

corus.

Report to Shareholders
Third Quarter 2026

For the Three and Nine Months Ended May 31, 2026 (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			Nine months ended		
	2026	May 31, 2025	% Change	2026	May 31, 2025	% Change
Revenue						
Television	229,477	274,522	(16%)	686,982	829,959	(17%)
Radio	19,886	23,284	(15%)	60,127	65,371	(8%)
	249,363	297,806	(16%)	747,109	895,330	(17%)
Segment profit (loss) ⁽¹⁾						
Television	29,884	62,667	(52%)	119,300	171,243	(30%)
Radio	4,078	5,072	(20%)	11,338	10,378	9%
Corporate	(4,837)	(6,132)	21%	(14,095)	(18,288)	23%
	29,125	61,607	(53%)	116,543	163,333	(29%)
Segment profit margin ⁽¹⁾						
Television	13%	23%		17%	21%	
Radio	21%	22%		19%	16%	
Consolidated	12%	21%		16%	18%	
Net loss attributable to shareholders	(36,495)	(7,336)		(53,684)	(51,308)	
Adjusted net income (loss) attributable to shareholders ⁽¹⁾	(30,117)	12,646		(39,734)	(1,709)	
Earnings (loss) per share:						
Basic and diluted	(\$0.18)	(\$0.04)		(\$0.27)	(\$0.26)	
Adjusted basic ⁽¹⁾	(\$0.15)	\$0.06		(\$0.20)	(\$0.01)	
Free cash flow ⁽¹⁾	6,243	(32,526)	119%	(46,084)	3,342	(1479%)

⁽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 provides update regarding credit facility.** On May 29, 2026, Corus announced it has entered into an Amending Agreement to amend the Waiver and Standstill Agreement previously entered into on February 28, 2026 with the lenders under the Company's Eighth Amended and Restated Credit Agreement. In light of the Company's previously announced recapitalization transaction, the Amending Agreement extends the term of the Waiver and Standstill from May 30, 2026 to June 30, 2026.

Multi-Platform Video Business

- **Global expands its 2026/27 slate of top returning shows to add new high-profile series, including new Canadian productions.** Global TV's roster will deliver 16.5 hours of primetime simulcast this fall and introduces new NCIS universe expansion *NCIS: New York*, dramas *Cupertino* and *Einstein*, comedy *Eternally Yours*, and Global Original *Private Eyes West Coast*. The fall schedule also features the return of #1 reality series *Survivor*, #1 drama *9-1-1*, and #1 new spring show *CIA* alongside more Top 20 hits than any other broadcaster.^[1]
- **Corus announces 2026/27 slate of Canadian Originals and acquisitions across its Specialty networks and STACKTV.** Corus' unscripted and reality networks will see the return of *Top Chef Canada*, *The Curse of Oak Island* and Corus Original series *Rock Solid Builds*, *Halloween Bakeshop* and *Holiday Bakeshop*, alongside new Canadian original titles *Love It or List It West*, *Top Chef Canada: The Dessert Table* and *Mountain Men: Wild North* and new series *Gordon Ramsay's Secret Service*, *The Real Housewives Ultimate Girls Trip: Roaring 20th*. Corus continues its content partnership with NBC Universal, delivering Peacock and Sky Original series including *The Five Star Weekend*, *TED: The Animated Series*, and *Dig* alongside returning hits *The Paper*, *The Day of the Jackal* and *The 'Burbs*.
- **Global extends *The Morning Show* with launch of new afternoon lifestyle program *TMS2*.** Corus announced the #1 Canadian news/lifestyle morning show^[2], *The Morning Show*, is expanding this fall with a new daily afternoon show, *TMS2*. Hosted by award-winning entertainment news personality Morgan Hoffman, the new hour-long program will air on Global and stream exclusively on STACKTV beginning September 2026. *TMS2* will also give viewers new ways to engage through shoppable and interactive features powered by Corus' commerce platform, NextScreen.
- **Corus launches new French-language streaming platform Vivéo.** On April 30, 2026, Corus strengthened its digital presence with the launch of Vivéo, a new French-language streaming platform containing more than 200 series and nearly 2,000 hours of content at release. Vivéo is available through Amazon Prime Video Add-on Subscriptions across Canada, offering subscribers a diverse catalogue of content at a competitive price of \$4.99 per month.
- **Corus expands its French-language offering with a powerful lineup for its French specialty networks.** Corus unveiled a robust programming lineup for its French-language specialty channels, strengthening its position as a premier destination for French-language entertainment in Canada. Driven by Historia, Séries Plus, Télétoon and Télétoon at Night, and further enhanced by new streaming service Vivéo, the French specialty channels will offer an expanded 2026/27 slate that combines original Quebec productions, acquisitions, and fan-favourite franchises.

Advanced Focus on Sustainability

- **Corus gives back to local communities.** In the third quarter, Corus helped raise \$9 million for over 265 community giving initiatives, as well as provided over 950 volunteer hours to 63 local organizations across Canada.

^[1] Source: Numeris Personal People Meter Data, Total Canada, Spring 2026 (1/5/2026 to 5/31/2026) – confirmed data, Adults aged 25-54, Monday-Sunday 2 a.m.-2 a.m., Average Minute Audience (000), Canadian Conventional Commercial English, all stations based on 'Total' except for CTV Com, 3+ airings, excludes NFL Playoffs and Olympics.

