Report to Shareholders

First Quarter 2026

For the Three Months Ended November 30, 2025 (Unaudited)

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FINANCIAL HIGHLIGHTS

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

(in thousands of Canadian dollars except per share amounts)

	Three months ended November 30, 2025	2024	% Change
Revenue			
Television	**245,074**	303,629	**(19%)**
Radio	**22,492**	23,542	**(4%)**
	267,566	327,171	**(18%)**
Segment profit (loss) [(1)]			
Television	**55,945**	85,964	**(35%)**
Radio	**5,344**	3,867	**38%**
Corporate	**(4,041)**	(5,608)	**28%**
	57,248	84,223	**(32%)**
Segment profit margin [(1)]			
Television	**23%**	28%	
Radio	**24%**	16%	
Consolidated	**21%**	26%	
Net income (loss) attributable to shareholders	**(11,108)**	11,908	
Adjusted net income (loss) attributable to shareholders[(1)]	**(1,789)**	28,372	
Earnings (loss) per share:			
Basic and diluted	**($0.06)**	$0.06	
Adjusted basic [(1)]	**($0.01)**	$0.14	
Free cash flow [(1)]	**(53,587)**	(10,149)	**(428%)**

[(1)] In addition to disclosing results in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Company also provides supplementary non-IFRS measures as a method of evaluating the Company's performance and to provide a better understanding of how management views the Company's performance. These non-IFRS or non-Generally Accepted Accounting Principles ("GAAP") measures can include: segment profit (loss), segment profit margin, free cash flow, adjusted net income (loss) attributable to shareholders, adjusted basic earnings (loss) per share, net debt to segment profit, and new platform revenue. These are not measurements in accordance with IFRS and should not be considered as an alternative to any other measure of performance under IFRS. Please see additional discussion and reconciliations under the Key Performance Indicators and Non-GAAP Financial Measures section below.

BUSINESS HIGHLIGHTS

Ongoing Focus on Capital Management

- **Corus announces recapitalization transaction.** On November 3, 2025, Corus announced a proposed recapitalization transaction that is expected to strengthen its financial foundation, support its business strategy, and enable the continuity of business operations. The recapitalization transaction will be implemented through a plan of arrangement under the *Canada Business Corporations Act*, subject to certain conditions as outlined in the related press release. Further details, including the press release, can be found at www.corusent.com/proposed-transaction/.
- **Corus announces receipt of Interim Order in respect of recapitalization transaction.** On December 17, 2025, the Ontario Superior Court of Justice (Commercial List) granted an interim order (the "Interim Order") in connection with the proposed recapitalization transaction described above. The Interim Order authorizes the holding of a meeting of holders of the Company's senior unsecured notes on January 30, 2026, at 10:00 a.m. (Toronto time) and of a meeting of holders of the Company's Class A Voting Shares and Class B Non-Voting Shares on January 30, 2026, at 11:00 a.m. (Toronto time). Further details, including the related press release, can be found at www.corusent.com/proposed-transaction/.
- **Corus mails and files special meeting materials in connection with recapitalization transaction.** On January 8, 2026, Corus announced that it has mailed to holders of the Company's senior unsecured notes, Class A Voting Shares and Class B Non-Voting Shares of record on December 24, 2025, and filed with securities regulators its notices of meeting, management information circular and related documents (collectively, the "Meeting Materials") in connection with the meetings described above. Further details, including the related press release and Meeting Materials, can be found at www.corusent.com/proposed-transaction/ and on SEDAR+ at www.sedarplus.ca.

Multi-Platform Video Business

- **Global announces its winter 2026 lineup.** On December 11, 2025, Global announced its slate of winter 2026 premieres anchored by Season 50 of Canada's #1 reality series *Survivor.*[1] Global's midseason lineup includes new series *CIA*, reality competition show *America's Culinary Cup* and true-crime series *Harlan Coben's Final Twist.* Returning top hits feature Global original *Family Law*, joined by new seasons of Emmy® Award-winning comedy *Abbott Elementary*, #1 new comedy *DMV* and top 20-ranked series *Matlock*, *Saturday Night Live*, *NCIS*, *Sheriff Country*[1] and more.
- **Showcase and W Network announce midseason programming slate.** On December 8, 2025, Showcase announced new titles joining the lineup including Peacock Original's *The Copenhagen Test, PONIES*, and *Devil in Disguise: John Wayne Gacy* along with Sky Original limited series *Amadeus*. W Network's schedule includes new Peacock Original series *The 'Burbs*, and new comedy *Z Suite*, alongside returning favourites *The Chicken Sisters*, *When Calls the Heart* and *Outlander*.
- **Corus' lifestyle and factual specialty networks launch 50 new and returning series.** On January 5, 2026, Canada's most-watched lifestyle brands, Flavour Network and Home Network, and #1 factual brand The HISTORY® Channel[2], announced more than 50 new and returning series across the networks' winter lineups. Flavour Network features *The Great British Baking Show: The Professionals,* Stanley Tucci's *Searching for Italy* and *Gordon Ramsay's Secret Service*. Home Network's programming includes *Love it or List it UK* and *The Block Australia*. The HISTORY® Channel sees the return of *Curse of Oak Island* and *The Unbelievable with Dan Aykroyd,* along with new series *History's Deadliest with Ving Rhames.*

Advanced Focus on Sustainability

- **Corus releases its fourth annual Sustainability Report.** Published on December 10, 2025, the 2025 Sustainability Report outlines the Company's focused approach to building a more sustainable future through Environment, Social and Governance (ESG) initiatives.
- **Corus gives back to local communities.** In the first quarter, Corus helped raise $10.2 million for over 270 community giving initiatives as well as provided over 580 volunteer hours to 73 local organizations across Canada.

(1) Numeris Personal People Meter Data. Total Canada. Fall'25 season-to-date (September 15 to November 23, 2025) – confirmed until November 26, 2025, Adults aged 25-54, Monday-Sunday 2am-2am, Average Minute Audience (000), Canadian Conventional Commercial English, all stations based on 'Total' except for CTV COM, 3+ airings, excludes MLB Playoffs.

(2) Numeris Personal People Meter Data. Total Canada. Fall'25 season-to-date (September 1 to December 23, 2025) – confirmed until December 14, 2025, Adults aged 25-54, Monday-Sunday 2am-2am, Average Minute Audience (000), Canadian Specialty Commercial English.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the three months ended November 30, 2025 is prepared as at January 13, 2026. The following should be read in conjunction with Management's Discussion and Analysis, consolidated financial statements and the notes thereto included in the Company's Annual Report for the year ended August 31, 2025 (the "2025 MD&A") and the interim condensed consolidated financial statements and notes as at and for the three months ended November 30, 2025. The financial highlights included in the discussion of the segmented results are derived from the unaudited interim condensed consolidated financial statements. All amounts are stated in Canadian dollars unless specified otherwise.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking information and should be read subject to the following cautionary language. To the extent any statements made in this document, or any of the documents referenced 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 or its subsidiaries' (together, "Corus" or the "Company") objectives, goals, strategies, targets, intentions, plans, estimates and outlooks, including, but not limited to, its: strategic, operational and business plans; anticipated revenue, cost and subscription trends; applicable regulatory, judicial and legislative changes, decisions, and regimes; expectations regarding financial and operational performance; expectations regarding costs, tariffs, taxes and fees; capital, balance sheet management and liability management plans, strategies and actions and benefits thereof; ability to repay debt and/or maintain necessary access to loan and credit facilities; and announced proposed recapitalization transaction and the approval and consummation thereof.

