



CORUS ENTERTAINMENT ANNOUNCES RECAPITALIZATION TRANSACTION

- *Proposed recapitalization transaction strengthens Corus' financial position, provides long-term solution that supports sustainable business strategy*
- *Expected to materially reduce existing debt, maintain secured lending facility, and increase liquidity access over several years*
- *To be facilitated by way of a plan of arrangement, with Corus seeking to reduce total debt and other liabilities by over \$500 million, reduce annual cash interest by up to \$40 million, and issue new debt with extended maturity dates*
- *Corus has received the support of all lenders under the senior credit facility and of noteholders representing over 74% of Corus' aggregate \$750 million of senior unsecured notes; Corus has also obtained a preliminary interim order from the Court (defined below) granting a stay of proceedings*
- *Business expected to continue as usual during the recapitalization process, with no anticipated impacts to Corus' obligations to clients, producers, suppliers or employees*
- *Upon closing, shares issued pursuant to the transaction will trade publicly*

For Immediate Release

TORONTO, ON, November 3, 2025 – Corus Entertainment Inc. ("Corus" or the "Company") (TSX: CJR.B) today announced a proposed recapitalization transaction (the "Recapitalization Transaction") that is expected to strengthen its financial foundation, support its business strategy, and enable the continuity of business and operations. Once implemented, the Recapitalization Transaction will meaningfully reduce the Company's outstanding indebtedness and annual interest costs, and improve its capital structure and liquidity. The Recapitalization Transaction will be implemented through a plan of arrangement (the "Plan of Arrangement") under the *Canada Business Corporations Act* ("CBCA").

"The proposed transaction will solidify our financial foundation and position Corus for the long-term," said John Gossling, the Company's Chief Executive Officer. "With significant support from our secured lenders and bondholders, we will be well positioned to continue what we do best –

creating and delivering content that entertains and informs millions of Canadians across our expansive suite of leading TV, radio and digital assets, with Global's exciting fall premiere season now underway."

The Recapitalization Transaction is expected to enhance the Company's flexibility and liquidity profile, including continued access to its revolving facility provided by its senior lenders, which has been amended and increased to \$125 million. It will also support the execution of Corus' business strategy and opportunities, while sustaining relationships with suppliers, partners, customers and employees, with no anticipated impact to obligations to them as a result of the CBCA proceedings.

"This transaction represents the culmination of the strategic work to optimize Corus' capital structure and manage the Company's balance sheet, following the assignment of its senior credit facility earlier in 2025," said Mark Hollinger, Independent Lead Director of the Board of Directors of the Company (the "Board"). "After conducting a robust and comprehensive review process with our external financial and legal advisors, the Board concluded this Recapitalization Transaction represents the best available option for the Company and its stakeholders at this time."

"In addition to right-sizing the balance sheet, we intend to continue executing our strategic plan. This includes focusing on attractive opportunities or partnerships to enhance revenue and value, including through a focus on digital services and products, as well as maintaining discipline over costs and cash management, and finding additional operational efficiencies," added Mr. Gossling.

In connection with the Recapitalization Transaction, the Company has entered into an amendment, consent and waiver agreement ("Consent & Waiver") with all lenders under the senior credit facility ("Senior Credit Facility") and a support agreement (the "Support Agreement") with holders representing more than 74% of Corus' aggregate \$750 million of senior unsecured notes ("Senior Notes") whereby such lenders and noteholders have agreed to support the Recapitalization Transaction in accordance with the terms and conditions of the Consent & Waiver and the Support Agreement, as applicable. The Company has also entered into a voting support agreement (the "Shareholder Support Agreement") with the Shaw Family Living Trust, indirectly the holder of more than 80% of the Class A Voting Shares in the Company. Pursuant to this agreement, the Shaw Family Living Trust and certain of its affiliates have agreed, among other things and subject to the terms and conditions stated therein, to vote their Class A Voting Shares and Class B Non-Voting Shares in favour of the Recapitalization Transaction.

Recapitalization Transaction Highlights

The Recapitalization Transaction is anticipated to deliver significant financial benefits, if approved and implemented, including:

- total reduction of third-party indebtedness and other liabilities of over \$500 million;
- annual cash interest savings of up to \$40 million;
- continued access to the senior secured revolving credit facility (which has been increased from \$75 million to \$125 million) (the "Revolver") to support ongoing operations and liquidity; and
- extension of relief of financial covenants under the Senior Credit Facility beyond December 31, 2025.