^[2] Source: Numeris Personal People Meter Data, Total Canada, Spring 2026 Season-to-date (1/5/2026 to 4/19/2026) – confirmed data until 4/12/2026, rank based on Adults aged 18+ Average Minute Audience (000), Canadian Conventional Commercial English, all stations based on 'Total' except for CTV Com, based on Canadian News/Lifestyle Morning Show genre, 3+ airings, Monday-Friday 6 a.m.-12 p.m.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the three and nine months ended May 31, 2026 is prepared as at June 25, 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 Annual Report") and the interim condensed consolidated financial statements and notes as at and for the three and nine months ended May 31, 2026. 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, the objectives, goals, strategies, targets, intentions, plans, estimates, and outlooks of Corus Entertainment Inc. and its subsidiaries (collectively, "Corus" or the "Company"), 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 the Company's previously-announced proposed recapitalization transaction (the "Recapitalization Transaction") and the approval and completion 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, and 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, and meet covenants under relevant secured and unsecured credit facilities and 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, and revenue and 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 and clients; impacts of pending and threatened litigation, regulatory and judicial decisions and interpretations, and appeals thereof; changes in laws and regulations and the interpretation and application thereof, including statements, decisions, and positions by applicable courts and regulators, including, without limitation, the Canadian Radio-television and Telecommunications Commission; changes to licensing status and conditions; impacts of competition from foreign and domestic competitors, including due to industry mergers and acquisitions and such competitors not being regulated in the same way or to the same degree; strategic opportunities and partnerships (or lack thereof) that may be presented to, pursued, or implemented by the Company; changes to applicable accounting standards and tax, licensing, and regulatory regimes; changes to operating and capital costs and imposed and threatened tariffs, taxes, and fees; impacts of interest rates and inflation; Corus' ability to source, produce, and sell desirable content; unanticipated and 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; and epidemics, pandemics, and other public health and safety crises.

These factors also include factors and assumptions relating to, or impacting, the execution of the Company's proposed Recapitalization Transaction, including, without limitation: approval of the Recapitalization Transaction, including by applicable regulatory authorities and stock exchanges; the ability to complete, execute, and implement the Recapitalization Transaction in the time and manner contemplated; the anticipated or expected effect or impacts of the Recapitalization Transaction on the Company and/or its stakeholders; the obligations and abilities of third parties to close or complete actions as part of the Recapitalization Transaction; the anticipated reduction of the Company's debt and related costs and interest expenses (including the amounts thereof); the exchange of existing equity and debt for new equity and debt; and the dilution or changes to the Company's outstanding shares in number or value and markets for them. Actual results may differ materially from those expressed or implied in such information and the foregoing list is not exhaustive.

Additional information about these factors and about the material assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in the Company's Management's Discussion and Analysis ("MD&A") for the year ended August 31, 2025, as may be updated, supplemented, or amended from time to time, including by quarterly MD&A, press releases, or other subsequent disclosure, any and all of which will be made available on SEDAR+ at www.sedarplus.ca. 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 or the Recapitalization Transaction, investors and others should carefully consider the foregoing information, including as incorporated by reference, and any other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document and may be updated or amended from time to time. Except as otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events, or circumstances that may be made or arise from time to time.

OVERVIEW OF CONSOLIDATED RESULTS

REVENUE

Revenue for the third quarter of fiscal 2026 of \$249.4 million decreased 16% from \$297.8 million in the prior year's quarter. On a consolidated basis, advertising revenue decreased 20% and subscriber revenue decreased 13%, while distribution, production and other revenue increased 2%, compared to the prior year's quarter. Revenue decreased by 16% in Television and by 15% in Radio.

For the nine months ended May 31, 2026, consolidated revenue of \$747.1 million decreased 17% from \$895.3 million in the prior year. On a consolidated basis, advertising revenue decreased 20% and subscriber revenue decreased 13%, while distribution, production and other revenue increased 2% compared to the prior year. Revenue decreased by 17% in Television and by 8% in Radio.

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

DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Direct cost of sales, general and administrative expenses for the third quarter of fiscal 2026 of \$220.2 million decreased 7% from \$236.2 million in the prior year's quarter. On a consolidated basis, direct cost of sales were consistent with the prior year, employee costs decreased 12% and other general and administrative expenses decreased 25%. The consistent direct cost of sales results from decreases in amortization of program rights and other cost of sales, offset by an increase in amortization of film investments. The decrease in employee costs was primarily due to reduced salaries and benefits as a result of headcount reductions and short term compensation accruals. Other general and administrative expenses decreased as a result of reduced advertising and marketing costs, reduced legal fees, lower bad debts, reduced tariff royalties that are positively correlated with revenue, and receipt of funding to offset news production costs.

For the nine months ended May 31, 2026, direct cost of sales, general and administrative expenses of \$630.6 million decreased 14% from \$732.0 million in the prior year's comparable period. On a consolidated basis, direct cost of sales decreased 12%, while employee costs decreased 10% and other general and administrative expenses decreased 27% from the prior year. The decrease in direct cost of sales was driven by decreases in amortization of program rights and other cost of sales, partially offset by an increase in amortization of film investments. The decrease in employee costs was primarily due to reduced salaries and benefits as a result

of headcount reduction and short term compensation accruals. Other general and administrative expenses decreased as a result of reduced advertising and marketing costs, reduced tariff royalties, reduced production costs, reduced legal fees, reduced transmission costs and receipt of funding to offset news production costs. Further analysis of expenses is provided in the discussion of segmented results.

SEGMENT PROFIT

Segment profit for the third quarter of fiscal year 2026 was \$29.1 million, a decrease of 53% from \$61.6 million in the prior year's quarter. The decrease in segment profit for the third quarter was principally a result of declines in Television advertising and subscriber revenue and Radio advertising revenue, partially offset by cost control measures undertaken to reduce cost of sales and general and administrative expenses. Segment profit margin for the third quarter of fiscal 2026 was 12%, a decrease from 21% in the prior year's quarter.

For the nine months ended May 31, 2026, segment profit was \$116.5 million, a decrease of 29% from \$163.3 million in the prior year. The decrease in segment profit was principally a result of Television advertising and subscriber revenue declines and Radio advertising declines, partially offset by decreased amortization of program rights and a decrease in general and administrative expenses resulting from continued cost control measures. Segment profit margin was 16% for the nine months ended May 31, 2026, a decrease from 18% 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 May 31, 2026 was \$15.1 million, a decrease of 33% from \$22.6 million in the prior year's quarter. The decrease in the quarter was a result of reductions in the amortization of brands and trade marks of \$6.4 million, right-of-use assets of \$0.7 million, capital assets of \$0.2 million and other intangible assets of \$0.2 million.

