rate of exchange as at the consolidated statements of financial position date. Gains and losses on translation of monetary items are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

INCOME TAXES

Income tax expense is comprised of current and deferred income taxes. Income tax expense is recognized in the consolidated statements of income (loss) and comprehensive income (loss), unless it relates to items recognized outside the consolidated statements of income (loss) and comprehensive income (loss). Income tax expense relating to items recognized outside of the consolidated statements of income (loss) and comprehensive income (loss) is recognized in correlation to the underlying transaction in either OCI or equity.

Current income tax

The Company records current income tax expense or recovery based on taxable income earned or loss incurred for the period in each tax jurisdiction where it operates, and for any adjustment to taxes payable in respect of previous years, using tax laws that are enacted or substantively enacted as at the consolidated statements of financial position date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company establishes provisions related to tax uncertainties, where appropriate, based on its best estimate of the amount that will ultimately be paid to or received from taxation authorities.

Deferred income tax

The Company uses the liability method of accounting for deferred income taxes. Under this method, the Company recognizes deferred income tax assets and liabilities for future income tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases, and on unused tax losses and tax credit carryforwards. The deferred income tax assets and liabilities related to intangible assets with indefinite useful lives have been measured based on the Company's expectation that these assets will be recovered through use. The Company measures deferred income taxes using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Company recognizes deferred income tax assets only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences as well as unused tax losses and tax credit carryforwards can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered. The Company recognizes the effect of a change in income tax rates in the period of enactment or substantive enactment.

Deferred income taxes are not recognized if they arise from the initial recognition of goodwill, nor are they recognized on temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred income taxes are also not recognized on temporary differences relating to investments in subsidiaries to the extent that it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

To determine the provision for income taxes, certain assumptions are made, including filing positions on certain items and the ability to realize deferred income tax assets. In the event the outcome differs from management's assumptions and estimates, the effective tax rate in future periods could be affected.

PROVISIONS

Provisions are recognized if the Company has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the date of the consolidated statements of financial position, taking into account the risks and uncertainties surrounding the obligation. In some situations, external advice may be obtained to assist with the estimates.

Provisions are discounted and measured at the present value of the expenditure expected to be required to settle the obligation, using an after-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense. Future information could change the estimates and thus impact the Company's consolidated financial position and results of operations.

FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, long-term debt and derivative financial instruments. All financial instruments are recorded at fair value at recognition. Financial instruments are measured by grouping them into classes upon initial recognition, based on the purpose of the individual instruments. All financial instruments are measured at fair value plus, in the case of the Company's financial instruments not classified as fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"), transaction costs that are directly attributable to the acquisition or issuance of the financial instruments. The classifications and methods of measurement subsequent to initial recognition of the Company's financial assets and financial liabilities are as follows:

Financial instrument	Classification and measurement method
Financial assets	
Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Investments in venture funds	FVTOCI with no reclassification to net income [(1)]
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost
Other long-term liabilities	Amortized cost
Derivatives [(2)]	
Interest rate swap agreements [(3)]	FVTOCI
Prepayment options of Notes [(4)]	FVTPL
Foreign exchange forward contracts [(4)]	FVTPL
Total return swap agreements [(5)]	FVTPL

[(1)] Subsequently measured at fair value with changes recognized in the FVTOCI investment reserve.

[(2)] Derivatives can be in an asset or liability position at a point in time historically or in the future. For derivatives designated as cash flow hedges for accounting purposes, the effective portion of the hedge is recognized in accumulated other comprehensive income (loss) and the ineffective portion of the hedge is recognized immediately into profit and loss. Derivatives not designated as hedges for accounting purposes are recognized directly in profit and loss.

[(3)] Debt derivatives related to the Company's Credit Facility have been designated as hedges for accounting purposes and are measured at FVTOCI.

[(4)] Subsequent changes are offset against other expense (income), net.

[(5)] Subsequent changes are offset against stock-based compensation expense or recovery in operating costs.

Investments in venture funds
The Company's investments in venture funds consist primarily of investments in common shares of a venture fund, which invests in common and preferred shares of entities in the media and entertainment industry recorded using trade date accounting. Equity securities of venture funds are designated as FVTOCI pursuant to the irrevocable election under IFRS 9. Changes in the fair value of equity securities are permanently recognized in OCI and are not reclassified to profit or loss.

Derivative instruments and hedge accounting
The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value and they are classified based on contractual maturity. Derivative instruments are classified as either hedges of highly probable forecasted transactions (cash flow hedges) or non-hedge derivatives. Derivatives designated as a cash flow hedge that are expected to be highly effective in achieving offsetting changes in cash flows are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the consolidated statements of financial position unless there is a legal right of offset and intent to settle on a net basis.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in OCI. The gain or loss relating to the ineffective portion, if any, is recognized in the consolidated statements of income (loss) and comprehensive income (loss). Amounts deferred in OCI are reclassified when the hedged transaction has occurred.

Hedge accounting is applied to interest rate swap agreements that fix the interest rate on the term facility. In order to apply hedge accounting, a high correlation (which indicates effectiveness) is required in the offsetting changes in the values of the financial instruments (the hedging items) used to establish the designated hedging relationships at inception and actual effectiveness for each reporting period thereafter.

A designated hedging relationship is assessed at inception for its anticipated effectiveness and actual effectiveness for each reporting period thereafter. Any ineffectiveness is reflected in the consolidated statements of income (loss) and comprehensive income (loss) as debt financing costs.

Determination of fair value
Fair value is defined as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. The fair value of instruments that are quoted in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place. The Company uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair values of cash and cash equivalents as well as total return swaps are classified within Level 1 because they are based on quoted prices for identical assets in active markets.

The fair value of portfolio investments measured at fair value are classified within Level 2 because even though the security is listed, it is not actively traded. The Company determines the fair value for interest rate

swaps as the net discounted future cash flows using the implied zero-coupon forward swap yield curve. The change in the difference between the discounted cash flow streams for the hedged item and the hedging item is deemed to be hedge ineffectiveness and is recorded in the consolidated statements of income (loss) and comprehensive income (loss). The fair value of the interest rate swap is based on forward yield curves, which are observable inputs provided by banks and available in other public data sources, and are classified within Level 2. The fair value of foreign exchange forward contracts is based on net discounted future cash flows using projected market rates, which are observable inputs provided by banks and available in other public data sources and are classified within Level 2.

The Company's investments in venture funds consist primarily of investments in common shares of a venture fund that invests in common and preferred shares of entities in the media and entertainment industry, which have little to no market activity. As a result, these investments are classified within Level 3.

Both bank credit facilities and interest rate swap agreements are classified within Level 2, as their fair value is determined by observable market data. The carrying value of bank credit facilities approximates fair value as the debt bears interest at rates that fluctuate with market rates. The fair value of interest rate swap agreements is calculated by way of discounted cash flows, using market interest rates and applicable credit spreads.

SHARE-BASED COMPENSATION

The Company has a stock option plan, two Deferred Share Units ("DSUs") plans, a Performance Share Units ("PSUs") plan and a Restricted Share Units ("RSUs") plan, with units under such plans awarded to certain employees and directors.

The fair value of the stock options granted that represent equity awards are measured using the Black-Scholes option pricing model. For stock options, the model considers each tranche with graded vesting features as a separate share option grant. Forfeitures for the stock options are estimated on the grant date and revised if the actual forfeitures differ from previous estimates.

This fair value is recognized as share-based compensation expense over the vesting periods, with a related credit to contributed surplus. The contributed surplus balance is reduced as options are exercised through a credit to share capital. The consideration paid by option holders is credited to share capital when the options are exercised.

Eligible executives and non-employee directors may elect to receive DSUs equivalent in value to Class B Non-Voting Shares of the Company in lieu of certain cash payments. Share-based compensation expense is recorded in the year of receipt of the DSUs and changes in the fair value of outstanding DSUs, including deemed dividend equivalents, are recorded as an expense in the period that they occur with a corresponding increase to the liability. These DSUs can only be redeemed once the executive or director is no longer employed with the Company.

Eligible executives may be granted awards of DSUs, PSUs and RSUs equivalent in value to Class B Non-Voting Shares of the Company. DSUs, PSUs and RSUs vest after three to five years and are settled in cash at the end of the restriction period or in the case of DSUs when the executive is no longer employed with the Company. DSUs, PSUs and RSUs are accrued over the three- to five-year vesting period as share-based compensation expense and a related liability.

Forfeitures are estimated on the grant date and revised if the actual forfeitures differ from the estimates. The liability is recorded at fair value, which includes deemed dividend equivalents at each reporting date. Accrued DSUs, PSUs and RSUs are recorded as long-term liabilities, except for the portion that will vest within 12 months, which is recorded as a current liability.