Forward-looking information can generally be identified by the use of words such as "estimate", "forecast", "project", "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 forward-looking information. Such factors include, without limitation, factors and assumptions relating to or impacting: the sustainability of Corus' current or proposed capital and debt structure; Corus' ability to maintain access to, renegotiate, obtain relief from, or meet covenants under relevant secured and unsecured credit facilities or instruments; Corus' ability to access sufficient capital and liquidity; macroeconomic, geopolitical, and general business and market conditions; Corus' ability to execute its strategies and plans; financial and operating results being consistent with expectations; Corus' ability to attract, retain and manage fluctuations in revenue; continuity of relationships and arrangements with or revenue or costs attributed to, suppliers, distributors, partners, clients and customers on desirable and expected terms; stability of advertising, subscription, production and distribution markets and revenue; changes to key suppliers or clients; impacts of pending or threatened litigation, regulatory or judicial decisions or interpretations, 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; changes to licensing status or conditions; impacts of competition from foreign and domestic competitors, including due to industry mergers and acquisitions or such competitors not being regulated in the same way or to the same degree; strategic opportunities or partnerships (or lack thereof) that may be presented to, pursued or implemented by the Company; changes to applicable accounting standards or tax, licensing or regulatory regimes; changes to operating and capital costs or imposed or threatened tariffs, taxes or fees; impacts of interest rates or inflation; Corus' ability to source, produce and sell desirable content; unanticipated or un-mitigatable changes to programming costs; retention and reputation risks related to employees and contractors; physical and operational changes to facilities and infrastructure; industry or Company-related labour actions; cybersecurity threats and incidents to the Company or its key suppliers and vendors; epidemics, pandemics or other public health and safety crises.

These also include, without limitation, factors and assumptions relating to, or impacting, the execution of the Company's proposed recapitalization transaction; the anticipated or expected effect or impacts of the proposed transaction on the Company and/or its stakeholders; the anticipated reduction of the Company's debt and related costs and interest expenses (including the amounts thereof); approval of the proposed transaction; implementation and execution of the proposed transaction as contemplated; exchange of existing equity and debt for new equity and debt; obligations and abilities of third parties to close or complete actions as part of the proposed transaction; the ability to complete the proposed transaction in the time and manner contemplated; and the dilution or changes to the Company's outstanding shares in number or value.

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 the Company's Management's Discussion and Analysis for the year ended August 31, 2025 (the "2025 MD&A"), which disclosure may be updated, 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 may be made or arise from time to time.

OVERVIEW OF CONSOLIDATED RESULTS

REVENUE

Consolidated revenue for the three months ended November 30, 2025, of $267.6 million decreased 18% from $327.2 million in the prior year's quarter. On a consolidated basis, advertising revenue declined 21%, subscriber revenue declined 15%, and distribution, production and other revenue declined 1%. Revenue declined by 19% in Television and by 4% in Radio compared to the same period in the prior year. Further analysis of revenue is provided in the discussion of segmented results.

DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Direct cost of sales, general and administrative expenses for the three months ended November 30, 2025 of $210.3 million decreased 13% from $242.9 million in the prior year's quarter. On a consolidated basis, direct cost of sales decreased 11% and general and administrative expenses (which includes employee costs and other general and administrative costs) decreased 16%. The decrease in direct cost of sales is due to declines in programming costs, film amortization and other cost of sales. Employee costs decreased 10%, primarily due to decreases in salary and benefits as a result of headcount reductions, and lower variable compensation and commissions. Other general and administrative expenses decreased 26%, primarily as a result of lower advertising and marketing expenses, lower tariff royalties and fees that are positively correlated with revenue, lower rental costs and satellite communication charges, and receipt of funding to offset news production costs. Further analysis of expenses is provided in the discussion of segmented results.

SEGMENT PROFIT

Consolidated segment profit for the three months ended November 30, 2025 was $57.2 million, a decrease of 32% from $84.2 million in the prior year's quarter. Segment profit margin for the first quarter of 21% decreased from 26% in the prior year. Further analysis is provided in the discussion of segmented results.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the three months ended November 30, 2025, was $15.5 million, a decrease of 31% from $22.4 million in the prior year's quarter. The decrease in the quarter was principally attributable to a decrease in amortization of trade marks of $7.3 million, offset by nominal increases in depreciation of property, plant and equipment and other intangible assets.

INTEREST EXPENSE

Interest expense for the three months ended November 30, 2025, was $30.5 million, up from $25.1 million in the prior year's quarter. The increase results primarily from higher imputed interest on long-term liabilities associated with program rights and trade marks.

The effective interest rate on the credit facility, the 5.0% Senior Unsecured Notes of $500.0 million due 2028 (the "2028 Notes") and the 6.0% Senior Unsecured Notes of $250.0 million due 2030 (the "2030 Notes", together with the 2028 Notes collectively referred to hereafter as the "Senior Notes") for the three months ended November 30, 2025 was 5.9% compared to 6.2% in the prior year's quarter. The decrease in the effective rate for the first quarter of fiscal year 2026 is due to lower interest on the credit facility, which is now fixed at a rate of 7.29% per annum.

DEBT REFINANCING

On October 24, 2024, the Company amended and restated its Credit Facility (refer to note 7 of the interim condensed consolidated financial statements for further details), which resulted in a non-cash loss on debt refinancing of $4.4 million in the prior year quarter.

RESTRUCTURING AND OTHER COSTS

For the three months ended November 30, 2025, the Company incurred $12.7 million of restructuring and other costs, compared to $16.5 million in the prior year's quarter. In both the current and prior year's quarter, costs relate primarily to restructuring costs associated with employee exits, professional fees and employee retention arrangements.

OTHER EXPENSE (INCOME), NET

Other expense for the three months ended November 30, 2025, was $7.7 million, compared to other income of $5.3 million in the prior year's quarter. The current quarter includes foreign exchange loss of $6.9 million primarily related to the translation of USD denominated liabilities and redundant rent of $1.2 million, offset by interest income of $0.3 million. The prior year's quarter included a gain on disposal of property of $9.6 million and interest income of $0.7 million, offset by a foreign exchange loss of $3.8 million primarily related to the translation of USD denominated liabilities and redundant rent of $1.3 million.

INCOME TAX EXPENSE

The effective income tax rate for the three months ended November 30, 2025, was 13.2% compared to 28.6% for the three months ended November 30, 2024. 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 INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS AND EARNINGS (LOSS) PER SHARE

Net loss attributable to shareholders for the three months ended November 30, 2025, was $11.1 million ($0.06 loss per share basic) compared to net income of $11.9 million ($0.06 per share basic) in the prior year's quarter. Net loss attributable to shareholders for the first quarter of fiscal 2026 included restructuring and other costs of $12.7 million ($0.05 per share). Adjusting for the impact of this item results in an adjusted net loss attributable to shareholders of $1.8 million ($0.01 loss per share basic) in the quarter. Net income attributable to shareholders for the first quarter of fiscal 2025 includes restructuring and other costs of $16.5 million ($0.06 per share) and a debt refinancing loss of $4.4 million ($0.02 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $28.4 million ($0.14 per share basic) in the prior year's quarter.

The weighted average number of basic shares outstanding for the three months ended November 30, 2025, was 199,440,000, which is unchanged from the same period in the prior year.

OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX

Other comprehensive income for the three months ended November 30, 2025, was $7.4 million, compared to $2.1 million in the prior year's quarter. In the current quarter, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of $7.2 million, an unrealized gain from foreign currency translation adjustments of $0.2 million and an unrealized gain from the change in the fair value of financial assets of $0.1 million. In the prior year's quarter, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of $2.6 million and an unrealized gain from foreign currency translation adjustments of $0.9 million, offset by an unrealized loss on the fair value of cash flow hedges of $0.9 million and an unrealized loss from the change in the fair value of financial assets of $0.5 million.

BUSINESS SEGMENT INFORMATION

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

TELEVISION

The Television segment is comprised of 25 specialty television networks, 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 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 of the most recent annual audited consolidated financial statements.

TELEVISION

FINANCIAL HIGHLIGHTS

	Three months ended November 30,	
(thousands of Canadian dollars)	**2025**	2024
Revenue		
Advertising	**135,339**	176,689
Subscriber	**98,763**	115,698
Distribution, production and other	**10,972**	11,242
Total revenue	**245,074**	303,629
Expenses	**189,129**	217,665
Segment profit [1]	**55,945**	85,964
Segment profit margin[1]	**23%**	28%

Revenue for the three months ended November 30, 2025 declined by 19% from the prior year's quarter as a result of decreases of 23% in advertising revenue, 15% in subscriber revenue, and 2% in distribution, production and other revenue. Advertising revenue declined as demand and spending in the media industry remained challenged by an oversupply of premium digital video inventory and macroeconomic uncertainty. The decrease in advertising revenue was driven by declines in the retail, food, government, packaged goods, and financial services categories. Subscriber revenue decreased from the prior year's quarter as a result of declines in the traditional linear business, the shutdown of two specialty television networks effective December 31, 2024 and five specialty television networks effective September 1, 2025, as well as ongoing disputes with certain distributors. The decrease in distribution, production and other revenue was attributable to the pause in production in the Company's animation studio.

Expenses for the three months ended November 30, 2025 declined 13% from the prior year's quarter as a result of declines of 11% in direct cost of sales, 9% in employee costs, and 27% in other general and administrative expenses, respectively. The decrease in direct cost of sales was driven by a $9.5 million (or 8%) decrease in amortization of program rights, a $0.6 million (or 23%) decrease in amortization of film investments and a

$5.3 million (or 53%) decrease in other cost of sales. The decrease of $4.5 million in employee costs reflects significant headcount reductions and lower variable compensation and commissions. The decrease of $8.6 million in other general and administrative expenses was the result of continued cost containment measures and receipt of funding to offset news production costs.

Segment profit[1] for the three months ended November 30, 2025 decreased 35% from the prior year's quarter. This decline was primarily a result of the decrease in advertising and subscriber revenue exceeding the decrease in expenses. Segment profit margin[1] for the quarter was 23%, down from 28% in the prior year's quarter.

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

RADIO

FINANCIAL HIGHLIGHTS

	Three months ended November 30,	
(thousands of Canadian dollars)	**2025**	2024
Revenue	**22,492**	23,542
Expenses	**17,148**	19,675
Segment profit [1]	**5,344**	3,867
Segment profit margin[1]	**24%**	16%

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

Revenue for the three months ended November 30, 2025 decreased 4% from the prior year's quarter. The decline in advertising revenue for the quarter was driven principally by the government, professional services, restaurant, general services and telecommunications categories, offset by modest growth in the pharmaceutical and home product categories.

Direct cost of sales and general and administrative expenses decreased 13% for the three months ended November 30, 2025. The decrease was a result of continued cost containment measures, with a particular focus on headcount reductions.

Radio's segment profit[1] for the three months ended November 30, 2025 increased by $1.5 million from the prior year's quarter as a result of the impact of cost containment measures exceeding revenue declines. Segment profit margin[1] for the quarter of 24% increased from 16% in the prior year's quarter.

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

CORPORATE

FINANCIAL HIGHLIGHTS

	Three months ended November 30,	
(thousands of Canadian dollars)	**2025**	2024
Share-based compensation	**(139)**	58
Other general and administrative costs	**4,180**	5,550
	4,041	5,608

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 for the three months ended November 30, 2025 was a nominal recovery, a decrease of $0.2 million from the prior year due to fluctuations in the Company's share price.

Other general and administrative costs decreased by $1.4 million from the comparable period of the prior year. The decrease is primarily due to lower salaries and benefits due to decreased headcount.

QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

SEASONAL FLUCTUATIONS

As discussed in Management's Discussion and Analysis for the year ended August 31, 2025, 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 November 30, 2025. In Management's opinion, these unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with the audited consolidated financial statements in the Company's Annual Report for the year ended August 31, 2025, except as disclosed in note 3 of the interim condensed 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]
2026								
1st quarter	**267,566**	**57,248**	**(11,108)**	**(1,789)**	**$ (0.06)**	**$ (0.06)**	**$ (0.01)**	**(53,587)**
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

[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 first quarter of fiscal 2026 was negatively impacted by restructuring and other costs of $12.7 million ($0.05 per share).
- 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).

FINANCIAL POSITION

Total assets at November 30, 2025 of $1.4 billion increased from August 31, 2025 of $1.3 billion. The following discussion describes the significant changes in the consolidated statements of financial position since August 31, 2025.

Current assets at November 30, 2025 were $318.6 million, an increase of $53.4 million from August 31, 2025.

Cash and cash equivalents decreased $14.3 million from August 31, 2025. Refer to the discussion of cash flows in the next section.

Accounts receivable increased by $59.3 million from August 31, 2025. The increase was primarily in trade accounts receivable. The accounts receivable balance is subject to seasonal trends. Typically, the balance of trade receivables is higher at the end of the first and third quarters and lower at the end of the second and fourth quarters as a result of seasonality in broadcast advertising revenue. The Company carefully monitors the aging and collection performance of its accounts receivable.

Tax credits receivable decreased $2.2 million from August 31, 2025 as a result of tax credit receipts and the application of credits towards tax liabilities.

Investments and other assets increased $10.9 million from August 31, 2025, primarily as a result of an increase in the net asset position of certain post employment benefit plans and the fair value of venture funds.

Property, plant and equipment decreased $6.9 million from August 31, 2025 as a result of depreciation expense exceeding additions.

Program rights increased $43.2 million from August 31, 2025, as acquisitions of $156.6 million were offset by amortization of $113.4 million.

Film investments decreased $7.1 million from August 31, 2025, primarily as a result of transfers to program rights of $5.1 million, film amortization of $2.1 million, and foreign exchange and other of $0.2 million, offset by spending of $0.3 million.

Intangibles increased $12.2 million from August 31, 2025, primarily as a result of the acquisition of software licenses of $11.2 million, trade mark renewal agreements of $6.7 million and increases in other intangible assets of $0.8 million, offset by amortization of $6.5 million.

Accounts payable and accrued liabilities increased $50.0 million from August 31, 2025, principally as a result of higher program rights payable, accounts payable, software license liabilities, and unremitted sales tax, offset by lower bonus and vacation pay accruals, deferred revenue, and interest payable.

Provisions, including the long-term portion, decreased by $4.0 million from August 31, 2025, principally as a result of payments exceeding restructuring-related additions.