The Recapitalization Transaction contemplates the following key elements:

- the Company's existing secured revolving credit facility will be replaced, or amended and restated, into a new, first lien \$125 million secured revolving credit facility;
- the Company's existing secured term loan will be fully redeemed at par value, and the Company will issue new first lien senior secured notes in the aggregate principal amount of \$300 million with a 5-year maturity date;
- \$250 million of the Senior Notes will be settled in exchange for second lien secured notes with a 6-year maturity date in an equal aggregate principal amount;
- \$500 million of the Senior Notes will be exchanged for common shares ("NewCo Shares") of a newly-formed corporation ("NewCo") that are expected to represent 99% of all of the issued and outstanding shares of NewCo, on a non-diluted basis and will be the only class of shares of NewCo outstanding after closing;
- all accrued but unpaid interest on the Senior Notes will be paid in cash on closing;
- all of the Company's outstanding Class A Voting Shares and Class B Non-Voting Shares (collectively, the "Existing Shares") will be exchanged on a 1:1 basis for NewCo Shares that are expected to represent, in aggregate, 1% of all of the issued and outstanding shares of NewCo, on a non-diluted basis;
- the Company will apply to the Toronto Stock Exchange ("TSX") to have the NewCo Shares substituted for the Company's Class B Non-Voting Shares with the result that, subject to the approval of the TSX and the satisfaction of customary listing conditions, the NewCo Shares will be publicly traded on the TSX;
- NewCo will own all of the shares of the Company;
- certain lenders of the Company will be granted warrants to purchase NewCo Shares that will represent 10% of the fully diluted equity of NewCo;
- certain key leases will be renegotiated on acceptable terms; and
- the board of directors will be refreshed at closing and comprise, initially, five directors.

Process Highlights

The Company engaged in a process to explore and evaluate potential transaction alternatives to optimize value for its stakeholders. The review was led by a sub-committee of the Board, made up entirely of independent directors, with a mandate to identify and establish an optimal and sustainable capital structure for the Company. The Board has now approved the entering into of the Support Agreement and the Shareholder Support Agreement. In the forthcoming management information circular (the "Circular") to be prepared in connection with the special meetings of the Company's securityholders (including holders of outstanding Class A Voting Shares and Class B Non-Voting Shares) (the "Special Meetings"), the Board expects to recommend that all such holders vote to support the Recapitalization Transaction.

In respect of the Plan of Arrangement, Corus has obtained a preliminary interim order (the “Preliminary Interim Order”) from the Ontario Superior Court of Justice (Commercial List) (the “Court”) granting, among other things, a stay of proceedings (the “Stay”) to protect the Company against any defaults and related steps or actions that may result from the Company’s decision to initiate CBCA proceedings, including under its existing indebtedness. The Stay will enable the Company to negotiate and finalize the terms of the Plan of Arrangement. The Company also entered into the Consent & Waiver with respect to its Senior Credit Facility that allows for continued access by the Company to the Revolver and waives events of default that may arise from commencing proceedings under the CBCA, subject to customary conditions.

The Company will take all necessary steps to progress the Plan of Arrangement in the weeks following the issuance of the Preliminary Interim Order and then seek a further order (the “Interim Order”) in the CBCA proceedings permitting the Company to call, hold and conduct the Special Meetings to consider and vote on the Plan of Arrangement. The terms of the Plan of Arrangement will be fully disclosed as part of the application to approve the Interim Order and in the Circular that will be prepared in connection with the Special Meetings. The Company will issue a further press release when the record date and meeting date for such Special Meetings have been determined.

If the Plan of Arrangement is approved at the Special Meetings, the Company will seek a further order in the CBCA proceedings approving the Recapitalization Transaction. The Recapitalization Transaction may also be subject to regulatory approvals, which applicable approvals the Company and relevant parties intend to pursue diligently.

Impact to Existing Shares

Under the Recapitalization Transaction, the Existing Shares will be exchanged for NewCo Shares. The NewCo Shares held by existing Corus shareholders will represent 1% of the outstanding NewCo Shares on a non-diluted basis. The terms of the NewCo Shares will be structured to ensure compliance by NewCo and the Company with applicable Canadian ownership restrictions under the *Broadcasting Act*.

Implementation and Approvals

In addition to the steps noted above, completion of the Recapitalization Transaction will be subject to, among other things, satisfaction of the terms and conditions in the Consent & Waiver, the Support Agreement and the Shareholder Support Agreement, finalization of the Plan of Arrangement, receipt of all necessary shareholder and creditor approvals, approval of the Plan of Arrangement by the Court, and the receipt of all customary and necessary regulatory approvals, including as may be required from the Canadian Radio-television and Telecommunications Commission and the TSX. Upon receipt of requisite approvals, the Plan of Arrangement will bind all holders of the Senior Notes and Existing Shares of the Company.