Each DSU, PSU and RSU entitles the participant to receive a cash payment in an amount generally equal to the 20-day volume weighted average price of the Company's Class B Non-Voting Shares traded on the TSX at the end of the restriction period, multiplied by the number of vested units and deemed dividend equivalents determined by achievement of vesting conditions. The cost of share-based compensation is included in direct cost of sales, general and administrative expenses.

EMPLOYEE BENEFIT PLANS

The Company maintains capital accumulation (defined contribution), post-retirement benefit plans and defined benefit employee benefit plans. Company contributions to capital accumulation plans and post-retirement benefit plans are expensed as incurred.

The defined benefit plans are unfunded plans for certain members of senior management and funded plans for certain other employees. The costs of providing benefits under the defined benefit plans are calculated by independent actuaries separately for each plan using the projected unit credit method prorated on service and management's best estimate of assumptions of salary increases and retirement ages of employees. On an interim basis, management estimates the changes in the actuarial gains and losses based on changes in discount rates. These estimates are adjusted when the annual valuation or estimate is completed by the independent actuaries. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using a discount rate based on high-quality corporate bonds with maturities that match the expected maturity of the obligations. A lower discount rate would result in a higher employee benefit obligation.

Current service, interest and past service costs and gains or losses on settlement are recognized in the consolidated statements of income (loss) and comprehensive income (loss). Actuarial gains and losses for the plans are recognized in full in the period in which they occur in OCI. Such actuarial gains and losses are also transferred to retained earnings and are not reclassified to profit or loss in subsequent periods. The asset or liability that is recognized on the consolidated statements of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of the plans' assets. For the funded plans, the value of any additional minimum funding requirements (as determined by the applicable pension legislation) is recognized to the extent that the amounts are not considered recoverable. Recoverability is primarily based on the extent to which the Company can reduce the future contributions to the plans.

Past service costs are recognized immediately upon the introduction of, or changes to, the defined benefit plans.

IMPAIRMENT OF LONG-LIVED ASSETS

At each reporting date, the Company assesses its long-lived assets, including property, plant and equipment, program and film rights, film investments, goodwill and intangible assets, for potential indicators of impairment, such as an adverse change in business climate that may indicate that these assets may be impaired. If any impairment indicator exists, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU to which it belongs. An asset's or CGU's recoverable amount is the higher of its fair value less costs to sell ("FVLCS") and its value in use ("VIU"). The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, prices of comparable businesses, present value or other valuation techniques, or a combination thereof, necessitating management to make subjective judgments and assumptions.

The Company records impairment losses on its long-lived assets when the Company believes that their carrying value may not be recoverable. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If the reasons for impairment no longer apply, impairment losses may be reversed up to a maximum of the carrying amount of the respective asset if the impairment loss had not been recognized.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if there are indications that impairment may have occurred.

Goodwill is allocated to a CGU or group of CGUs for the purposes of impairment testing based on the level at which management monitors it, which is not larger than an operating segment. The Company records an impairment loss if the recoverable amount of the CGU or group of CGUs is less than the carrying amount.

Refer to note 10 for further details on the Company's annual impairment testing for goodwill.

Broadcast licences

Broadcast licences are reviewed for impairment annually or more frequently if there are indications that impairment may have occurred.

Broadcast licences are allocated to a CGU for the purposes of impairment testing. The Company records an impairment loss if the recoverable amount of the CGU is less than the carrying amount.

Refer to note 10 for further details on the Company's annual impairment testing for broadcast licences.

Intangible assets and property, plant and equipment
The useful lives of the intangible assets with definite lives (that are amortized) and property, plant and equipment are assessed at least annually and only tested for impairment if events or changes in circumstances indicate that an impairment may have occurred.

EARNINGS (LOSS) PER SHARE
Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The computation of diluted earnings (loss) per share assumes the basic weighted average number of common shares outstanding during the year is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. The dilutive effect of stock options is determined using the treasury stock method.

USE OF ESTIMATES AND JUDGMENTS
The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

The most significant estimates made by management in the preparation of the Company's consolidated financial statements include estimates related to:

- the recoverability of long-lived assets including property, plant and equipment, right-of-use assets, program rights, film investments, goodwill, broadcast licences and intangible assets; and fair value assessments on acquired identifiable assets and obligations;
- certain actuarial and economic assumptions used in determining defined benefit pension costs, accrued pension benefit obligations, pension plan assets, and accrued supplemental post-employment benefit plan obligations;
- determining fair value of share-based compensation;
- the estimated useful lives of assets and right-of-use assets;
- determining discount rates used to measure lease liabilities; and
- income tax provisions and uncertain income tax positions in each of the jurisdictions in which the Company operates.

The most significant judgments made by management in the preparation of the Company's consolidated financial statements include judgments related to:

- assessments about whether line items are sufficiently material to warrant separate presentation in the primary financial statements and, if not, whether they are sufficiently material to warrant separate presentation in the consolidated financial statement notes;
- identifying CGUs;
- the allocation of net assets, including shared corporate and administrative assets, to the Company's CGUs when determining their carrying amounts;
- determining that broadcast licences have indefinite lives;
- inclusion of renewal periods covered by options to extend lease terms included in the measurement of right-of-use assets and liabilities;
- determining control for purposes of consolidation of an investment; and
- determining income tax rates for recognition of deferred income tax on broadcast licences.

The significant assumptions that affect these estimates and judgments in the application of accounting policies are noted throughout these consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

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 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 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 consolidated financial statements.

PENDING ACCOUNTING PRONOUNCEMENTS

IFRS 9 – Financial Instruments ("IFRS 9") and IFRS 7 – Financial Instruments: Disclosures ("IFRS 7")

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 this amendment on its consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB issued a new IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces the following key changes:

• IFRS 18 introduces a defined structure for the statement of income composed of operating, investing, financing categories with defined subtotals, such as operating earnings, earnings before financing and income taxes and net earnings for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income.

• Disclosures on management defined performance measures (MPMs) – IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income and provide reconciliations between the MPMs and the most similar specified subtotals within the statement of income in a single note.

• Aggregation and disaggregation (impacting all primary financial statements and notes) – IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

4. ACCOUNTS RECEIVABLE

	2025	2024
Trade	**173,422**	219,265
Other	**15,952**	15,959
	189,374	235,224
Less allowance for doubtful accounts	**2,689**	3,184
	186,685	232,040

5. INVESTMENTS AND OTHER ASSETS

	Investments in venture funds	**Other assets**	**Total**
Balance - August 31, 2023	28,339	46,076	74,415
Decrease in investments	346	9	355
Fair value adjustment through OCI with no reclassification to net income (note 16)	(8,250)	—	(8,250)
Investment recovery (note 19)	—	(800)	(800)
Post-retirement plan asset change (note 28)	—	(186)	(186)
Derivative fair value change (note 13)	—	(8,209)	(8,209)
Balance - August 31, 2024	20,435	36,890	57,325
Decrease in investments	(170)	(7)	(177)
Fair value adjustment through OCI with no reclassification to net income (note 16)	(7,095)	—	(7,095)
Post-retirement plan asset change (note 28)	—	(3,318)	(3,318)
Derivative fair value change (note 13)		(699)	(699)
Balance - August 31, 2025	**13,170**	**32,866**	**46,036**

INVESTMENT IN VENTURE FUNDS

In accordance with IFRS 9, the Company made the irrevocable election to designate all of its investments in venture funds as financial assets at fair value through OCI and measured at fair value. The Company considers this to be an appropriate classification because these investments are strategic in nature and not held for trading. Changes in fair value of venture funds are permanently recognized in OCI and will not be reclassified into profit and loss.

OTHER ASSETS

Other assets is comprised of net asset position of registered pension plans, derivative financial instruments and investments in associates.