Long-term debt, as at November 30, 2025 was $1,139.9 million compared to $1,089.7 million as at August 31, 2025. As at November 30, 2025, there are no mandatory repayments of the Term Facility over the next twelve months. During the three months ended November 30, 2025, the Company increased borrowings under the credit facility by $50.0 million and amortized $0.2 million of deferred financing charges.

Other long-term liabilities increased $10.7 million from August 31, 2025, primarily from program rights renewals, software license acquisitions, and trade mark renewals, offset by decreases in lease liabilities and deferred revenue.

Share capital remained consistent with August 31, 2025, while the contributed surplus increased as a result of share-based compensation expense.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

Overall, the Company's cash and cash equivalents position decreased by $14.3 million for the first quarter of fiscal 2026 compared to an increase of $5.2 million in the comparable period in the prior year. Free cash flow[1] for the three months ended November 30, 2025 was a cash outflow of $53.6 million, compared to a cash outflow of $10.1 million in the comparable prior year period. The decrease in free cash flow[1] in the first quarter was primarily attributable to a decrease in cash provided by operating activities of $34.0 million.

Cash used in operating activities for the quarter was $52.0 million compared to $18.0 million in the prior year's quarter. The increase in cash used in the quarter of $34.0 million arises primarily from a decrease in cash flow from operations of $33.7 million, which includes higher spend on program rights of $10.6 million and a decrease in net income from operations (adjusted for non-cash items) of $29.1 million, offset by lower spend in film investments by $6.0 million.

Cash used in investing activities for the quarter was $1.6 million compared to $7.9 million provided in the prior year. The increase in cash used in the quarter of $9.5 million is primarily attributable to a decrease in the proceeds from the sale of property by $10.1 million, offset by a decrease in spending on property, plant and equipment by $0.8 million.

Cash provided by financing activities for the quarter was $39.3 million compared to $15.3 million in the prior year's quarter. The increase in cash provided in the quarter of $24.0 million is primarily attributable to an increase in credit facility borrowings of $27.7 million and a decrease in financing fees of $1.3 million, offset by dividends paid to non-controlling interest of $0.7 million and increased spending on software licenses of $4.3 million.

[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 Measures*" section of this report

LIQUIDITY

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

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

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

As at November 30, 2025, the Company was in compliance with all loan covenants, had a cash and cash equivalents balance of $45.2 million and had approximately $35.0 million available to be drawn under the Revolving Facility. Management believes that cash flow from operations and the existing Revolving Facility will provide the Company with sufficient financial resources to fund its operations for the following 12 months, subject to the conditions outlined below with respect to going concern uncertainty.

On October 24, 2024, the Company's Credit Facility, which is comprised of the Revolving Facility and Term Loan, was amended and restated to, among other things, reduce the limit on the Revolving Facility to $150.0 million from $300.0 million, with ability for the Company to request advances up to $65.0 million, and increase the maximum total debt to cash flow ratio required under the financial covenants up to 5.75:1.0 through to and including December 31, 2024 and 7.25:1.0 from January 1, 2025 through and including March 31, 2025. There 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 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 the Revolving Facility 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, the Company's Credit Facility was amended to increase the Revolving Facility to $125.0 million.

On November 3, 2025, the Company announced a proposed recapitalization transaction (the "Recapitalization Transaction") to be implemented through a plan of arrangement (the "Plan of Arrangement") under the *Canada Business Corporations Act* ("CBCA"). In connection with the Recapitalization Transaction, the Company has entered into an amendment, consent and waiver agreement ("Amendment, Consent & Waiver") with all lenders under the Credit Facility and a support agreement (the "Support Agreement") with holders representing more than 74% of Corus' aggregate $750.0 million of Senior Notes whereby such lenders and noteholders have agreed to support the Recapitalization Transaction in accordance with the terms and conditions of the Amendment, Consent & Waiver and the Support Agreement. The Company has also entered into a voting support agreement (the "Shareholder Support Agreement") with the Shaw Family Living Trust ("SFLT"), indirectly the holder of more than 80% of the Class A Voting Shares in the Company. Pursuant to this agreement, SFLT 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. The Recapitalization Transaction involves exchanging the Company's existing Revolving Facility for a new first lien $125.0 million secured revolving credit facility, redeeming the Company's existing Term Loan at par value and issuing new first lien senior secured notes in an aggregate principal amount of $300.0 million with a 5-year maturity date, settling $250.0 million of the Senior Notes in exchange for second lien secured notes with a 6-year maturity date in an equal aggregate principal amount, exchanging $500.0 million of the Senior Notes for common shares of a newly formed corporation that will own all of the shares of the Company ("NewCo") that are expected to represent 99% of all of the issued and outstanding shares of NewCo, on a non-diluted basis and exchanging all of the Company's outstanding Class A Voting Shares and Class B Non-Voting Shares for shares of NewCo, that, in aggregate, are expected to represent 1% of all of the issued and outstanding shares of NewCo. Under the Amendment, Consent & Waiver, the Credit Facility covenant setting the maximum total debt to cash flow ratio of 9.5:1.0 has been extended to February 28, 2026 upon the condition that the Amendment, Consent & Waiver is not terminated. In the event that this condition is not met, the maximum total debt to cash flow ratio will revert to 4.25:1.0.

In respect of the Plan of Arrangement, on December 17, 2025, Corus obtained an interim order (the "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 Amendment, 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. To progress the Plan of Arrangement, the Company will require the approval of the current Class A Voting shareholders and the Class B Non-Voting shareholders, as well holders of the Company's Credit Facility and Senior Notes.

For further details on the Credit Facility and Senior Notes, refer to note 7 of the Company's interim condensed consolidated financial statements.

GOING CONCERN UNCERTAINTY

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

The Company's revenue and profitability have declined significantly over the past several years, in turn impacting cash flows from operations negatively. 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 demand; 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 and 2026, the Company continued to be impacted by geopolitical and economic uncertainty and the continued shift in advertising demand to digital platforms. At November 30, 2025, the Company has a working capital deficit of $107.3 million and incurred losses of $10.4 million for the quarter ended November 30, 2025 resulting in an accumulated deficit attributable to shareholders of $710.2 million.

As outlined in note 7 to the interim condensed consolidated financial statements, the Company has entered into the Credit Facility and issued the Senior Notes, all of which contain certain financial covenants including with respect to the maintenance of certain financial ratios. Management has taken and continues to take significant cost-cutting actions and make appropriate investments in areas or assets which support sustainable profitability, 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 February 28, 2026, as long as the Amendment, Consent & Waiver is not terminated, and 4.25:1.0 thereafter; or (ii) the Senior Unsecured Notes. In the event that the Amendment, Consent & Waiver is terminated, the maximum total debt to cash flow ratio will revert to 4.25:1.00 immediately.

To mitigate this risk, the Company has announced the proposed Recapitalization Transaction which, if completed, would reduce the Company's total debt by $500.0 million and reduce annual cash interest by up to $40.0 million.

The Company's ability to complete the Recapitalization Transaction is dependent on its ability to obtain approvals of the Plan of Arrangement which is subject to satisfaction of the terms and conditions in the Amendment, 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 courts, and the receipt of all customary and necessary regulatory approvals, including as may be required from the Canadian Radio-television and Telecommunications Commission ("CRTC") and the TSX. The outcome of these matters cannot be predicted at this time.