Depreciation and amortization expense for the nine months ended May 31, 2026 was \$47.5 million, a decrease of 30% from \$67.7 million in the prior year. The decrease in the period was a result of reductions in the amortization of brands and trade marks of \$20.3 million, right-of-use assets of \$1.4 million and other intangible assets of \$0.6 million, partially offset by an increase in depreciation of capital assets of \$2.1 million.

INTEREST EXPENSE

Interest expense for the three months ended May 31, 2026 was \$31.7 million, a decrease of 14% from \$36.8 million in the prior year's quarter. The decrease in interest expense in the quarter resulted from a decrease of \$1.9 million in imputed interest on long-term liabilities and a decrease of \$3.9 million in interest on long term debt, offset by an increase of \$0.6 million in other interest. The decrease in interest on long-term debt is primarily the result of a loss on the extinguishment of the interest rate swap of \$5.2 million in the prior year.

Interest expense for the nine months ended May 31, 2026 was \$92.3 million, a decrease of 1% from \$92.9 million in the prior year. The decrease was a result of a decrease in interest on long-term debt of \$3.5 million and a decrease in other interest of \$0.1 million, offset by an increase in imputed interest on long-term liabilities associated with program rights, trade marks and right-of-use assets of \$3.1 million. Interest on long-term debt decreased primarily as a result of a loss on the interest rate swap of \$4.9 million in the prior year.

The effective interest rate on the Credit Facility and the Senior Unsecured Notes due 2030 (the "2030 Notes") together with the Senior Unsecured Notes due 2028 (the "2028 Notes", collectively referred to hereafter as the "Notes") for the three and nine months ended May 31, 2026 was 6.0% and 6.0%, respectively, compared to 6.0% and 6.2%, respectively, in the comparable periods of the prior year. The decrease in the effective rate was 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-to-date.

On March 21, 2025, the Company's Credit Facility was assigned, following which it was amended and restated (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 \$3.0 million in the prior quarter and year-to-date.

RESTRUCTURING AND OTHER COSTS

For the three months ended May 31, 2026, the Company incurred costs of \$8.7 million compared to \$25.3 million in the prior year's quarter. The current quarter includes costs associated with employee exits and professional fees, while the prior year included costs associated with employee exits and professional fees, and a one time contract termination payment.

For the nine months ended May 31, 2026, the Company incurred costs of \$19.0 million, compared to \$54.4 million in the comparable period of the prior year. The current year-to-date includes costs associated with employee exits and professional fees of \$33.7 million, offset by a gain on a lease amendment of \$14.7 million, while the prior year-to-date includes costs associated with employee exits and professional fees, and a one time contract termination payment.

OTHER EXPENSE (INCOME), NET

Other expense for the three months ended May 31, 2026 was \$5.5 million, compared to income of \$28.0 million in the prior year's quarter. The current quarter included foreign exchange loss of \$4.0 million related to the translation of USD denominated liabilities primarily related to programming acquisitions, redundant rent of \$1.3 million and \$1.0 million related to a withholding tax audit of prior periods, offset by interest income of \$0.6 million. The prior year's quarter included foreign exchange gains of \$22.6 million related to the translation of USD denominated liabilities, interest income of \$0.6 million, a reversal of a prior period asset impairment of \$1.2 million and the write-off of historical unclaimed liabilities of \$4.2 million, offset by redundant rent of \$1.4 million.

Other expense for the nine months ended May 31, 2026 was \$3.7 million, compared to income of \$24.3 million in the prior year. In the current year-to-date period, other expenses included foreign exchange loss of \$1.4 million related to the translation of USD denominated liabilities primarily related to programming acquisitions, \$3.7 million of redundant rent and \$1.0 million related to a withholding tax audit of prior periods, offset by interest income of \$2.1 million. The comparable period in the prior year included foreign exchange gains of \$13.8 million related to the translation of USD denominated liabilities, a \$9.7 million gain on a property disposal, interest income of \$2.0 million, a reversal of a previously recognized \$1.2 million asset impairment and the write-off of historical unclaimed liabilities of \$4.2 million, offset by redundant rent of \$3.8 million and impairment of intangible assets of \$4.1 million.

INCOME TAX EXPENSE (RECOVERY)

The Company's effective income tax rate for the three months ended May 31, 2026 was 12.2% compared to a rate of 387.5% in the prior year's quarter. The difference between the statutory rate of 26.3% and the effective tax rate mainly resulted from increases in derecognized deferred income tax assets.

The Company's effective income tax rate for the nine months ended May 31, 2026 was 11.2%, compared to a rate of 31.9% for the nine months ended May 31, 2025. The difference between the year-to-date statutory rate of 26.3% and the effective income tax rate resulted from increases in derecognized deferred income tax assets.

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

Net loss attributable to shareholders for the third quarter of fiscal 2026 was \$36.5 million (\$0.18 loss per share basic), compared to \$7.3 million (\$0.04 loss per share basic) in the prior year's quarter. Net loss attributable to shareholders for the third quarter of fiscal 2026 includes restructuring and other costs of \$8.7 million (\$0.03 per share). Adjusting for the impact of this item results in an adjusted net loss attributable to shareholders of \$30.1 million (\$0.15 loss per share basic) in the quarter. Net loss attributable to shareholders for the third quarter of fiscal 2025 included restructuring and other costs of \$25.3 million (\$0.09 per share) and debt refinancing costs of \$3.0 million (\$0.01 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$12.6 million (\$0.06 per share basic) in the prior year's quarter.