6. PROPERTY, PLANT AND EQUIPMENT AND LEASE LIABILITIES

	Land	Broadcasting and computer equipment	Buildings and leasehold improvements	Furniture and fixtures	Right-of-use assets	Other	Total
Cost							
Balance - August 31, 2023	34,088	254,497	164,371	13,774	144,168	8,127	619,025
Additions	—	13,593	1,285	203	3,232	2,521	20,834
Disposals and retirements	(885)	(1,603)	(187)	—	(2,030)	(575)	(5,280)
Balance - August 31, 2024	33,203	266,487	165,469	13,977	145,370	10,073	634,579
Additions	—	16,192	1,538	61	3,685	(1,312)	20,164
Impairment (note 10)	(1,862)	—	(913)	—	—	—	(2,775)
Disposals and retirements	(319)	(1,471)	(6)	(98)	(793)	(529)	(3,216)
Balance - August 31, 2025	**31,022**	**281,208**	**166,088**	**13,940**	**148,262**	**8,232**	**648,752**

	Land	Broadcasting and computer equipment	Buildings and leasehold improvements	Furniture and fixtures	Right-of-use assets	Other	Total
Accumulated depreciation							
Balance - August 31, 2023	—	195,663	90,796	12,436	47,364	4,552	350,811
Depreciation	—	15,561	7,211	579	12,895	849	37,095
Disposals and retirements	—	(1,498)	(70)	(22)	(1,963)	(584)	(4,137)
Balance - August 31, 2024	—	209,726	97,937	12,993	58,296	4,817	383,769
Depreciation	—	15,117	7,099	424	12,982	674	36,296
Disposals and retirements	—	(1,290)	(2)	(96)	(725)	(530)	(2,643)
Balance - August 31, 2025	**—**	**223,553**	**105,034**	**13,321**	**70,553**	**4,961**	**417,422**
Net book value							
Balance - August 31, 2024	33,203	56,761	67,532	984	87,074	5,256	250,810
Balance - August 31, 2025	**31,022**	**57,655**	**61,054**	**619**	**77,709**	**3,271**	**231,330**

LEASES AND RIGHT-OF-USE ASSETS

The Company has the right-of-use of land and buildings under leases. The Company primarily leases land and buildings related to its television and radio operations. The non-cancellable contract period for the Company's leases typically range from 2 to 23 years for offices and 5 to 30 years for transmitter sites.

Variable lease payments included in operating costs were $14.8 million in fiscal 2025 (2024 - $14.8 million).

For the year ended August 31,	**2025**	2024
Variable lease payment expenses not included in the measurement of lease liabilities	**14,766**	14,824
Interest expense on lease liabilities	**5,292**	5,712
Expenses for leases of low-value assets	**809**	829
Expenses for short-term leases	**1,770**	2,019
Rental income from subleasing activities	**224**	1,383

Lease liabilities

Below is a summary of the activity related to lease liabilities for the year ended August 31:

As at August 31, 2023	126,084
Additions	3,232
Lease terminations	(86)
Interest expense	5,712
Payments	(18,108)
As at August 31, 2024	116,834
Additions	3,685
Lease terminations and adjustments	32
Interest expense	5,292
Payments	(18,845)
As at August 31, 2025	**106,998**
Less current portion of lease liabilities (note 11)	(13,801)
Long-term portion of lease liabilities (note 14)	93,197

7. PROGRAM RIGHTS

Balance - August 31, 2023	668,976
Additions	375,287
Transfers from film investments (note 8)	2,544
Impairment charges	(73,615)
Amortization (note 17)	(479,170)
Balance - August 31, 2024	494,022
Additions	600,424
Transfers from film investments (note 8)	7,973
Impairment charges (note 10)	(1,531)
Amortization (note 17)	(496,927)
Balance - August 31, 2025	**603,961**

The Company expects that approximately 28% of the net book value of program rights will be amortized during the year ending August 31, 2026. The Company expects the net book value of program rights to be fully amortized by November 2034.

8. FILM INVESTMENTS

Balance - August 31, 2023	53,085
Additions	32,157
Tax credit accrual	(11,354)
Transfer to program rights (note 7)	(2,544)
Disposition (note 26)	(308)
Amortization (note 17)	(15,724)
Balance - August 31, 2024	55,312
Additions	7,061
Tax credit accrual	(14,979)
Transfer to program rights (note 7)	(7,973)
Impairment (note 10)	(2,438)
Amortization (note 17)	(6,123)
Balance - August 31, 2025	**30,860**

The Company expects that approximately 24% of the net book value of film investments will be amortized during the year ending August 31, 2026. The Company expects the net book value of film investments to be substantially amortized by August 2044.

9. INTANGIBLES

	Broadcast licences [1]	Brands and trade marks	Goodwill [1]	Other [2]	Total
Balance - August 31, 2023	676,192	487,256	21,099	13,682	1,198,229
Additions	—	12,599	—	1,898	14,497
Impairment (note 10)	(550,000)	(315,286)	(21,099)	—	(886,385)
Amortization	—	(66,020)	—	(7,963)	(73,983)
Balance - August 31, 2024	126,192	118,549	—	7,617	252,358
Additions	—	121,837	—	11,100	132,937
Impairment (note 10)	(126,192)	(133,545)	—	—	(259,737)
Amortization	—	(45,557)	—	(8,482)	(54,039)
Balance - August 31, 2025	**—**	**61,284**	**—**	**10,235**	**71,519**

[1] Broadcast licences are located in Canada.

[2] Other intangible assets are principally comprised of computer software.

The Company expects that approximately 26% of the net book value of brands and trade marks will be amortized during the year ending August 31, 2026. The Company expects the net book value of brands and trade marks with a finite life to be fully amortized by August 2038.

Indefinite life intangibles, such as broadcast licences, are tested for impairment annually as at August 31 or more frequently if events or changes in circumstances indicate that they may be impaired.

In the fourth quarter of fiscal 2025, the Company performed impairment testing and has recorded total non-cash impairment charges in the Television CGU against broadcast licences of $106.4 million and brands and trade marks of $133.5 million, as well as in the Radio group of CGUs against broadcast licences of $19.8 million.

For the year ended August 31, 2024, the Company recorded total non-cash impairment charges in the Television CGU against broadcast licences of $526.7 million, brands and trade marks of $315.3 million and program rights of $73.6 million, as well as in the Radio group of CGUs against goodwill of $21.1 million and broadcast licences of $23.3 million.

10. IMPAIRMENT TESTING

The test for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset or CGU or groups of CGUs to the carrying value. The recoverable amount is the higher of an asset's or CGU's or groups of CGUs FVLCS and its VIU.

In both fiscal 2025 and fiscal 2024, the Company determined the FVLCS calculation was higher than VIU and, therefore, the recoverable amount for all CGUs or groups of CGUs were based on FVLCS. The recoverable amounts for both the Television CGU and the Radio group of CGUS were less than their respective carrying values.

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

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

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

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

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

The pre-tax discount and growth rates used by the Company for the purpose of its FVLCS and VIU calculations of the Television CGU generally range from 12% to 19% (2024 – 12% to 16%) and nil to 1% (2024 – nil to 1%), respectively.

The pre-tax discount and growth rates included in the FVLCS calculation of the Radio groups of CGUs generally ranged from 12% to 19% (2024 – 12% to 16%) and nil to 1% (2024 – nil to 1%), respectively.

As a result of intangible impairment testing in the fourth quarter of fiscal 2025, the Company recorded total non-cash impairment charges in the Television CGU against broadcast licences of $106.4 million, brands and trade marks of $133.5 million and land and buildings of $2.8 million, that reduced the carrying value of intangible assets of this CGU to their recoverable amounts. As a result of the impairment testing in the fourth quarter of fiscal 2025 of the Radio group of CGUs, the Company recorded impairment charges against broadcast licences of $19.8 million. Impairment was recorded against individual assets other than goodwill, if the recoverable amount of the individual asset was less than its carrying amount. The impairment recognized reduced the individual assets to their recoverable amounts. The Company also assessed for any indicators of whether previous impairment losses had decreased. No previously reported impairment losses on broadcast licences or other intangible assets were reversed.

As a result of the intangible impairment testing in fiscal 2024, the Company recorded total non-cash impairment charges in the Television CGU against broadcast licences of $526.7 million, brands and trade marks of $315.3 million and program rights of $73.6 million that reduced the carrying value of intangible assets of this CGU to their recoverable amounts. As a result of the impairment testing in fiscal 2024 of the Radio group of CGUs, the Company recorded impairment charges against goodwill of $21.1 million and broadcast licences of $23.3 million. Impairment was recorded against individual assets other than goodwill, if the recoverable amount of the individual asset was less than its carrying amount. The impairment recognized reduced the individual assets to their recoverable amounts. The Company also assessed for any indicators of whether previous impairment losses had decreased. No previously recorded impairment losses on broadcast licences or other intangible assets were reversed.

Sensitivity to changes in assumptions

Due to the uncertainty related to the macroeconomic environment, characterized by persistently high inflation and continuing supply chain constraints, and as a result advertising demand and spending across the North American television media industry has contracted meaningfully, the Company has noted there is significant estimation uncertainty related to the Company's growth rates and future cash flow estimates, which could change in the near term and the effect of such changes could be material. An increase of 50 basis points in the pre-tax discount rate, a decrease of 50 basis points in the earnings growth rate each year, or a decrease of 50 basis points in the terminal growth rate, each used in isolation to perform both the Television and Radio broadcast licence impairment tests, would not have resulted in additional incremental impairment charges.

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

	2025	2024
Broadcast licences		
Television	**—**	106,417
Radio		
Toronto	**—**	19,775
	—	126,192

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Program rights payable	**172,953**	253,409
Trade accounts payable and accrued liabilities	**125,967**	160,649
Trade marks and distribution rights	**42,290**	54,980
Short-term portion of lease liabilities (note 6)	**13,801**	14,224
Software license liabilities	**2,301**	4,105
Film production accruals	**539**	731
	357,851	488,098

12. PROVISIONS

The Company recorded restructuring and other costs of $72,108 (2024 – $55,225) associated with employee exits, professional fees, system integration costs and retention arrangements.