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

TOTAL CAPITALIZATION

As at November 30, 2025, total capitalization was $489.4 million compared to $430.6 million at August 31, 2025, an increase of $58.8 million. The increase in total capitalization arises from an increase in credit facility of $50.2 million, and decrease of cash and cash equivalents of $14.3 million, offset by a net decrease in the accumulated deficit of $3.6 million and a decrease in lease liabilities of $2.1 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 term loan facilities commencing November 30, 2022 (refer to Note 7 of the Company's interim condensed consolidated financial statements for further details). On March 20, 2025, the interest rate swap was terminated at a cost of $5.2 million.

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

OUTSTANDING SHARE DATA

(shares/units)	**As at November 30, 2025**	As at August 31, 2025
Shares Outstanding		
Class A Voting Shares	**3,364,994**	3,364,994
Class B Non-Voting Shares	**196,075,164**	196,075,164
Stock Options		
Vested	**3,329,750**	3,268,025
Non-vested	**736,400**	828,800

KEY PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

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

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

NEW PLATFORM REVENUE

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

	Three months ended		
	November 30,		%
(thousands of Canadian dollars, except percentages)	**2025**	2024	change
New platform revenue (numerator)	**33,984**	34,768	(2%)
Television advertising revenue	**135,339**	176,689	(23%)
Television subscriber revenue	**98,763**	115,698	(15%)
Total Television advertising and subscriber revenue (denominator)	**234,102**	292,387	(20%)
New platform revenue percentage	**15%**	12%	

SEGMENT PROFIT AND SEGMENT PROFIT MARGIN

Segment profit is calculated as revenue less direct cost of sales, general and administrative expenses as reported in the Company's consolidated statements of income (loss) and comprehensive income (loss). Segment profit and segment profit margin may be calculated and presented for an individual operating segment, a line of business, or for the consolidated Company. The Company believes these are important measures as they allow the Company to evaluate the operating performance of its business segments or lines of business and its ability to service and/or incur debt; therefore, it is calculated before (i) non-cash expenses such as depreciation and amortization; (ii) interest expense; and (iii) items not indicative of the Company's core operating results, and not used in management's evaluation of the business segment's performance, such as: goodwill and broadcast licence impairment; intangible and other asset impairment; debt refinancing; non-cash gains or losses; restructuring and other costs; gain (loss) on dispositions; and certain other income and expenses as included in note 11 to the interim condensed consolidated financial statements. Segment profit is also one of the measures used by the investing community to value the Company and is included in note 13 to the interim condensed consolidated financial statements. Segment profit margin is calculated by dividing segment profit by revenue. Segment profit and segment profit margin do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Segment profit and segment profit margin should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by the IASB.

(thousands of Canadian dollars, except percentages)	Three months ended November 30, 2025	2024
Revenue	**267,566**	327,171
Direct cost of sales, general and administrative expenses	**210,318**	242,948
Segment profit	**57,248**	84,223
Segment profit margin	**21%**	26%

FREE CASH FLOW

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

(thousands of Canadian dollars)	Three months ended November 30, 2025	2024
Cash provided by (used in):		
Operating activities	**(51,994)**	(18,023)
Investing activities	**(1,593)**	7,874
	(53,587)	(10,149)
Add: cash provided by business acquisitions and strategic investments [1]	**—**	—
Free cash flow	**(53,587)**	(10,149)

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

(thousands of Canadian dollars, except per share amounts)	Three months ended November 30, 2025	2024
Net income (loss) attributable to shareholders	**(11,108)**	11,908
Adjustments, net of income tax:		
Debt refinancing	**—**	3,223
Restructuring and other costs	**9,319**	13,241
Adjusted net income (loss) attributable to shareholders	**(1,789)**	28,372
Basic earnings (loss) per share	**($0.06)**	$0.06
Adjustments, net of income tax:		
Debt refinancing	**—**	$0.02
Restructuring and other costs	**$0.05**	$0.06
Adjusted basic earnings (loss) per share	**($0.01)**	$0.14

NET DEBT AND NET DEBT TO SEGMENT PROFIT

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

(thousands of Canadian dollars)	**As at November 30, 2025**	As at August 31, 2025
Total debt, net of unamortized financing fees and prepayment options	**1,139,906**	1,089,741
Lease liabilities	**104,953**	106,998
Cash and cash equivalents	**(45,220)**	(59,555)
Net debt	**1,199,639**	1,137,184
Net debt (numerator)	**1,199,639**	1,137,184
Segment profit (denominator) (1)	**162,350**	189,325
Net debt to segment profit	**7.39**	6.01

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

RISKS AND UNCERTAINTIES

Significant risks and uncertainties affecting the Company and its business are discussed under the heading "Risks and Uncertainties" and "Seasonal Fluctuations" in the 2025 MD&A, as filed at www.sedarplus.ca on October 30, 2025. These discussions are important to understanding the assumptions and factors which may affect the Company's outlook and results. As discussed further in the 2025 MD&A, the Company's operating performance is affected by general Canadian and worldwide economic conditions. Changes or volatility in domestic or international economic conditions, economic uncertainty or geopolitical conflict and tensions, including current ongoing factors that can create or exacerbate recessionary conditions, affect interest rates or otherwise impact financial market conditions (such as but not limited to, uncertainty from imposed and threatened tariffs, including trade disruptions, restrictions on cross-border supply chains, shifting policies, uncertainty, timing and the resolution thereof), may each affect discretionary consumer and business spending, and advertising and marketing demand. Any of the foregoing can cause or result in changes to demand for Corus' product and services offerings and adversely impact its revenue and profitability or ability to realize its plans or strategies. The Company continuously monitors all major risks affecting it or the industry more broadly, including regulatory, legal and judicial developments and decisions and appeals, repeals or variations of or to CRTC decisions, orders or policy.

The Company and its subsidiaries are also involved in litigation arising in the ordinary course and conduct of its business from time to time. The Company recognizes liabilities for contingencies when a loss is probable and capable of being estimated. There is always a risk that given the complex and unpredictable nature of regulatory and legal proceedings the amount of loss ultimately incurred in relation to those matters may be material and may be substantially different from the amounts accrued. A repeal of, change to or delay in implementation of a regulatory, legal or judicial decision, including one made by the CRTC or court of competent jurisdiction, can also materially, adversely impact the Company's outlook, operations and business, and financial results. The Company's revenues, profitability and operations are all also highly dependent on our ability to also successfully distribute our content (including our channels) on anticipated terms and conditions, on linear and digital platforms. There are no assurances that the Company will be successful in entering into or renewing acquisition or distribution agreements on terms and conditions consistent with past practice or as anticipated or planned. Actions currently against or in which the Company is a stakeholder or otherwise involved, including but not limited to, any dispute, arbitration or litigation proceedings, such as the appeal of CRTC decisions by certain U.S. streamers and by another major Canadian distributor, may each result in judgments, settlements, injunctions, limitations or changes to business activities or terms, or other results adverse to the Company. In turn, these 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 and operations.

The Company has also announced a proposed recapitalization transaction and there are risks, assumptions and factors that may affect: 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); the approval of the proposed transaction; the exchange of existing equity or debt for new equity or debt; the obligations or abilities of third parties to close or complete actions as part of the proposed transaction; the ability to complete the proposed transaction in the time or manner contemplated; and the dilution or changes to the Company's outstanding shares in number or value.