Net loss attributable to shareholders for the nine months ended May 31, 2026 was \$53.7 million (\$0.27 loss per share basic), compared to \$51.3 million (\$0.26 loss per share basic) in the prior year. Net loss attributable

to shareholders for the nine months ended May 31, 2026 includes restructuring and other costs of \$19.0 million, consisting of restructuring costs of \$33.7 million (\$0.12 per share), offset by a non-cash gain on a lease amendment of \$14.7 million (\$0.05 per share). Adjusting for the impact of these items results in an adjusted net loss attributable to shareholders of \$39.7 million (\$0.20 loss per share basic). Net loss attributable to shareholders for the nine months ended May 31, 2025 includes a debt refinancing loss of \$7.3 million (\$0.03 per share), restructuring and other costs of \$54.4 million (\$0.20 per share) and write-off of intangible assets of \$4.1 million (\$0.02 per share). Adjusting for the impact of these items results in an adjusted net loss attributable to shareholders of \$1.7 million (\$0.01 loss per share basic) for the same comparable period of the prior year.

The weighted average number of basic shares outstanding for the three and nine months ended May 31, 2026 was 199,440,000, consistent with the comparable periods in the prior year.

OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES

Other comprehensive loss for the three months ended May 31, 2026 was \$1.7 million, compared to other comprehensive loss of \$4.8 million in the prior year's quarter. For the three months ended May 31, 2026, other comprehensive loss includes an actuarial loss on the remeasurement of post-employment benefit plans of \$0.3 million and an unrealized loss on the fair value of financial assets of \$1.5 million, offset by an unrealized gain on foreign currency translation adjustments of \$0.1 million. In the prior year's quarter, other comprehensive loss includes an actuarial loss on the remeasurement of post-employment benefit plans of \$5.5 million, an unrealized loss on the change in the fair value of financial assets of \$1.9 million, and an unrealized loss on foreign currency translation adjustments of \$1.2 million, offset by an unrealized gain in the fair value of cash flow hedges of \$3.8 million.

Other comprehensive income for the nine months ended May 31, 2026 was \$2.6 million, compared to other comprehensive loss of \$11.2 million in the prior year. For the nine months ended May 31, 2026, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of \$4.5 million, offset by an unrealized loss on the fair value of financial assets of \$1.9 million. For the nine months ended May 31, 2025, other comprehensive loss includes an unrealized loss on the fair value of financial assets of \$6.2 million and an actuarial loss on the remeasurement of post-employment benefit plans of \$6.9 million, offset by an unrealized gain on foreign currency translation adjustments of \$0.3 million and an unrealized gain on the fair value of cash flow hedges of \$1.6 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

(thousands of Canadian dollars)	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Revenue				
Advertising	120,294	150,933	357,963	457,161
Subscriber	96,461	111,092	294,073	338,670
Distribution, production and other	12,722	12,497	34,946	34,128
Total revenue	229,477	274,522	686,982	829,959
Expenses	199,593	211,855	567,682	658,716
Segment profit ⁽¹⁾	29,884	62,667	119,300	171,243
Segment profit margin ⁽¹⁾	13%	23%	17%	21%

Revenue for the three months ended May 31, 2026 decreased in Television by 16% from the prior year's quarter as a result of decreases of 20% in advertising revenue and 13% in subscriber revenue, partially offset by an increase of 2% in distribution, production and other revenue. Advertising revenue declined as demand and spending in linear advertising remained challenged by increased competition from premium digital video inventory. The decrease in advertising revenue was driven by declines in retail, government, food, direct to consumer, financial services and packaged goods. Subscriber revenue decreased from the prior year primarily due to declines in the traditional linear business as well as the shutdown of five specialty television networks. The increase in distribution, production and other revenue was attributable to an increase in distribution sales.

Revenue for the nine months ended May 31, 2026 decreased in Television by 17% from the prior year's comparable period as a result of decreases of 22% in advertising revenue and 13% in subscriber revenue, partially offset by an increase of 2% in distribution, production and other revenue. On a year-to-date basis, the decrease in advertising revenue was driven by declines in the retail, government, food, packaged goods and financial services categories. Subscriber revenue decreased compared to the prior year-to-date as a result of declines in the traditional linear business as well as the shutdown of five specialty television networks. The increase in distribution, production and other revenue was attributable to an increase in distribution sales.

Expenses for the three months ended May 31, 2026 decreased 6% from the prior year's quarter due to decreases of 12% in employee costs and 24% in other general and administrative expenses, while direct costs of sales remained consistent with the prior year, as decreases in amortization of program rights of \$4.2 million (or 3%), and other cost of sales of \$0.7 million (or 15%), were offset by an increase in the amortization of film investments of \$5.5 million, which included a recovery due to a change in estimate of the recoverability of tax credits in the prior year. The decrease of \$6.4 million in employee costs reflects significant headcount reductions. The decrease of \$6.5 million in other general and administrative expenses was the result of continued cost containment measures, a decrease in advertising and marketing costs which were higher in the prior year to support the launch of two new lifestyle brands and receipt of funding to offset news production costs.

Expenses for the nine months ended May 31, 2026 decreased 14% from the prior year's comparable period as a result of a decrease of 12% in direct cost of sales, 10% in employee costs and 29% in other general and administrative expenses. The decrease in direct cost of sales was due to a \$41.7 million (or 11%) decrease in amortization of program rights and a decrease of \$12.8 million (or 50%) in other cost of sales, partially offset by an increase of \$4.4 million (or 184%) in amortization of film investments, which was impacted in the prior year by a change in estimate of the recoverability of tax credits. The decrease of \$15.3 million in employee costs reflects significant headcount reductions. The decrease of \$25.7 million in other general and administrative expenses was primarily the result of continued cost containment measures, a decrease in advertising and marketing costs which were higher in the prior year to support the launch of two new lifestyle brands, and receipt of funding to offset news production costs.