	Restructuring	**Onerous lease obligation**	**Asset retirement obligations (ARO)**	**System Integration and Other**	**Total**
Balance – August 31, 2023	11,810	251	6,011	780	18,852
Additions (reductions)	51,009	19	(104)	4,301	55,225
Interest	—	—	160	—	160
Payments	(33,976)	(46)	—	(4,051)	(38,073)
Balance – August 31, 2024	28,843	224	6,067	1,030	36,164
Additions	71,958	—	—	150	72,108
Interest	—	—	165	—	165
Payments	(77,912)	(61)	—	—	(77,973)
Balance – August 31, 2025	**22,889**	**163**	**6,232**	**1,180**	**30,464**
Current	20,447	163	—	1,180	21,790
Long-term	2,442	—	6,232	—	8,674
Balance – August 31, 2025	**22,889**	**163**	**6,232**	**1,180**	**30,464**

13. LONG-TERM DEBT

	August 31, 2025	August 31, 2024
Senior unsecured guaranteed notes ("Notes")	**750,000**	750,000
Credit facility - term loan	**301,098**	309,932
Credit facility - revolving facility	**40,000**	—
Deferred financing charges	**(1,357)**	(7,098)
Net debt	**1,089,741**	1,052,834
Less current portion of long-term debt	**—**	(9,903)
	1,089,741	1,042,931

The interest rate on the loans under the Amended Credit Agreement dated March 21, 2025 (the "Credit Facility") is fixed at a rate of 7.29% per annum. Prior to the March 21, 2025 amendment, the interest rate had fluctuated with Canadian Overnight Repo Rate Average ("CORRA"), and prior to the May 31, 2024 amendment, had fluctuated with 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 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 August 31, 2025, the weighted average interest rate on the outstanding loans and Notes was 6.0% (2024 – 5.9%). The effective interest on the loans and Notes for fiscal 2025 averaged 6.2%, (2024 – 6.0%).

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 condensed consolidated statements of loss and comprehensive loss.

CREDIT FACILITY

The Company has a Credit Facility, which includes a term loan (the "Term Loan") and a revolving facility (the "Revolving Facility"). 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. 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 August 31, 2025.

On March 21, 2025, the Company's Credit Facility was assigned to strategic debtholders, following which it was amended and restated to, among other things, increase the maximum amount the Company may request as an advance 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, returning to 4.25:1.0 thereafter. The maturity date of the amended Credit Facility is now March 20, 2027. The amendment of the Credit Facility resulted in the Company recording a net debt refinancing loss of $3.0 million.

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 were 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 were also 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.

Credit Facility – Term Loan

As at August 31, 2025, the Term Loan balance was $301.1 million with a maturity date of March 20, 2027. Until March 20, 2025, advances under the Term Loan could be outstanding in the form of either prime rate loans or CORRA advances and bore interest at the applicable reference rate plus an applicable margin depending on the type of advance and Corus' total debt to cash flow ratio. Following the amendment and restatement of the Credit Facility on March 21, 2025, advances under the Term Loan bear interest at a fixed rate of 7.29% per annum.

Credit Facility – Revolving Facility

The Revolving Facility is available as needed to finance capital expenditures and for general corporate purposes. Amounts owing under the Revolving Facility will be payable in full at maturity.

Advances under the Revolving Facility are drawn in Canadian dollars. As a result of the amendment and restatement of the Credit facility on March 21, 2025, amounts drawn under the Revolving Facility now bear interest at a fixed rate of 7.29% per annum. Prior to that amendment, advances under the Revolving Facility could be drawn in Canadian dollars as either prime rate loans, 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. Until March 20, 2025, amounts drawn under the Revolving Facility bore interest at the applicable reference rate plus an applicable margin depending on the type of advance and Corus' total debt to cash flow ratio.

As at August 31, 2025, the Company had $40.0 million drawn under the Revolving Facility, leaving $35.0 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 consolidated 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 August 31, 2025 was $4.8 million.

INTEREST RATE SWAP AGREEMENTS

In September 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 were highly rated financial institutions and the Company did 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. On March 20, 2025, the agreement was terminated at a cost of $5.2 million, which is recorded in interest on long-term debt (note 18).

FORWARD CONTRACTS

All foreign exchange forward contracts had the effect of fixing the foreign exchange rate and cash flows related to a portion of the Company's U.S. dollar denominated liabilities. The forward contracts were not designated as hedges for accounting purposes and, as a result, were measured at fair value at each reporting date. The counterparty of the forward contracts was a highly rated financial institution and the Company did not anticipate any non-performance. The estimated fair values of future cash flow of the U.S. dollar forward contract derivatives changed with fluctuations in the foreign exchange rate of U.S. dollars to Canadian dollars. This was recorded in the condensed consolidated statements of financial position as investments and other assets, and within other income, net (note 19) in the condensed consolidated statements of loss and comprehensive loss. On December 31, 2024, the contract expired and was not renewed.

14. OTHER LONG-TERM LIABILITIES

	2025	2024
Program rights payable	**209,390**	37,707
Lease liabilities (note 6)	**93,197**	102,610
Trade mark liabilities	**90,572**	9,123
Long-term employee obligations	**21,714**	21,964
Post employment benefit plans	**11,741**	15,050
Software license liabilities	**5,198**	83
Unearned revenue	**3,338**	8,802
Derivative fair value	**—**	2,160
	435,150	197,499

15. 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 Shares, Class A Preferred Shares, and Class 1 and Class 2 Preferred Shares.

Class A Voting Shares are convertible at any time into an equivalent number of Class B Non-Voting Shares. The Class B Non-Voting Shares are convertible into an equivalent number of Class A Voting Shares in limited circumstances.

The Class A Preferred Shares are redeemable at any time at the demand of Corus and retractable at any time at the demand of a holder of a Class A Preferred Share for an amount equal to the consideration received by Corus at the time of issuance of such Class A Preferred Shares. Holders of Class A Preferred Shares are entitled to receive a non-cumulative dividend at such rate as Corus' Board may determine on the redemption amount of the Class A Preferred Shares. Each of the Class 1 Preferred Shares, the Class 2 Preferred Shares, the Class A Voting Shares and the Class B Non-Voting Shares rank junior to and are subject in all respects to the preferences, rights, conditions, restrictions, limitations and prohibitions attached to the Class A Preferred Shares in connection with the payment of dividends.

The Class 1 and Class 2 Preferred Shares are issuable in one or more series with attributes designated by the Board of Directors. The Class 1 Preferred Shares rank senior to the Class 2 Preferred Shares.

In the event of liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company for the purpose of winding up its affairs, the holders of Class A Preferred Shares are entitled to a payment in priority to all other classes of shares of the Company to the extent of the redemption amount of the Class A Preferred Shares, but will not be entitled to any surplus in excess of that amount. The remaining property and assets will be available for distribution to the holders of the Class A Voting Shares and Class B Non-Voting Shares, which shall be paid or distributed equally, share for share, between the holders of the Class A Voting Shares and the Class B Non-Voting Shares, without preference or distinction.

No Class A Preferred Shares, Class 1 Preferred Shares or Class 2 Preferred Shares are outstanding as at August 31, 2025.

ISSUED AND OUTSTANDING

	Class A Voting Shares		Class B Non-Voting Shares		Total
	#	$	#	$	$
Balance – August 31, 2023	3,367,526	3,322	196,072,632	277,730	281,052
Conversion of Class A Voting Shares to Class B Non-Voting Shares	(2,132)	(2)	2,132	2	—
Balance – August 31, 2024	3,365,394	3,320	196,074,764	277,732	281,052
Conversion of Class A Voting Shares to Class B Non-Voting Shares	(400)	—	400	—	—
Balance – August 31, 2025	**3,364,994**	**3,320**	**196,075,164**	**277,732**	**281,052**

LOSS PER SHARE

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

	2025	2024
Net loss attributable to shareholders (numerator)	**(328,405)**	(772,641)
Weighted average number of shares outstanding (denominator)		
Weighted average number of shares outstanding – basic	**199,440**	199,440
Effect of dilutive securities	**—**	—
Weighted average number of shares outstanding – diluted	**199,440**	199,440

The calculation of diluted loss per share for fiscal 2025 excluded 4,448 (2024 – 8,498) weighted average Class B Non-Voting Shares issuable under the Company's Stock Option Plan because these options were anti-dilutive.