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

A comprehensive and more extensive discussion of risks and uncertainties that may affect the Company's business, operations and financial performance and by extension, the assumptions or actual results, related to any forward looking information or outlook, can be found in the 2025 Annual 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+. More information regarding the risks and uncertainties relating to the proposed recapitalization transaction can also be found in the information circular dated January 2, 2026 and in the press releases related to the announcement of the proposed transaction.

IMPACT OF NEW ACCOUNTING POLICIES

The IASB continues to issue new and revised IFRS. A listing of the recent accounting pronouncements promulgated by the IASB and not yet adopted by the Company is included in note 3 in the Company's November 30, 2025 unaudited interim condensed consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2026

There are no new amendments to accounting standards that are effective for the Company's interim and annual consolidated financial statements commencing September 1, 2025.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS, specifically IAS 34 - *Interim Financial Reporting*. For details of the Company's material accounting policies under IFRS, refer to note 3 of the Company's unaudited interim condensed consolidated financial statements for the three months ended November 30, 2025 and the Company's annual consolidated financial statements for the year ended August 31, 2025. For details of the Company's critical accounting estimates and assumptions under IFRS, refer to Management's Discussion and Analysis in its 2025 Annual Report.

CONTROLS AND PROCEDURES

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred in the first quarter ended November 30, 2025 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting.

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

See Basis of presentation and going concern uncertainty - Note 3

(unaudited - in thousands of Canadian dollars)	**As at November 30, 2025**	As at August 31, 2025
ASSETS		
Current		
Cash and cash equivalents	**45,220**	59,555
Accounts receivable	**246,020**	186,685
Income taxes recoverable	**5,683**	—
Prepaid expenses and other assets	**21,683**	18,945
Total current assets	**318,606**	265,185
Tax credits receivable	**14,999**	17,230
Investments and other assets	**56,983**	46,036
Property, plant and equipment, net	**224,475**	231,330
Program rights (note 4)	**647,150**	603,961
Film investments	**23,745**	30,860
Intangible assets (note 5)	**83,708**	71,519
Total assets	**1,369,666**	1,266,121
LIABILITIES AND DEFICIT		
Current		
Accounts payable and accrued liabilities	**407,836**	357,851
Current portion of provisions (note 6)	**18,094**	21,790
Income taxes payable	**—**	1,794
Total current liabilities	**425,930**	381,435
Long-term debt (note 7 and 16)	**1,139,906**	1,089,741
Other long-term liabilities	**445,818**	435,150
Provisions (note 6)	**8,368**	8,674
Deferred income tax liabilities	**21,573**	19,463
Total liabilities	**2,041,595**	1,934,463
DEFICIT		
Share capital (note 8)	**281,052**	281,052
Contributed surplus	**2,102,646**	2,102,623
Accumulated deficit	**(3,113,633)**	(3,109,685)
Accumulated other comprehensive income	**19,736**	19,453
Total deficit attributable to shareholders	**(710,199)**	(706,557)
Equity attributable to non-controlling interests	**38,270**	38,215
Total deficit	**(671,929)**	(668,342)
Total liabilities and deficit	**1,369,666**	1,266,121

See accompanying notes

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

	Three months ended	
		November 30,
(unaudited - in thousands of Canadian dollars, except per share amounts)	**2025**	2024
Revenues	**267,566**	327,171
Direct cost of sales, general and administrative expenses (note 9)	**210,318**	242,948
Depreciation and amortization	**15,535**	22,376
Interest expense (note 10)	**30,486**	25,134
Debt refinancing (note 7)	**—**	4,377
Restructuring and other costs	**12,679**	16,509
Other expense (income), net (note 11)	**7,692**	(5,282)
Income (loss) before income taxes	**(9,144)**	21,109
Income tax expense (note 12)	**1,209**	6,030
Net income (loss) for the period	**(10,353)**	15,079
Other comprehensive income, net of income taxes		
Items that may be reclassified subsequently to income (loss):		
Unrealized change in fair value of cash flow hedges (note 7)	**—**	(885)
Unrealized foreign currency translation adjustment	**158**	901
	158	16
Items that will not be reclassified to income (loss):		
Unrealized change in fair value of financial assets	**125**	(508)
Actuarial gain on post-retirement benefit plans	**7,160**	2,638
	7,285	2,130
Other comprehensive income, net of income taxes	**7,443**	2,146
Comprehensive income (loss) for the period	**(2,910)**	17,225
Net income (loss) attributable to:		
Shareholders	**(11,108)**	11,908
Non-controlling interests	**755**	3,171
	(10,353)	15,079
Comprehensive income (loss) attributable to:		
Shareholders	**(3,665)**	14,054
Non-controlling interests	**755**	3,171
	(2,910)	17,225
Earnings (loss) per share attributable to shareholders:		
Basic	**($0.06)**	$0.06
Diluted	**($0.06)**	$0.06

See accompanying notes

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT

(unaudited - in thousands of Canadian dollars)	**Share capital**	**Contributed surplus**	**Accumulated deficit**	**Accumulated other comprehensive income**	**Total deficit attributable to shareholders**	**Equity attributable to non-controlling interests**	**Total deficit**
As at August 31, 2025	281,052	2,102,623	(3,109,685)	19,453	(706,557)	38,215	(668,342)
Comprehensive income (loss)	**—**	**—**	**(11,108)**	**7,443**	**(3,665)**	**755**	**(2,910)**
Dividends declared	**—**	**—**	**—**	**—**	**—**	**(700)**	**(700)**
Actuarial gain on post-retirement benefit plans	**—**	**—**	**7,160**	**(7,160)**	**—**	**—**	**—**
Share-based compensation expense	**—**	**23**	**—**	**—**	**23**	**—**	**23**
As at November 30, 2025	**281,052**	**2,102,646**	**(3,113,633)**	**19,736**	**(710,199)**	**38,270**	**(671,929)**

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to shareholders	Equity attributable to non-controlling interests	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	—	—	11,908	2,146	14,054	3,171	17,225
Actuarial gain on post-retirement benefit plans	—	—	2,638	(2,638)	—	—	—
Share-based compensation expense	—	28	—	—	28	—	28
As at November 30, 2024	281,052	2,013,825	(2,770,183)	23,989	(451,317)	126,842	(324,475)

See accompanying notes

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended November 30, 2025	2024
OPERATING ACTIVITIES		
Net income (loss) for the period	**(10,353)**	15,079
Adjustments to reconcile net income (loss) to cash flow from operations:		
Amortization of program rights	**113,367**	122,904
Amortization of film investments	**2,079**	2,689
Depreciation and amortization	**15,535**	22,376
Deferred income tax expense (recovery)	**(407)**	169
Foreign exchange loss	**6,913**	3,791
Gain on sale of assets	**(53)**	(9,647)
Share-based compensation expense	**23**	28
Imputed interest	**14,071**	8,499
Debt refinancing	**—**	4,377
Payment of program rights	**(122,004)**	(111,408)
Net recovery (spend) on film investments	**211**	(5,780)
Other	**(2)**	(47)
Cash flow from operations	**19,380**	53,030
Net change in non-cash working capital balances related to operations	**(71,374)**	(71,053)
Cash used in operating activities	**(51,994)**	(18,023)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(1,181)**	(1,946)
Proceeds from sale of property	**92**	10,080
Net cash flows for intangibles, investments and other assets	**(504)**	(260)
Cash provided by (used in) investing activities	**(1,593)**	7,874
FINANCING ACTIVITIES		
Increase in credit facility borrowings	**50,000**	22,257
Financing fees	**—**	(1,250)
Payment of lease liabilities	**(4,670)**	(4,610)
Dividends paid to non-controlling interests	**(700)**	—
Other	**(5,378)**	(1,072)
Cash provided by financing activities	**39,252**	15,325
Net change in cash and cash equivalents during the period	**(14,335)**	5,176
Cash and cash equivalents, beginning of the period	**59,555**	82,422
Cash and cash equivalents, end of the period	**45,220**	87,598

Supplemental cash flow disclosures (note 14)

See accompanying notes

1. CORPORATE INFORMATION

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

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

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

2. STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in the preparation of these interim condensed consolidated financial statements conform with those in the Company's audited annual consolidated financial statements for the year ended August 31, 2025, except as described in note 3. These interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements and, accordingly, should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2025, which are available at www.sedarplus.ca and on the Company's website at www.corusent.com.