Additional Information

The Support Agreement and Shareholder Support Agreement will be filed by the Company on SEDAR+. Further information about the Recapitalization Transaction will also be made available on SEDAR+ (www.sedarplus.ca) and the Company’s website (<https://www.corusent.com/proposed-transaction/>). Additional information and key dates in connection with the implementation of the Recapitalization Transaction, including with respect to

the proceedings to be commenced under the Plan of Arrangement and the Special Meetings, will be made publicly available by the Company.

Osler, Hoskin & Harcourt LLP is acting as legal advisor to the Company. Jefferies and KPMG LLP are the Company's financial advisors.

Bennett Jones LLP is acting as legal advisor to the ad hoc group of holders of Senior Notes (the "Ad Hoc Group of Noteholders"). Canaccord Genuity Corp. is acting as financial advisor to the Ad Hoc Group of Noteholders. Thornton Grout Finnigan LLP is acting as legal advisor to all lenders under the Senior Credit Facility.

Additional Information

If you have any questions about the information contained in this press release, please contact our advisor, Laurel Hill Advisory Group:

- **Toll-Free:** 1-877-452-7184 in North America (1-416-304-0211 outside North America)
- **Email:** assistance@laurelhill.com

Caution Concerning Forward-Looking Information

To the extent any statements or information made in this release, or any of the documents referenced in this release, contain information that is not historical, these statements and the information are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). This forward-looking information relates to, among other things, the Company's objectives, goals, strategies, targets, intentions, plans, estimates and outlooks and includes but is not limited to: the closing and implementation of the proposed recapitalization transaction announced herein (the "Proposed Transaction"); the adoption and anticipated impact of the Company's capital allocation and recapitalization strategies; descriptions of future required approvals or condition satisfaction for the Proposed Transaction; capital structure and liability management including current or proposed liquidity and leverage targets; Corus' ability to renegotiate existing or future debt terms, repay debt and/or maintain necessary access to credit facilities; the Company's strategic, operation or business plans; anticipated advertising revenue or subscription trends; and expectations regarding financial or operational performance, or 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, which are subject to uncertainty, risk or change and may cause actual results to differ materially from expectations, calculations, plans, or forecasts are applied with respect to the forward-looking information, including in respect of the Proposed Transaction. These include, including without limitation, factors and assumptions relating to or impacting: the execution of the Proposed Transaction; the anticipated or expected effect or impacts of the Proposed Transaction on stakeholders; the anticipated reduction of the Company's debt and related costs and interest expenses (including the amounts thereof); approval of the Proposed Transaction by: (i) applicable

regulatory authorities and stock exchanges, (ii) holders securities and debt, and (iii) relevant courts; implementation and execution of the Proposed Transaction by way of a plan of arrangement as contemplated; exchange of existing equity or debt for new equity or debt; obligations or abilities of third parties to close or complete actions as part of the Proposed Transaction; the inability to complete the Proposed Transaction in the time or manner contemplated; dilution or changes to the Company's outstanding shares in number or value; the ability of management to execute its strategies and plans, including any under or contemplated by the Proposed Transaction; the Company's financial and operating results being consistent with expectations; macroeconomic, business, geopolitical and market conditions; decisions or positions by applicable courts or regulators such as, without limitation, the Canadian Radio-television and Telecommunications Commission ("CRTC"); strategic opportunities or partnerships (or lack thereof) that may be presented to, pursued or implemented by the Company; and continuity of relationships and arrangements with, or revenue or costs attributed to, key suppliers, partners, clients and customers. Actual results may differ materially from those expressed or implied in such information and the foregoing list is not exhaustive.

Certain other material factors or assumptions may also be applied with respect to general forward-looking information. These, and additional information regarding the foregoing list, are identified or discussed in Corus' most recently disclosed Management's Discussion and Analysis or Financial Statements, as may be updated, supplemented or amended from time to time, including by quarterly financial reports or additional press releases, all and any of which will be made available on SEDAR+.

When relying on the Company's forward-looking information to make decisions with respect to Corus or the Proposed Transaction, investors and others should carefully consider all the foregoing information, including as 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.

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About Corus Entertainment Inc.

Corus Entertainment Inc. (TSX: CJR.B) is a leading media and content company that develops, delivers and distributes high quality brands and content across platforms for audiences around the world. Engaging audiences since 1999, the company's portfolio of multimedia offerings encompass 25 specialty television services, 36 radio stations, 15 conventional television stations, digital and streaming platforms, and social digital agency and media services. Corus' roster of premium brands includes Global Television, W Network, Flavour Network, Home Network, The HISTORY® Channel, Showcase, Slice, Adult Swim, National Geographic and Global News, along with streaming platforms STACKTV, TELET00N+, the Global TV App and Curiouscast. For more information visit www.corusent.com.

For media inquiries, please contact:

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For questions about the information contained in this press release, please contact:

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