STOCK OPTION PLAN

Under the Company's Stock Option Plan (the "Plan"), the Company may grant options to purchase Class B Non-Voting Shares to eligible officers, directors and employees of or consultants to the Company. The number of Class B Non-Voting Shares that the Company is authorized to issue under the Plan is 10% of the issued and outstanding Class B Non-Voting Shares. All options granted prior to fiscal 2022 are for terms not to exceed 7 years, while all options granted in fiscal 2022 are for terms not to exceed 10 years from the grant date. The exercise price of each option equals the closing market price on the TSX of the Company's stock on the trading date immediately preceding the date of the grant. Options vest 25% on each of the first, second, third and fourth anniversary dates of the date of grant.

A summary of the changes to the stock options outstanding is presented as follows:

	Number of options (#)	Weighted average exercise price per share ($)
Outstanding – August 31, 2023	9,302,700	5.19
Granted	—	—
Forfeited or expired	(1,776,700)	9.20
Outstanding – August 31, 2024	7,526,000	4.26
Granted	—	—
Forfeited or expired	(3,429,175)	5.25
Outstanding – August 31, 2025	**4,096,825**	**3.44**

As at August 31, 2025, the options outstanding and exercisable consist of the following:

	Options outstanding			Options exercisable	
Range of exercise price ($)	Number outstanding (#)	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Number outstanding (#)	Weighted average exercise price ($)
1.43 – 2.40	1,614,400	7.0	1.43	878,000	1.43
2.41 – 4.13	734,050	2.5	3.38	734,050	3.38
4.14 – 5.06	634,700	0.6	4.88	634,700	4.88
5.07 – 5.59	622,500	1.7	5.43	622,500	5.43
5.60 – 5.74	491,175	3.3	5.74	398,775	5.74
	4,096,825	**3.9**	**3.44**	**3,268,025**	**3.83**

The fair value of each option granted has been estimated on the date of the grant using the Black-Scholes option pricing model. The estimated fair value of the options is amortized to income over the options' vesting period on a straight-line basis. In fiscal 2025, the Company recorded share-based compensation expense of $95 (2024 – $861). This charge has been credited to contributed surplus. Unrecognized share-based compensation expense at August 31, 2025 related to the Plan was $65 (2024 – $260).

There were no options granted in fiscal 2024 or 2025.

SHARE-BASED COMPENSATION

The following table provides a summary of the changes in the number of units for the PSUs, DSUs and RSUs as follows:

	PSUs	DSUs	RSUs
Balance – August 31, 2023	5,379,632	2,767,384	4,425,728
Additions	—	946,916	2,289,500
Forfeitures	(1,988,131)	(5,799)	(614,711)
Payments	—	(458,477)	(1,201,702)
Balance – August 31, 2024	3,391,501	3,250,024	4,898,815
Additions	—	526,357	326,100
Forfeitures	(927,760)	—	(250,139)
Payments	—	(1,704,139)	(642,381)
Balance – August 31, 2025	**2,463,741**	**2,072,242**	**4,332,395**

Share-based compensation recorded for the fiscal year in respect of these plans was a recovery of $8 (2024 – recovery of $2,267). As at August 31, 2025, the carrying value of the liability for PSU, DSU and RSU units was $1,335 (2024 – $1,270).

CONTRIBUTED SURPLUS

Contributed surplus increased $88.8 million for the year ended August 31, 2025, primarily as a result of the December 30, 2024 purchase of minority interest of HGTV Canada, Food Network Canada and Cooking Channel.

16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Unrealized change in fair value of cash flow hedges	Unrealized foreign currency translation adjustment	Unrealized change in fair value of financial assets	Actuarial gains (losses) on defined benefit plans	Total
Balance – August 31, 2023	4,945	9,245	23,651	—	37,841
Items that may be subsequently reclassified to income (loss):					
Amount	(8,888)	57	—	—	(8,831)
Income tax	2,355	—	—	—	2,355
	(1,588)	9,302	23,651	—	31,365
Items that will not be reclassified to income (loss):					
Amount	—	—	(7,984)	(1,318)	(9,302)
Income tax	—	—	1,100	349	1,449
	—	—	(6,884)	(969)	(7,853)
Transfer to retained earnings	—	—	—	969	969
Balance – August 31, 2024	(1,588)	9,302	16,767	—	24,481
Items that may be subsequently reclassified to income (loss):					
Amount	2,160	348	—	—	2,508
Income tax	(572)	—	—	—	(572)
	—	9,650	16,767	—	26,417
Items that will not be reclassified to income (loss):					
Amount	—	—	(7,095)	5,423	(1,672)
Income tax	—	—	131	(1,974)	(1,843)
	—	—	(6,964)	3,449	(3,515)
Transfer to retained earnings	—	—	—	(3,449)	(3,449)
Balance – August 31, 2025	**—**	**9,650**	**9,803**	**—**	**19,453**

17. DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Direct cost of sales		
Amortization of program rights (note 7)	**496,927**	479,170
Amortization of film investments (note 8)	**6,123**	15,724
Other cost of sales	**33,400**	35,202
General and administrative expenses		
Employee costs	**268,491**	301,734
Other general and administrative	**133,154**	155,339
	938,095	987,169

18. INTEREST EXPENSE

	2025	2024
Interest on long-term debt	**70,625**	63,897
Imputed interest on long-term liabilities	**49,250**	41,819
Other expense	**926**	2,111
	120,801	107,827

19. OTHER INCOME, NET

	2025	2024
Interest income	**(3,675)**	(4,836)
Foreign exchange gain (notes 13 and 23)	**(13,568)**	(560)
Equity gain of associates	**7**	(9)
Asset impairment reversal (note 5)	**—**	(319)
Gain on asset disposal	**(9,723)**	(1,106)
Other	**(647)**	5,172
	(27,606)	(1,658)

20. INCOME TAXES

The significant components of income tax expense are as follows:

	2025	2024
Current income tax expense	**18,697**	7,727
Deferred income tax expense (recovery)		
Resulting from temporary differences	**(60,489)**	(251,220)
Resulting from the utilization of tax losses	**(121)**	(1,257)
Resulting from tax rate changes	**13**	(39)
Resulting from change in unrecognized deferred income tax asset	**23,602**	60,584
Other	**—**	569
Income tax recovery reported in the consolidated statements of loss and comprehensive loss	**(18,298)**	(183,636)

A reconciliation of income tax computed at the statutory tax rates to income tax expense is as follows:

	2025		2024	
	($)	**(%)**	($)	(%)
Income tax at combined federal and provincial rates	**(89,453)**	**26.3**	(251,448)	26.5
Differences from statutory rates relating to:				
Goodwill, broadcast licence and other asset impairment	**—**	**—**	4,579	(0.5)
Increase (reduction) in deferred income taxes resulting from rate changes	**13**	**—**	(39)	—
Miscellaneous differences	**81**	**—**	68	—
Non-taxable portion of capital gains	**(1,267)**	**0.3**	(237)	—
Transaction costs	**415**	**(0.1)**	273	—
Change in unrecognized deferred income tax asset	**71,918**	**(21.1)**	63,989	(6.7)
Recovery of various income tax reserves	**—**	**—**	(794)	—
Income subject to tax at less than statutory rates	**(5)**	**—**	(27)	—
	(18,298)	**5.4**	(183,636)	19.3

The movement in the net deferred income tax asset (liability) was as follows:

	Broadcast licences and other intangibles	**Accrued compen-sation**	**Fixed assets and film assets**	**Program rights**	**Non-capital loss carry-forwards**	**Invest-ments**	**Financing and debt retirement**	**Other**	**Total**
Balance – August 31, 2023	(280,313)	3,341	12,152	10,844	2,091	1,579	(1,776)	2,873	(249,209)
Recognized in profit or loss	231,610	(2,122)	(17,394)	(9,824)	(1,257)	(3,339)	(3,063)	(3,249)	191,362
Recognized in OCI	—	349	—	—	288	814	2,355	—	3,806
Balance – August 31, 2024	(48,703)	1,568	(5,242)	1,020	1,122	(946)	(2,484)	(376)	(54,041)
Recognized in profit or loss	42,105	(5,376)	(2,243)	(447)	121	418	3,053	(637)	36,994
Recognized in OCI	—	(1,974)	—	—	81	49	(572)	—	(2,416)
Balance – August 31, 2025	**(6,598)**	**(5,782)**	**(7,485)**	**573**	**1,324**	**(479)**	**(3)**	**(1,013)**	**(19,463)**

At August 31, 2025, the Company has approximately $186,897 (2024 – $16,545) of non-capital loss carryforwards available, which expire between the years 2026 and 2044. A deferred tax asset of $1,324 (2024 – $1,122) has been recognized in respect of these losses and a tax benefit of $47,344 (2024 – $3,257) has not been recognized.

At August 31, 2025, the Company has approximately $6,447 (2024 – $5,318) of capital loss carryforwards available, which have no expiry date. No tax benefit has been recognized in respect of these losses.