These interim condensed consolidated financial statements of the Company for the three months ended November 30, 2025 were authorized for issue in accordance with a resolution of the Company's Board of Directors on January 13, 2026.

3. MATERIAL ACCOUNTING POLICIES

BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTY

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

The Company's revenue and profitability have declined significantly over the past several years, in turn impacting cash flows from operations negatively. 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 demand; 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 and 2026, the Company continued to be impacted by geopolitical and economic uncertainty and the continued shift in advertising demand to digital platforms. At November 30, 2025, the Company has a working capital deficit of $107.3 million and incurred losses of $10.4 million for the quarter ended November 30, 2025 resulting in an accumulated deficit attributable to shareholders of $710.2 million.

As outlined in note 7 to the interim condensed consolidated financial statements, the Company has entered into a credit facility (the "Credit Facility") and issued senior unsecured notes (the "Senior Notes"), all of which contain certain financial covenants including with respect to the maintenance of certain financial ratios. Management has taken and continues to take significant cost-cutting actions and make appropriate investments in areas or assets which support sustainable profitability, 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 February 28, 2026, as long as the amendment, consent and waiver agreement ("Amendment, Consent & Waiver") with all lenders under the Credit Facility is not terminated, and 4.25:1.0 thereafter; or (ii) the Senior Unsecured Notes. In the event that the Amendment, Consent & Waiver is terminated, the maximum total debt to cash flow ratio will revert to 4.25:1.00 immediately.

To mitigate this risk, on November 3, 2025, the Company announced a proposed recapitalization transaction (the "Recapitalization Transaction") to be implemented through a plan of arrangement (the "Plan of Arrangement") under the *Canada Business Corporations Act* ("CBCA"). In connection with the Recapitalization Transaction, the Company has entered into the Amendment, Consent & Waiver and a support agreement (the "Support Agreement") with holders representing more than 74% of Corus' aggregate $750.0 million of Senior Notes whereby such lenders and noteholders have agreed to support the Recapitalization Transaction in accordance with the terms and conditions of the Amendment, Consent & Waiver and the Support Agreement. The proposed Recapitalization Transaction would, if completed, reduce the Company's total debt by $500.0 million and reduce annual cash interest by up to $40.0 million. The Recapitalization Transaction is discussed in further detail within Note 7 Long-Term Debt and Note 8 Share Capital.

The Company's ability to complete the Recapitalization Transaction is dependent on its ability to obtain approvals of the Plan of Arrangement which is subject to satisfaction of the terms and conditions in the Amendment, Consent & Waiver, the Support Agreement and a voting support agreement (the "Shareholder Support Agreement") with the Shaw Family Living Trust ("SFLT"), finalization of the Plan of Arrangement, receipt of all necessary shareholder and creditor approvals, approval of the Plan of Arrangement by the courts, and the receipt of all customary and necessary regulatory approvals, including as may be required from the Canadian Radio-television and Telecommunications Commission ("CRTC") and the TSX. The outcome of these matters cannot be predicted at this time.

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

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN FISCAL 2026

The Company has not adopted any new or amended accounting standards effective for its interim and annual consolidated financial statements commencing September 1, 2025.

PENDING ACCOUNTING CHANGES

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

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

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

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 January 1, 2027, with early adoption permitted. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

4. PROGRAM RIGHTS

Balance – August 31, 2025	603,961
Net additions	**156,556**
Amortization	**(113,367)**
Balance – November 30, 2025	**647,150**

5. INTANGIBLE ASSETS

	Brands and trade marks	Other [1]	Total
Balance – August 31, 2025	61,284	10,235	71,519
Additions	**6,712**	**11,956**	**18,668**
Amortization	**(4,491)**	**(1,988)**	**(6,479)**
Balance – November 30, 2025	**63,505**	**20,203**	**83,708**

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

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

6. PROVISIONS

	Restructuring	Asset retirement obligations	Other	Total
Balance – August 31, 2025	22,889	6,395	1,180	30,464
Additions	**12,679**	**—**	**—**	**12,679**
Interest	**—**	**30**	**—**	**30**
Payments	**(16,711)**	**—**	**—**	**(16,711)**
Balance – November 30, 2025	**18,857**	**6,425**	**1,180**	**26,462**
Current portion of provisions	16,751	163	1,180	18,094
Long-term portion of provisions	2,106	6,262	—	8,368
	18,857	**6,425**	**1,180**	**26,462**

For the quarter ended November 30, 2025, the Company recorded restructuring costs of $12.7 million comprised primarily of employee exits of $7.1 million and $5.6 million of professional fees and other costs.

7. LONG-TERM DEBT

	November 30, 2025	August 31, 2025
Credit facility - revolving facility	**90,000**	40,000
Credit facility - term loan	**301,098**	301,098
Senior unsecured guaranteed notes	**750,000**	750,000
Deferred financing charges and prepayment options	**(1,192)**	(1,357)
	1,139,906	1,089,741

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 the Canadian Overnight Repo Rate Average ("CORRA"). 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 "Senior Notes") issued on February 28, 2022. As at November 30, 2025, the weighted average interest rate on the outstanding loans and Notes was 6.0% (November 30, 2024 – 6.5%). The effective interest on the loans and Notes for the three months ended November 30, 2025 averaged 5.9% (November 30, 2024 – 6.2%).

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 Notes with the accretion recognized within interest expense on the interim condensed consolidated statements of income (loss) and comprehensive income (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 November 30, 2025.

In connection with the Recapitalization Transaction, the Company has entered into the Amendment, Consent & Waiver with all lenders under the Credit Facility whereby such lenders and noteholders have agreed to support the Recapitalization Transaction in accordance with the terms and conditions of the Amendment, Consent & Waiver. The Recapitalization Transaction involves, among other things, exchanging the Company's existing Revolving Facility for a new first lien $125.0 million secured revolving credit facility and redeeming the Company's existing Term Loan at par value and issuing new first lien senior secured notes in an aggregate principal amount of $300.0 million with a 5-year maturity date. Under the Amendment, Consent & Waiver, the Credit Facility covenant setting the maximum total debt to cash flow ratio of 9.5:1.0 has been extended to February 28, 2026 upon the condition that the Amendment, Consent & Waiver is not terminated. In the event that this condition is not met, the maximum total debt to cash flow ratio will revert to 4.25:1.0.

On October 29, 2025, the Company's Credit Facility was amended to increase the Revolving Facility to $125.0 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 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.

Credit Facility – Term Loan

As at November 30, 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 November 30, 2025, the Company had $90.0 million drawn under the Revolving Facility, leaving $35.0 million available to be drawn.