Segment profit⁽¹⁾ for the three and nine months ended May 31, 2026 decreased 52% and 30%, respectively. The decrease for the quarter was a result of the decrease in advertising and subscriber revenue exceeding the decrease in general and administrative expenses. The decrease for the year-to-date was a result of the decrease in revenue exceeding the decrease in expenses. Segment profit margin⁽¹⁾ for the quarter was 13%, down from 23% in the prior year and for the nine months ended May 31, 2026, was 17%, down from 21% in the prior year.

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

RADIO

FINANCIAL HIGHLIGHTS

(thousands of Canadian dollars)	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Revenue	19,886	23,284	60,127	65,371
Expenses	15,808	18,212	48,789	54,993
Segment profit ⁽¹⁾	4,078	5,072	11,338	10,378
Segment profit margin ⁽¹⁾	21%	22%	19%	16%

Revenue for the three and nine months ended May 31, 2026 decreased 15% and 8% from the prior year's comparable periods, respectively. The decline in revenue for the quarter was driven principally by the professional services, home products, general services and government categories.

Direct cost of sales and general and administrative expenses decreased 13% and 11% for the three and nine months ended May 31, 2026, respectively. The decreases were a result of continued cost containment measures, with a particular focus on headcount reductions.

Radio's segment profit⁽¹⁾ for the three months ended May 31, 2026 decreased by \$1.0 million from the prior year's quarter as a result of revenue declines exceeding the impact of cost containment measures. Segment profit margin⁽¹⁾ for the quarter of 21% decreased from 22% in the prior year's quarter. Radio's segment profit for the nine months ended May 31, 2026 increased by \$1.0 million (or 9%) from the prior year's comparable period, as a result of cost containment measures exceeding revenue declines. Segment profit margin for the nine months of 19% increased from 16% in the prior year's comparable period.

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

CORPORATE

FINANCIAL HIGHLIGHTS

(thousands of Canadian dollars)	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Share-based compensation	(32)	124	(161)	130
Other general and administrative costs	4,869	6,008	14,256	18,158
	4,837	6,132	14,095	18,288

Share-based compensation includes 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 in both the three and nine months ended May 31, 2026 was relatively flat to the comparable periods of the prior year, as a result of minimal fluctuations in share price.

Other general and administrative costs decreased by \$1.1 million for the quarter and \$3.9 million for the nine months ended May 31, 2026, respectively. The changes are principally attributable to reduced salaries and benefits due to decreased headcount and reduced legal and consulting fees.

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. 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 May 31, 2026. 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)

	Revenue	Segment profit ⁽¹⁾	Net income (loss) attributable to shareholders	Adjusted net income (loss) attributable to shareholders ⁽¹⁾	Earnings (loss) per share				
					Basic	Diluted	Adjusted basic ⁽¹⁾	Free cash flow ⁽¹⁾	
2026									
3rd quarter	249,363	29,125	(36,495)	(30,117)	\$ (0.18)	\$ (0.18)	\$ (0.15)	6,243	
2nd quarter	230,180	30,170	(6,081)	(7,828)	\$ (0.03)	\$ (0.03)	\$ (0.04)	1,260	
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	

⁽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 third quarter of fiscal 2026 was negatively impacted by restructuring and other costs of \$8.7 million (\$0.03 per share).
- Net loss attributable to shareholders for the second quarter of fiscal 2026 was positively impacted by a recovery of restructuring costs of \$2.4 million (\$0.01 per share).
- 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).

FINANCIAL POSITION

Total assets at May 31, 2026 of \$1,228.2 million remained relatively consistent from August 31, 2025 of \$1,266.1 million. The following discussion describes the significant changes in the consolidated statements of financial position since August 31, 2025.

Current assets at May 31, 2026 were \$300.8 million, an increase of \$35.6 million from August 31, 2025.

Cash and cash equivalents decreased \$2.7 million from August 31, 2025. Refer to the discussion of cash flows in the next section.

Accounts receivable increased by \$36.4 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 \$15.4 million from August 31, 2025 as a result of tax credit receipts.

Investments and other assets increased \$3.9 million from August 31, 2025, primarily as a result of an increase in the net asset position of certain post employment benefit plans, partially offset by a decline in the fair value of venture funds.

Property, plant and equipment decreased \$37.5 million from August 31, 2025 as a result of depreciation expense and a lease amendment, partially offset by additions.

Program rights decreased \$9.0 million from August 31, 2025, as acquisitions of \$339.6 million were offset by amortization of \$348.6 million.

Film investments decreased \$15.2 million from August 31, 2025, primarily as a result of transfers to program rights of \$8.5 million, amortization of \$6.8 million, and foreign exchange and other of \$0.7 million, offset by spending of \$0.6 million and accrual for tax credits of \$0.2 million.

Intangibles decreased \$0.2 million from August 31, 2025, primarily as a result of the acquisition of software licenses of \$11.1 million, trade mark renewal agreements of \$6.7 million and increases in other intangible assets of \$1.8 million, offset by amortization of \$19.8 million.

Accounts payable and accrued liabilities increased \$19.9 million from August 31, 2025, principally as a result of higher program rights payable, accounts payable, software license liabilities, and short-term portion of lease liabilities, offset by lower bonus and vacation pay accruals, trade marks payables, interest payable, and other working capital accruals.

Provisions, including the long-term portion, decreased by \$8.2 million from August 31, 2025, principally as a result of payments exceeding restructuring-related additions.

Long-term debt as at May 31, 2026 was \$1,160.2 million compared to \$1,089.7 million as at August 31, 2025. As at May 31, 2026, the Term Facility and Revolving Facility have been classified as current due to the short term nature of the Waiver received from the lender. During the nine months ended May 31, 2026, the Company increased borrowings under the credit facility by \$70.0 million and amortized \$0.5 million of deferred financing charges.

Other long-term liabilities decreased \$66.8 million from August 31, 2025, primarily from a decrease in lease liabilities due to a lease amendment, program rights payables, and trade mark liabilities, offset by software license acquisitions and increase in the net asset position of certain post employment benefit plans.