The Company has taxable temporary differences associated with its investments in its subsidiaries. No deferral tax liabilities have been provided with respect to such temporary differences as the Company is able to control the timing of the reversal and such reversal is not probable in the foreseeable future.

21. 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 (25 effective September 1, 2025), 15 conventional television stations, digital and streaming services, a social media digital agency, 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 is comprised of 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 in note 3.

REVENUE AND SEGMENT PROFIT

Year ended August 31, 2025	**Television**	**Radio**	**Corporate**	**Consolidated**
Revenue	**1,042,769**	**84,651**	**—**	**1,127,420**
Direct cost of sales, general and administrative expenses	**841,423**	**71,676**	**24,996**	**938,095**
Segment profit (loss)	**201,346**	**12,975**	**(24,996)**	**189,325**
Depreciation and amortization				**90,335**
Interest expense				**120,801**
Broadcast licence and other asset impairment				**266,482**
Debt refinancing				**7,333**
Restructuring and other costs				**72,108**
Other income, net				**(27,606)**
Loss before income taxes				**(340,128)**

Year ended August 31, 2024	Television	Radio	Corporate	Consolidated
Revenue	1,176,738	93,860	—	1,270,598
Direct cost of sales, general and administrative expenses	881,958	84,418	20,793	987,169
Segment profit (loss)	294,780	9,442	(20,793)	283,429
Depreciation and amortization				111,078
Interest expense				107,827
Goodwill, broadcast licence and other asset impairment				960,000
Debt refinancing				753
Restructuring and other costs				55,225
Loss on business divestiture				584
Other income, net				(1,658)
Loss before income taxes				(950,380)

The following tables present further details on revenue composition, location and timing of recognition in the Television and Radio segments.

Revenue is derived from the following areas:

	2025	2024
Advertising	**625,329**	740,446
Subscriber fees	**448,949**	470,332
Distribution, production and other	**53,142**	59,820
	1,127,420	1,270,598

Revenue is derived from the following geographical sources, by location of customer:

	2025	2024
Canada	**1,103,785**	1,244,076
International	**23,635**	26,522
	1,127,420	1,270,598

International revenue pertains to customers in the Television segment only.

The following table includes revenue from contracts disaggregated by the timing of revenue recognition:

	2025	2024
Products transferred at a point in time	**659,439**	775,477
Products and services transferred over time	**467,981**	495,121
	1,127,420	1,270,598

SEGMENT ASSETS AND LIABILITIES

	2025	2024
Assets		
Television	**1,034,750**	1,187,586
Corporate	**189,254**	232,053
Radio	**42,117**	67,269
	1,266,121	1,486,908
Liabilities		
Corporate	**1,275,872**	1,262,363
Television	**629,563**	535,416
Radio	**29,028**	30,857
	1,934,463	1,828,636

CAPITAL EXPENDITURES BY SEGMENT

	2025	2024
Television	**6,962**	11,367
Corporate	**6,625**	4,863
Radio	**3,081**	1,555
	16,668	17,785

Property, plant and equipment are located primarily within Canada.

22. CAPITAL MANAGEMENT

The Company's capital management objectives are to maintain 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 long-term debt less cash and cash equivalents. Total managed capital is as follows:

	2025	2024
Total debt, net of unamortized financing fees and prepayment options (note 13)	**1,089,741**	1,052,834
Lease liabilities (notes 11 and 14)	**106,998**	116,834
Cash and cash equivalents	**(59,555)**	(82,422)
Net debt	**1,137,184**	1,087,246
Deficit attributable to shareholders	**(706,557)**	(465,399)
	430,627	621,847

The Company monitors capital using several key performance metrics, including net debt to segment profit ratio. The Company's stated long-term objective is a leverage target (net debt to segment profit ratio) of below 2.5 times. In the short term, the Company may permit the long-term range to be exceeded, but endeavours to return to the leverage target range. As at August 31, 2025, the Company's leverage ratio was 6.01 times net debt to segment profit, up from 3.84 times at August 31, 2024.

23. FINANCIAL INSTRUMENTS

The following tables set out the classification of financial and non-financial assets and liabilities.

As at August 31, 2025	**Fair value through profit or loss**	**Amortized cost**	**Fair value through OCI with no reclassification to net income**	**Fair value through OCI with reclassification to net income**	**Non-financial**	**Total carrying amount**
Cash and cash equivalents	**59,555**	**—**	**—**	**—**	**—**	**59,555**
Accounts receivable	**—**	**186,685**	**—**	**—**	**—**	**186,685**
Investments and other assets	**260**	**—**	**45,776**	**—**	**—**	**46,036**
Intangibles	**—**	**—**	**—**	**—**	**71,519**	**71,519**
Other assets	**—**	**48,090**	**—**	**—**	**854,236**	**902,326**
Total assets	**59,815**	**234,775**	**45,776**	**—**	**925,755**	**1,266,121**
Accounts payable, accrued liabilities and provisions	**—**	**381,435**	**—**	**—**	**—**	**381,435**
Long-term debt	**—**	**1,089,741**	**—**	**—**	**—**	**1,089,741**
Other long-term liabilities and provisions	**6,886**	**407,031**	**29,907**	**—**	**—**	**443,824**
Deferred income tax liabilities	**—**	**—**	**—**	**—**	**19,463**	**19,463**
Total liabilities	**6,886**	**1,878,207**	**29,907**	**—**	**19,463**	**1,934,463**

As at August 31, 2024	Fair value through profit or loss	Amortized cost	Fair value through OCI with no reclassification to net income	Fair value through OCI with reclassification to net income	Non-financial	Total carrying amount
Cash and cash equivalents	82,422	—	—	—	—	82,422
Accounts receivable	—	232,040	—	—	—	232,040
Investments and other assets	966	—	56,359	—	—	57,325
Intangibles	—	—	—	—	252,358	252,358
Other assets	—	75,068	—	—	787,695	862,763
Total assets	83,388	307,108	56,359	—	1,040,053	1,486,908
Accounts payable, accrued liabilities and provisions	—	513,565	—	—	—	513,565
Long-term debt	—	1,052,834	—	—	—	1,052,834
Other long-term liabilities and provisions	14,286	160,220	31,530	2,160	—	208,196
Deferred income tax liabilities	—	—	—	—	54,041	54,041
Total liabilities	14,286	1,726,619	31,530	2,160	54,041	1,828,636

FAIR VALUES

The fair values of financial instruments included in current assets and current liabilities approximate their carrying values due to their short-term nature.

The fair value of publicly traded shares included in investments is determined by quoted share prices in active markets. The fair value of other financial instruments included in this category is determined using other valuation techniques.

The fair value of bank loans is estimated based on discounted cash flows using year-end market yields, adjusted to take into account the Company's own credit risk. The long-term debt is regularly repriced to floating market interest rates and as such, the carrying value of the Company's bank loans approximate their fair value.

The fair value of the Company's Notes is based on the trading price of the Notes, which takes into account the Company's own credit risk. As at August 31, 2025, the Company has estimated the fair value of its Notes to be approximately $223,125 (2024 – $266,563).

Historically, the Company has entered into Canadian dollar interest rate swap agreements. The fair value of the interest rate swap agreements is calculated by way of discounted cash flows, using market interest rates and applicable credit spreads.

Historically, the Company has entered into U.S. dollar foreign currency forward contracts. The fair value of the foreign currency forward contracts is calculated by way of discounted cash flows, using market foreign exchange rates and applicable discount factors.

Historically, the Company has entered into total return swaps. The fair value of these equity instruments is based on the quoted share price in the active market at the period end.

The fair values of financial instruments in other long-term liabilities approximate their carrying values as they are recorded at the net present values of their future cash flows, using an appropriate discount rate.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following tables present information related to the Company's financial assets measured at fair value on a recurring basis and the level within the guidance hierarchy in which the fair value measurements fall as at August 31 as follows:

As at August 31, 2025	Quoted prices in active markets for identical assets or liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets			
Cash and cash equivalents	**59,555**	**—**	**—**
Prepayment option of Notes	**—**	**9**	**—**
Investments in venture funds	**—**	**—**	**13,170**
Assets carried at fair value	**59,555**	**9**	**13,170**
As at August 31, 2024			
Assets			
Cash and cash equivalents	82,422	—	—
Prepayment option of Notes	—	9	—
Foreign exchange forward contracts	—	699	—
Investments in venture funds	—	—	20,435
Assets carried at fair value	82,422	708	20,435
Liabilities			
Interest rate swap	—	2,160	—
Liabilities carried at fair value	—	2,160	—

RISK MANAGEMENT

The Company is exposed to various risks related to its financial assets and liabilities. These risk exposures are managed on an ongoing basis.

Credit risk

In the normal course of business, the Company is exposed to credit risk from its accounts receivable from customers. The carrying amounts for accounts receivable are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information. The maximum exposure to credit risk is the carrying amount of the financial assets.