SENIOR UNSECURED NOTES

The Senior 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 November 30, 2025 was $4.5 million.

In connection with the Recapitalization Transaction, the Company has entered into a support agreement with holders representing more than 74% of Corus' aggregate $750.0 million of Senior Notes whereby such noteholders have agreed to support the Recapitalization Transaction in accordance with the terms and conditions of the Support Agreement. The Recapitalization Transaction involves, among other things, settling $250.0 million of the Senior Notes in exchange for second lien secured notes with a 6-year maturity date in an equal aggregate principal amount, exchanging $500.0 million of the Senior Notes for common shares of a newly formed corporation that will own all of the shares of the Company ("NewCo") that are expected to represent 99% of all of the issued and outstanding shares of NewCo, on a non-diluted basis.

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. 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.

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 interim condensed consolidated statements of financial position as investments and other assets, and within other income, net (note 11) in the interim condensed consolidated statements of income (loss) and comprehensive income (loss). On December 31, 2024, the contract expired and was not renewed.

8. SHARE CAPITAL

AUTHORIZED

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

	Class A Voting Shares		Class B Non-Voting Shares		Total
	#	$	#	$	$
Balance – August 31 and November 30, 2025	**3,364,994**	**3,320**	**196,075,164**	**277,732**	**281,052**

EARNINGS (LOSS) PER SHARE

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

	Three months ended November 30,	
	2025	2024
Net income (loss) attributable to shareholders (numerator)	**(11,108)**	11,908
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 the three months ended November 30, 2025 excluded 4,077 (November 30, 2024 – 4,713), weighted average Class B Non-Voting Shares issuable under the Company's Stock Option Plan because these options were not "in-the-money".

RECAPITALIZATION TRANSACTION

On November 3, 2025, the Company announced a proposed Recapitalization Transaction. In connection with the Recapitalization Transaction, the Company has entered into the Amendment, Consent & Waiver agreement with all lenders under the Credit Facility and the Support Agreement with holders representing more than 74% of Corus' aggregate $750.0 million of Senior Notes whereby such lenders and noteholders have agreed to support the Recapitalization Transaction in accordance with the terms and conditions of the Amendment, Consent & Waiver and the Support Agreement. The Company has also entered into the Shareholder Support Agreement with SFLT, indirectly the holder of more than 80% of the Class A Voting Shares in the Company. Pursuant to this agreement, SFLT 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. The Recapitalization Transaction involves exchanging the Company's existing Revolving Facility for a new first lien $125.0 million secured revolving credit facility, redeeming the Company's existing Term Loan at par value and issuing new first lien senior secured notes in an aggregate principal amount of $300.0 million with a 5-year maturity date, settling $250.0 million of the Senior Notes in exchange for second lien secured notes with a 6-year maturity date in an equal aggregate principal amount, exchanging $500.0 million of the Senior Notes for common shares of a newly formed corporation that will own all of the shares of NewCo that are expected to represent 99% of all of the issued and outstanding shares of NewCo, on a non-diluted basis and exchanging all of the Company's outstanding Class A Voting Shares and Class B Non-Voting Shares for shares of NewCo, that, in aggregate, are expected to represent 1% of all of the issued and outstanding shares of NewCo.

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

SHARE-BASED COMPENSATION

Share-based compensation recorded for the first quarter of fiscal 2026 in respect of Stock Options as well as the Performance Share Units, Deferred Share Units and Restricted Share Units plans was a recovery of $139 (2024 – expense of $58). As at November 30, 2025, the carrying value of the liability for these plans was $1,055 (August 31, 2025 – $1,335).

9. DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended November 30,	
	2025	2024
Direct cost of sales		
Amortization of program rights	**113,367**	122,904
Amortization of film investments	**2,079**	2,689
Other cost of sales	**5,569**	10,945
General and administrative expenses		
Employee costs	**60,156**	66,855
Other general and administrative	**29,147**	39,555
	210,318	242,948

10. INTEREST EXPENSE

	Three months ended November 30,	
	2025	2024
Interest on long-term debt (note 7)	**16,375**	16,234
Imputed interest on long-term liabilities	**14,071**	8,499
Other	**40**	401
	30,486	25,134

11. OTHER INCOME, NET

	Three months ended November 30,	
	2025	2024
Interest income	**(325)**	(713)
Foreign exchange loss (note 7)	**6,913**	3,791
Equity (gain) loss of associates	**(1)**	8
Gain on asset disposal[1]	**(53)**	(9,647)
Other expense	**1,158**	1,279
	7,692	(5,282)

[1] Relates to gain on partial land sale in Hamilton, Ontario. Prior year relates to a sale of land in Edmonton, Alberta.

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

12. INCOME TAXES

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

	Three months ended			November 30,
	2025			2024
	$	**%**	$	%
Income tax at combined federal and provincial rates	**(2,405)**	**26.3%**	5,584	26.4%
Income subject to tax at less than statutory rates	**(15)**	**0.2%**	(4)	—%
Non-taxable portion of capital gains	**(5)**	**—%**	(850)	(4.0%)
Increase in derecognized deferred income tax assets	**3,611**	**(39.5%)**	733	3.5%
Transaction costs	**—**	**—%**	503	2.4%
Miscellaneous differences	**23**	**(0.2%)**	64	0.3%
	1,209	**(13.2%)**	6,030	28.6%

13. BUSINESS SEGMENT INFORMATION

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

TELEVISION

The Television segment comprises 25 specialty television networks, 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 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, merchandise licensing, book publishing, and the provision of technology and media services.

RADIO

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

CORPORATE

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

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

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

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

REVENUE AND SEGMENT PROFIT

Three months ended November 30, 2025	**Television**	**Radio**	**Corporate**	**Consolidated**
Revenues	**245,074**	**22,492**	**—**	**267,566**
Direct cost of sales, general and administrative expenses	**189,129**	**17,148**	**4,041**	**210,318**
Segment profit (loss)	**55,945**	**5,344**	**(4,041)**	**57,248**
Depreciation and amortization				**15,535**
Interest expense				**30,486**
Restructuring and other costs				**12,679**
Other expense, net				**7,692**
Loss before income taxes				**(9,144)**

REVENUE AND SEGMENT PROFIT

Three months ended November 30, 2024	Television	Radio	Corporate	Consolidated
Revenues	303,629	23,542	—	327,171
Direct cost of sales, general and administrative expenses	217,665	19,675	5,608	242,948
Segment profit (loss)	85,964	3,867	(5,608)	84,223
Depreciation and amortization				22,376
Interest expense				25,134
Debt refinancing				4,377
Restructuring and other costs				16,509
Other income, net				(5,282)
Income before income taxes				21,109

Revenue is derived from the following areas:

	Three months ended **November 30,**	
	2025	2024
Advertising	**156,385**	198,904
Subscriber	**98,763**	115,698
Distribution, production and other	**12,418**	12,569
	267,566	327,171

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

14. INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Three months ended	
		November 30,
	2025	2024
Interest paid	**19,002**	19,077
Interest received	**325**	713
Income tax payment	**7,773**	1,385

15. COMPARATIVE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The comparative interim condensed consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2026 interim condensed consolidated financial statements.

16. SUBSEQUENT EVENT

In respect of the Plan of Arrangement, on December 17, 2025, Corus obtained an interim order (the "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.