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 increased by \$20.7 million for the third quarter of fiscal 2026 and decreased \$2.7 million for the nine months ended May 31, 2026. Free cash flow⁽¹⁾ for the three and nine months ended May 31, 2026 was a cash inflow of \$6.2 million and outflow of \$46.1 million, respectively, compared to a cash outflow of \$32.5 million and inflow of \$3.3 million, respectively, in the comparable prior year periods. The increase in free cash flow⁽¹⁾ in the third quarter was due to an increase in cash provided by operating activities of \$39.1 million, partially offset by an increase in cash used in investing activities of \$0.3 million. The decrease in free cash flow⁽¹⁾ for the nine months ended May 31, 2026 was attributable to an increase of \$40.1 million in cash used in operating activities and an increase of \$9.4 million in cash used in investing activities.

Cash provided by operating activities for the quarter was \$10.1 million compared to \$29.0 million used in the prior year's quarter. The increase in cash provided in the quarter of \$39.1 million arises primarily from an increase in cash flows from working capital of \$26.2 million and an increase in cash flow from operations of \$12.9 million. The change in cash flow from operations is the result of lower spend on program rights of \$21.2 million and net recovery of film investments of \$3.5 million compared to a spend of \$1.7 million in the prior year's comparable period. These increases are offset by lower net income from operations (adjusted for non-cash items) of \$13.5 million. The increase in cash used in operating activities for the year-to-date of \$40.1 million arises from a decrease in cash flows from working capital of \$54.1 million, offset by an increase in cash flows from operations of \$14.0 million. The increase in cash flows from operations is a result of lower spend on program rights of \$45.1 million and a net recovery on film investments of \$16.5 million in the current year compared to spend of \$12.1 million in the prior year, offset by lower net income from operations (adjusted for non-cash items) of \$59.8 million.

Cash used in investing activities for the quarter was \$3.8 million compared to \$3.5 million in the prior year. The increase in cash used in the quarter of \$0.3 million is primarily attributable to an increase in spend on property, plant and equipment by \$0.8 million, offset by lower spend on intangible, investments and other assets by \$0.4 million. Cash used in investing activities for the nine months ended May 31, 2026 was \$7.3 million compared to \$2.1 million provided in the prior year. The increase in cash used year-to-date of \$9.4 million is primarily attributable to a decrease in proceeds from the sale of property of \$10.0 million, offset by a decrease in spend on intangibles, investments, and other assets by \$0.3 million and decrease in spend on property, plant and equipment of \$0.3 million.

Cash provided in financing activities for the quarter was \$14.4 million compared to \$22.7 million in the prior year's quarter. The decrease in cash provided in the quarter of \$8.3 million is primarily attributable to a decrease in credit facility borrowings of \$10.0 million, offset by a decrease in payments on software licenses by \$1.0 million, and a decrease in dividends paid to non-controlling interests of \$0.7 million. Cash provided by financing activities for the nine months ended May 31, 2026 was \$43.3 million compared to \$3.9 million used in the prior year's comparable period. The increase in cash provided year-to-date of \$47.2 million was primarily attributable to an increase in credit facility borrowings of \$51.6 million and financing fees of \$1.3 million in the prior year, offset by a return of capital to non-controlling interests of \$4.5 million in the current year and increased spending on software licenses by \$1.2 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 May 31, 2026, the Company had a cash and cash equivalents balance of \$56.8 million and had approximately \$15.0 million available to be drawn under the Revolving Facility. The Company received a waiver with respect to the total debt to cash flow covenant and related covenants under the Credit Agreement, which covers the period up to and including June 30, 2026. Repayment of the Company's Credit Facility is due upon its maturity on March 20, 2027. The Company will need additional financing to meet this obligation and continue to fund operations. Management has negotiated the proposed recapitalization transaction, which is detailed below, to address this requirement, however completion of this transaction is dependent on the receipt of customary and necessary regulatory approvals including approval from the Canadian Radio-television and Telecommunications Commission ("CRTC") and the Toronto Stock Exchange ("TSX").

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, effectively reduce the availability on the Revolving Facility to \$65.0 million and revise certain financial covenants and certain reporting requirements. 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 was extended to February 28, 2026 upon the condition that the Amendment, Consent & Waiver is not terminated.

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 enables 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.

On February 28, 2026, the Company signed a waiver and standstill agreement (the "Waiver") with the lenders under the Credit Facility which provides waivers of certain financial covenants, including the net debt to segment profit ratio and interest coverage ratios through to and including May 30, 2026. On May 29, 2026, the waiver was extended up to and including June 30, 2026.

On March 24, 2026, Corus obtained an order from the Court to proceed with the Recapitalization Transaction pursuant to the Plan of Arrangement under the CBCA. To finalize the Plan of Arrangement, the Company will require the receipt of customary and necessary regulatory approvals including from the CRTC and the TSX.

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 and economic and geopolitical uncertainty, 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, including with respect to Canadian program spending requirements, and funding and distribution of the Independent Local News Fund.

As at May 31, 2026, the Company has a working capital deficit of \$504.2 million and incurred net losses of \$35.7 million and \$51.0 million for the three and nine months ended May 31, 2026, respectively, resulting in an accumulated deficit attributable to shareholders of \$757.6 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. The Company owes \$411.1 million in relation to the Credit Facility, which is due upon maturity on March 20, 2027. Management has taken and continues to take significant cost-cutting actions and make appropriate investments in areas or assets which support sustainable profitability. Corus has obtained the Waiver from the lenders which provides a waiver of certain financial covenants, including the net debt to segment profit ratio and the interest coverage ratios until June 30, 2026. 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 Corus will be in default under (i) the terms of the credit facility and, as a result of cross default provisions, (ii) its senior unsecured notes. There is also material risk that the Company will be unable to repay or refinance the Credit Facility upon its maturity on March 20, 2027.