The following tables set out the details of the aging for accounts receivable and allowance for doubtful accounts as at August 31 as follows:

	2025	2024
Trade		
Current	**93,610**	109,761
One to three months past due	**63,001**	83,781
Over three months past due	**16,811**	25,723
	173,422	219,265
Other	**15,952**	15,959
	189,374	235,224
Less allowance for doubtful accounts	**2,689**	3,184
	186,685	232,040

	2025	2024
Balance, beginning of year	**3,184**	2,673
Provision for doubtful accounts	**165**	857
Recoveries	**(660)**	(346)
Balance, end of year	**2,689**	3,184

In fiscal 2025, the Company earned 13% of its revenue from Rogers Communications Inc. (2024 - 13%). This entity is not a related party and comprises 16% of the accounts receivable balance as at August 31, 2025 (2024 - 14%).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial obligations. The Company manages liquidity risk primarily by maintaining sufficient unused capacity within its credit facilities, and by continuously monitoring forecast and actual cash flows. The unused capacity as at August 31, 2025 was $35,000 (2024 – $29,995). Further information with respect to the Company's credit facilities is provided in note 3 and 13.

The following table sets out the undiscounted contractual obligations as at August 31, 2025:

	Total	Less than one year	One to three years	Beyond three years
Total debt [1]	**1,268,870**	67,782	928,691	272,397
Accounts payable and accrued liabilities	**357,851**	357,851	—	—
Other obligations [2]	**205,729**	44,529	69,436	91,764

[1] Principal and interest repayments on bank debt and Notes.

[2] Other obligations included financial liabilities, trade marks and other intangibles.

In fiscal 2025, the Company incurred interest on bank loans, Notes and swaps on credit facilities of $70,625 (2024 – $63,897).

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market.

The Company is exposed to foreign exchange risk through its international content distribution operations and U.S. dollar denominated programming purchasing. The most significant foreign currency exposure is to movements in the U.S. dollar to Canadian dollar exchange rate and the U.S. dollar to euro exchange rate. The impact of foreign exchange on income before income taxes and non-controlling interest is detailed in the table below:

	2025	2024
Direct cost of sales, general and administrative expenses	**79**	168
Other expense (income), net (note 19)	**(13,568)**	(560)
	(13,489)	(392)

An assumed 10% increase or decrease in exchange rates as at August 31, 2025 would have an impact of approximately $37,800 (2024 – $11,100) on net loss or OCI for the year.

Other considerations

The Company does not engage in trading or other speculative activities with respect to derivative financial instruments.

24. CONSOLIDATED STATEMENTS OF CASH FLOWS

Net change in non-cash working capital balances related to operations consists of the following:

	2025	2024
Accounts receivable	**47,049**	60,637
Prepaid expenses and other	**(1,059)**	3,090
Accounts payable and accrued liabilities	**(83,232)**	(3,816)
Provisions	**(3,677)**	15,656
Income taxes payable	**26,807**	(3,308)
Other long-term liabilities	**(28,421)**	(45,602)
Other	**24,344**	13,858
	(18,189)	40,515

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

	2025	2024
Interest paid	**72,131**	65,839
Interest received	**3,675**	4,836
Income taxes recovery (paid)	**11,573**	(6,371)

25. GOVERNMENT FINANCING AND ASSISTANCE

Revenue includes $1,129 (2024 – $350) of production financing obtained from government programs. This financing provides a supplement to a production series' Canadian license fees and is not repayable.

Revenue also includes $1,052 (2024 – $997) of government grants relating to the marketing of books in both Canada and international markets. The majority of the grants are repayable if the average profit margin for the three-year period following receipt of the funds equals or is greater than 15%.

26. BUSINESS COMBINATIONS AND DIVESTITURES

Disposition of Aircraft Pictures Limited

On July 31, 2024, the Company completed the sale of its 51% interest in Aircraft Pictures Limited, which results in a net loss on disposal of $0.6 million.

27. COMMITMENTS, CONTINGENCIES AND GUARANTEES

The Company has the following commitments as at August 31, 2025 as detailed in the following table:

	Total	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years
Purchase obligations [1]	1,059,982	497,951	327,907	154,649	79,475
Lease liabilities	231,914	33,965	62,710	58,968	76,271
Other obligations [2]	205,729	44,529	69,436	56,820	34,944
Total contractual obligations	**1,497,625**	**576,445**	**460,053**	**270,437**	**190,690**

[1] Purchase obligations are contractual obligations under contracts relating to program rights and various other operating expenditures that the Company has committed to, for periods ranging from 1 to 5 years.

[2] Other obligations included financial liabilities, trade marks and other intangibles.

Generally, it is not the Company's policy to issue guarantees to non-controlled affiliates or third parties, with limited exceptions.

LITIGATION

The Company, its subsidiaries and joint ventures are involved in litigation matters arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to litigation to be material to these consolidated financial statements.

OTHER MATTERS

Many of the Company's agreements, specifically those related to acquisitions and dispositions of business assets, include indemnification provisions where the Company may be required to make payments to a vendor or purchaser for breach of fundamental representation and warranty terms in the agreements with respect to matters such as corporate status, title of assets, environmental issues, consents to transfer, employment matters, litigation, taxes payable and other potential material liabilities. The maximum potential amount of future payments that the Company could be required to make under these indemnification provisions is not reasonably quantifiable, as certain indemnifications are not subject to a monetary limitation. As at August 31, 2025, management believed there was only a remote possibility that the indemnification provisions would require any material cash payment.

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for directors and officers of the Company and its subsidiaries.

28. EMPLOYEE BENEFIT PLANS

DEFINED CONTRIBUTION PENSION PLANS

The Company has various defined contribution plans for qualifying full-time employees. Under these plans, the Company contributes up to 6% (2024 – 6%) of an employee's earnings, not exceeding the limits set by the *Income Tax Act* (Canada). The amount contributed in fiscal 2025 related to the defined contribution plans was $8,594 (2024 – $9,261). The amount contributed is approximately the same as the expense included in the consolidated statements of loss and comprehensive loss.

NON-REGISTERED DEFINED BENEFIT PENSION PLANS

The Company provides supplemental executive retirement plans ("SERP"), which are non-contributory, unfunded defined benefit pension plans for certain of its senior executives that are included in long-term employee obligations (note 14). Benefits under these plans are generally based on the employee's length of service and their highest three-year average rate of pay during their most recent 10 years of service, accrued starting from the date of the implementation of the plan, and currently includes a benefit for past service for certain senior executives, as applicable under the terms of the plan.

The table below shows the change in the benefit obligation for these plans.

	2025	2024
Accrued benefit obligation and plan deficit, beginning of year	**21,109**	16,538
Current service costs	**1,259**	899
Interest cost	**1,059**	895
Payment of benefits	**(706)**	(729)
Remeasurements:		
Effect of changes in financial assumptions	**(514)**	1,001
Effect of experience adjustments	**(1,600)**	2,505
Accrued benefit obligation and liability, end of year	**20,607**	21,109

The weighted average duration of the defined benefit obligation of the SERP as at August 31, 2025 is 13.4 years.

The tables below show the significant weighted-average assumptions used to measure the pension obligation and costs for this plan.

Accrued benefit obligation	**2025 (%)**	2024 (%)
Discount rate	**5.00**	4.80
Rate of compensation increase	**2.00**	2.00

Benefit cost for the year	**2025 (%)**	2024 (%)
Discount rate	**4.80**	5.20
Rate of compensation increase	**2.00**	2.00

The following table illustrates the incremental impact on the defined benefit obligation as at August 31, 2025 and the pension expense for the fiscal year then ended, with respect to the three key factors in determining the benefit obligation:

Sensitivity analysis	**Benefit obligation at August 31, 2025**	**Pension expense for fiscal 2025**
Discount rate – 1% decrease	2,769	135
Salary increase – 1% increase	143	85
Mortality – one-year increase in the expected future lifetime	441	46

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the present value of the defined benefit obligation has been calculated using the projected benefit method, which is the same method that is applied in calculating the defined benefit liability recognized in the consolidated statements of financial position. The sensitivity analysis presented above may not be representative of the actual change in the accrued benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The net pension benefit plan expense for these plans, which is included in employee costs, is comprised of the following components:

	2025	2024
Current service cost	**1,259**	899
Interest cost	**1,059**	895
Pension expense	**2,318**	1,794

REGISTERED PENSION PLANS

The Company has a number of funded defined benefit pension plans that provide pension benefits to certain unionized and non-unionized employees in its conventional television operations. Benefits under these plans are based on the employee's length of service and final average salary. These plans are regulated by the Office of the Superintendent of Financial Institutions, Canada in accordance with the provisions of the *Pension Benefits Standards Act* and regulations. The regulations set out minimum standards for funding the plans.