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.

On March 24, 2026, Corus obtained an order from the Court to proceed with the Recapitalization Transaction pursuant to the Plan of Arrangement under the CBCA, however completion of the Recapitalization Transaction is dependent on the Company's ability to obtain receipt of all customary and necessary regulatory approvals, including as may be required from the CRTC and the TSX. The outcome of this matter 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 May 31, 2026, total capitalization was \$411.7 million compared to \$430.6 million at August 31, 2025, a decrease of \$18.9 million. The decrease in total capitalization arises from a decrease in the accumulated deficit of \$51.0 million and a decrease in lease liabilities of \$41.1 million, offset by an increase in credit facility of \$70.5 million and an increase of cash and cash equivalents of \$2.7 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 May 31, 2026	As at August 31, 2025
Shares Outstanding		
Class A Voting Shares	3,356,882	3,364,994
Class B Non-Voting Shares	196,083,276	196,075,164
Stock Options		
Vested	3,057,475	3,268,025
Non-vested	335,275	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.

(thousands of Canadian dollars, except percentages)	Three months ended			Nine months ended		
	2026	May 31, 2025	% change	2026	May 31, 2025	% change
New platform revenue (numerator)	31,876	32,394	(2%)	97,936	97,618	0%
Television advertising revenue	120,294	150,933	(20%)	357,963	457,161	(22%)
Television subscriber revenue	96,461	111,092	(13%)	294,073	338,670	(13%)
Total Television advertising and subscriber revenue (denominator)	216,755	262,025	(17%)	652,036	795,831	(18%)
New platform revenue percentage	15%	12%		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 loss and comprehensive loss. Segment profit and segment profit margin may be calculated and presented for an individual operating segment, a line of business, or for the consolidated Company. The Company believes these are important measures as they allow the Company to evaluate the operating performance of its business segments or lines of business and its ability to service and/or incur debt; therefore, it is calculated before (i) non-cash expenses such as depreciation and amortization; (ii) interest expense; and (iii) items not indicative of the Company's core operating results, and not used in management's evaluation of the business segment's performance, such as: goodwill and broadcast licence impairment; intangible and other asset impairment; debt refinancing; non-cash gains or losses; restructuring and other costs; gain (loss) on dispositions; and certain other income and expenses as included in note 12 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 14 to the interim condensed consolidated financial statements. Segment profit margin is calculated by dividing segment profit by revenue. Segment profit and segment profit margin do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Segment profit and segment profit margin should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by the IASB.

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
(thousands of Canadian dollars, except percentages)				
Revenue	249,363	297,806	747,109	895,330
Direct cost of sales, general and administrative expenses	220,238	236,199	630,566	731,997
Segment profit	29,125	61,607	116,543	163,333
Segment profit margin	12%	21%	16%	18%

FREE CASH FLOW

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

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
(thousands of Canadian dollars)				
Cash provided by (used in):				
Operating activities	10,083	(28,977)	(38,786)	1,282
Investing activities	(3,840)	(3,549)	(7,298)	2,060
Free cash flow	6,243	(32,526)	(46,084)	3,342

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

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

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
(thousands of Canadian dollars, except per share amounts)				
Net loss attributable to shareholders	(36,495)	(7,336)	(53,684)	(51,308)
Adjustments, net of income tax:				
Debt refinancing	—	2,177	—	5,400
Restructuring and other costs	6,378	17,805	13,950	41,208
Write-off of intangible assets	—	—	—	2,991
Adjusted net income (loss) attributable to shareholders	(30,117)	12,646	(39,734)	(1,709)
Basic loss per share	(\$0.18)	(\$0.04)	(\$0.27)	(\$0.26)
Adjustments, net of income tax:				
Debt refinancing	—	\$0.01	—	\$0.03
Restructuring and other costs	\$0.03	\$0.09	\$0.07	\$0.20
Write-off of intangible assets	—	—	—	\$0.02
Adjusted basic earnings (loss) per share	(\$0.15)	\$0.06	(\$0.20)	(\$0.01)

NET DEBT AND NET DEBT TO SEGMENT PROFIT

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

	As at May 31, 2026	As at August 31, 2025
(thousands of Canadian dollars)		
Total debt, net of unamortized financing fees and prepayment options	1,160,237	1,089,741
Lease liabilities	65,856	106,998
Cash and cash equivalents	(56,808)	(59,555)
Net debt	1,169,285	1,137,184
Net debt (numerator)	1,169,285	1,137,184
Segment profit (denominator) ⁽¹⁾	142,535	189,325
Net debt to segment profit	8.20	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 Annual Report, as filed at www.sedarplus.ca on December 10, 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 Annual Report, 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, trade disruptions, restrictions on cross-border and international supply chains, shifting policies, and the 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 and ability to realize its plans and strategies. The Company regularly monitors all major risks affecting it and the industry more broadly, including regulatory, legal, and judicial developments and decisions and appeals, repeals, and variations of and to CRTC decisions, orders, and policy.

The Company and its subsidiaries are also involved in litigation arising in the ordinary course and in the 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 its ability to successfully distribute its content (including its 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 the Company, 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 and 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 also previously announced the Recapitalization Transaction and there are risks, assumptions, and factors that may affect the execution of the proposed Recapitalization Transaction, including, without limitation: approval of the Recapitalization Transaction, including by applicable regulatory authorities and stock exchanges; the ability to complete, execute, and implement the Recapitalization Transaction in the time and manner contemplated; the anticipated or expected effect or impacts of the Recapitalization Transaction on the Company and/or its stakeholders; the obligations and abilities of third parties to close or complete actions as part of the Recapitalization Transaction; the anticipated reduction of the Company’s debt and related costs and interest expenses (including the amounts thereof); the exchange of existing equity or debt for new equity or debt; and the dilution or changes to the Company’s outstanding shares in number or value and markets for them.