The following table shows the change in the benefit obligations, change in fair value of plan assets and the funded status of these defined benefit plans:

	2025	2024
Accrued benefit obligation, beginning of year	**192,477**	181,007
Current service cost	**3,369**	3,196
Interest cost	**9,270**	9,363
Employee contributions	**516**	606
Payment of benefits	**(12,233)**	(10,183)
Effect of changes in financial assumptions	**(4,288)**	8,221
Effect of experience adjustments	**(1,281)**	267
Accrued benefit obligation, end of year	**187,830**	192,477
Fair value of plan assets, beginning of year	**233,480**	220,220
Employee contributions	**516**	606
Interest income	**11,044**	11,198
Payment of benefits	**(12,233)**	(10,183)
Administrative expenses paid from plan assets	**(1,054)**	(932)
Return on plan assets, excluding interest income	**(3,202)**	12,571
Fair value of plan assets, end of year	**228,551**	233,480
Effect of asset ceiling limit	**(8,116)**	(5,080)
Fair value of plan assets, end of year, net of asset ceiling limit	**220,435**	228,400
Accrued benefit asset and plan surplus, end of year	**32,605**	35,923

The weighted average duration of the defined benefit obligation as at August 31, 2025 is 13.5 years.

The plan assets as at August 31, are comprised of investments in pooled funds as follows:

	2025	2024
Equity – Canadian	**25,172**	25,435
Equity – Foreign	**85,078**	83,602
Fixed income – Canadian	**118,301**	124,443
	228,551	233,480

The underlying securities in the pooled funds have quoted prices in an active market.

The significant weighted average assumptions used to measure the pension obligation and cost for these plans are as follows:

	2025	2024
Accrued benefit obligation	**(%)**	(%)
Discount rate	**5.00**	4.80
Rate of compensation increase	**2.00**	2.00

Benefit cost for the year	**(%)**	(%)
Discount rate	**4.80**	5.20
Rate of compensation increase	**2.00**	2.00

The following table illustrates the incremental impact on the defined benefit obligation at August 31, 2025 and the pension expense for the fiscal year then ended, with respect to the three key factors in determining the benefit obligation:

Sensitivity analysis	Benefit obligation at August 31, 2025	Fiscal 2025 benefit cost
Discount rate – 1% decrease	**25,296**	**2,212**
Salary – 1% increase	**3,605**	**458**
Weighted average duration of defined benefit obligation in years		
Effective discount rate 1% decrease	**13.5**	**n/a**

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the present value of the defined benefit obligation has been calculated using the projected benefit method, which is the same method that is applied in calculating the defined benefit liability recognized in the consolidated statements of financial position. The sensitivity analysis presented above may not be representative of the actual change in the accrued benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The net pension benefit plan expense for these plans, which is included in employee costs, is comprised of the following components:

	2025	2024
Current service cost	**4,423**	4,128
Pension expense	**4,423**	4,128

OTHER BENEFIT PLANS

The Company provides supplemental post-retirement non-pension benefit plans that provide post-retirement health and life insurance coverage to certain employees and are funded on a pay-as-you-go basis. The table below shows the change in the accrued post-retirement obligation, which is recognized in the consolidated statements of financial position.

The change in the benefit obligation for these plans is as follows:

	2025	2024
Accrued benefit obligation and plan deficit, beginning of year	**15,171**	12,416
Current service costs	**596**	429
Interest cost	**702**	614
Payment of benefits	**(883)**	(641)
Remeasurements:		
Effect of changes in financial assumptions	**(295)**	600
Effect of experience adjustments	**(3,411)**	1,753
Accrued benefit obligation and liability, end of year	**11,880**	15,171

The weighted average duration of the defined benefit obligation of the post-retirement plans as at August 31, 2025 is 11.9 years.

The significant weighted-average assumptions used to measure the obligation and costs for this plan are as follows:

	2025	2024
Accrued benefit obligation	**(%)**	(%)
Discount rate	**4.98**	4.86
Salary increase	**2.00**	2.00

	2025	2024
Benefit cost for the year	**(%)**	(%)
Discount rate	**4.86**	5.20
Salary increase	**2.00**	2.00

The following table illustrates the incremental impact on the benefit obligation as at August 31, 2025 and the expense for the fiscal year then ended, with respect to the two key factors in determining the benefit obligation:

Sensitivity analysis	**Benefit obligation at August 31, 2025**	**Service and interest costs fiscal 2025**
Discount rate – 1% decrease	**1,545**	**35**
Trend rate – 1% increase	**1,367**	**174**

When calculating the sensitivity of the benefit obligation to significant actuarial assumptions, the present value of the benefit obligation has been calculated using the projected benefit method, which is the same method that is applied in calculating the benefit liability recognized in the consolidated statements of financial position. The sensitivity analysis presented above may not be representative of the actual change in the accrued benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The net benefit plan expense, which is included in employee costs, is comprised of the following components:

	2025	2024
Current service cost	**596**	429
Interest cost	**702**	614
Pension expense	**1,298**	1,043

29. TRANSACTIONS WITH RELATED PARTIES

CONTROLLING SHAREHOLDER

A majority of the outstanding Class A Voting Shares of the Company are held by entities owned by the Shaw Family Living Trust ("SFLT") and its subsidiaries. As at August 31, 2025, SFLT and its subsidiaries hold 2,885,530 Class A Voting Shares, representing approximately 86% of the outstanding Class A Voting Shares, for the benefit of the descendants of the late JR Shaw and Carol Shaw. The sole trustee of SFLT is a private company controlled by a board comprised of seven directors, including as at August 31, 2025, Heather Shaw, Julie Shaw, two other members of the Shaw family and three independent directors. The Class A Voting Shares are the only shares entitled to vote in all shareholder matters, except in limited circumstances as described in the Company's Annual Information Form. Accordingly, SFLT is, and as long as it holds a majority of the Class A Voting Shares, will continue to be able to elect a majority of the Board of Corus and to control the vote on matters submitted to a vote of Corus' Class A shareholders.

NORMAL COURSE TRANSACTIONS

The Company has transacted business in the normal course with entities over which the Company exercises significant influence and joint control. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties and having normal trade terms.

SIGNIFICANT SUBSIDIARIES

The following table includes the significant subsidiaries of the Company:

		Equity interest	
		2025	2024
Name	**Jurisdiction**	**(%)**	(%)
Corus Television Limited Partnership	Manitoba	**100**	100
Corus Media Holdings Inc.	Alberta	**100**	100
Corus Radio Inc.	Canada	**100**	100
Corus Sales Inc.	Canada	**100**	100
9329994 Canada Inc.	Canada	**—**	100
Flavour Network Inc. (formerly Food Network Canada Inc.)	Canada	**100**	71
Home Network Inc. (formerly HGTV Canada Inc.)	Canada	**100**	67
History Television Inc.	Canada	**100**	100
NGC Channel Inc.	Canada	**50**	50
Nelvana Limited	Ontario	**100**	100
Showcase Television Inc.	Canada	**100**	100
TELETOON Canada Inc.	Canada	**100**	100
W Network Inc.	Canada	**100**	100
YTV Canada, Inc.	Canada	**100**	100

KEY MANAGEMENT PERSONNEL

In fiscal 2025, key management personnel compensation includes the Senior Leadership Team ("SLT"), officers and directors of the Company. These individuals have the authority and responsibility for planning, directing and controlling the activities of the Company. All members of the SLT are also officers of the Company. The comparative number has been amended from the prior year's disclosure to include the same group of individuals. In the prior year the disclosure included the Executive Leadership Team ("ELT") which did not include senior vice presidents of the Company.

	2025	2024
Salaries and benefits	**11,298**	9,341
Post-employment benefits	**2,318**	1,794
Share-based compensation expense (recovery) (note 15)	**(46)**	(3,445)
	13,570	7,690

Except for the Chief Executive Officer & (Interim) Chief Financial Officer and the Chief Administrative Officer, Chief Legal Officer & Corporate Secretary, no member of the SLT has an employment agreement or any other contractual arrangement in place with the Company in connection with any termination or change of control event, other than the conditions provided in the compensation plans of the Company. Generally, severance entitlements, including short-term incentives payable to the SLT and officers of the Company, other than the Chief Executive Officer and the Chief Administrative Officer, Chief Legal Officer & Corporate Secretary, under their employment agreements with the Company, would be determined in accordance with applicable common law requirements. Long-term incentive plans, such as stock options, are exercisable if vested, while DSUs, PSUs, RSUs and SERP would be payable if vested pursuant to the terms of the plans.

30. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2025 consolidated financial statements.

31. SUBSEQUENT EVENTS

On October 29, 2025, Corus completed an agreement to amend the Credit Facility to increase the Revolving Facility from $75.0 million to $125.0 million.