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 Report, as may be updated, supplemented, or amended from time to time, including in the Company’s quarterly MD&A, press releases, or any other subsequent disclosure, any and all of which will be made available on SEDAR+ at www.sedarplus.ca. 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.

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 May 31, 2026 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 May 31, 2026 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 third quarter ended May 31, 2026 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 May 31, 2026	As at August 31, 2025
ASSETS		
Current		
Cash and cash equivalents	56,808	59,555
Accounts receivable	223,129	186,685
Prepaid expenses and other assets	20,873	18,945
Total current assets	300,810	265,185
Tax credits receivable	1,772	17,230
Investments and other assets	49,936	46,036
Property, plant and equipment, net	193,775	231,330
Program rights, net (note 4)	594,940	603,961
Film investments	15,680	30,860
Intangible assets, net (note 5)	71,331	71,519
Total assets	1,228,244	1,266,121
LIABILITIES AND DEFICIT		
Current		
Accounts payable and accrued liabilities	377,742	357,851
Current portion of long-term debt (note 7)	411,098	—
Current portion of provisions (note 6)	13,469	21,790
Income taxes payable	2,714	1,794
Total current liabilities	805,023	381,435
Long-term debt (note 7)	749,139	1,089,741
Other long-term liabilities	368,318	435,150
Provisions (note 6)	8,804	8,674
Deferred income tax liabilities	19,971	19,463
Total liabilities	1,951,255	1,934,463
DEFICIT		
Share capital (note 8)	281,052	281,052
Contributed surplus	2,102,652	2,102,623
Accumulated deficit	(3,158,840)	(3,109,685)
Accumulated other comprehensive income	17,533	19,453
Total deficit attributable to shareholders	(757,603)	(706,557)
Equity attributable to non-controlling interests	34,592	38,215
Total deficit	(723,011)	(668,342)
Total liabilities and deficit	1,228,244	1,266,121

See accompanying notes

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

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
<small>(unaudited - in thousands of Canadian dollars, except per share amounts)</small>				
Revenues	249,363	297,806	747,109	895,330
Direct cost of sales, general and administrative expenses (note 9)	220,238	236,199	630,566	731,997
Depreciation and amortization	15,085	22,602	47,481	67,747
Interest expense (note 10)	31,676	36,762	92,310	92,880
Debt refinancing (note 7)	—	2,956	—	7,333
Restructuring and other costs (note 11)	8,676	25,282	18,978	54,397
Other expense (income), net (note 12)	5,533	(28,029)	3,653	(24,319)
Income (loss) before income taxes	(31,845)	2,034	(45,879)	(34,705)
Income tax expense (note 13)	3,876	7,881	5,128	11,084
Net loss for the period	(35,721)	(5,847)	(51,007)	(45,789)
Other comprehensive income (loss), net of income taxes				
Items that may be reclassified subsequently to income (loss):				
Unrealized change in fair value of cash flow hedges (note 7)	—	3,750	—	1,588
Unrealized foreign currency translation adjustment	56	(1,221)	20	337
	56	2,529	20	1,925
Items that will not be reclassified to income (loss):				
Unrealized change in fair value of financial assets	(1,478)	(1,856)	(1,940)	(6,192)
Actuarial gain (loss) on post-retirement benefit plans	(279)	(5,497)	4,529	(6,925)
	(1,757)	(7,353)	2,589	(13,117)
Other comprehensive income (loss), net of income taxes	(1,701)	(4,824)	2,609	(11,192)
Comprehensive loss for the period	(37,422)	(10,671)	(48,398)	(56,981)
Net loss attributable to:				
Shareholders	(36,495)	(7,336)	(53,684)	(51,308)
Non-controlling interests	774	1,489	2,677	5,519
	(35,721)	(5,847)	(51,007)	(45,789)
Comprehensive loss attributable to:				
Shareholders	(38,196)	(12,160)	(51,075)	(62,500)
Non-controlling interests	774	1,489	2,677	5,519
	(37,422)	(10,671)	(48,398)	(56,981)
Loss per share attributable to shareholders:				
Basic	(\$0.18)	(\$0.04)	(\$0.27)	(\$0.26)
Diluted	(\$0.18)	(\$0.04)	(\$0.27)	(\$0.26)

See accompanying notes

CORUS ENTERTAINMENT INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT

	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to shareholders	Equity attributable to non-controlling interests	Total deficit
<small>(unaudited - in thousands of Canadian dollars)</small>							
As at August 31, 2025	281,052	2,102,623	(3,109,685)	19,453	(706,557)	38,215	(668,342)
Comprehensive income (loss)	—	—	(53,684)	2,609	(51,075)	2,677	(48,398)
Dividends declared	—	—	—	—	—	(1,800)	(1,800)
Actuarial gain on post-retirement benefit plans	—	—	4,529	(4,529)	—	—	—
Share-based compensation expense	—	29	—	—	29	—	29
Return of capital to non-controlling interest	—	—	—	—	—	(4,500)	(4,500)
As at May 31, 2026	281,052	2,102,652	(3,158,840)	17,533	(757,603)	34,592	(723,011)

	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total deficit attributable to shareholders	Equity attributable to non-controlling interests	Total deficit
<small>(unaudited - in thousands of Canadian dollars)</small>							
As at August 31, 2024	281,052	2,013,797	(2,784,729)	24,481	(465,399)	123,671	(341,728)
Comprehensive income (loss)	—	—	(51,308)	(11,192)	(62,500)	5,519	(56,981)
Dividends declared	—	—	—	—	—	(2,050)	(2,050)
Purchase of minority interest	—	88,731	—	—	88,731	(88,731)	—
Actuarial loss on post-retirement benefit plans	—	—	(6,925)	6,925	—	—	—
Share-based compensation expense	—	91	—	—	91	—	91
As at May 31, 2025	281,052	2,102,619	(2,842,962)	20,214	(439,077)	38,409	(400,668)

See accompanying notes

CORUS ENTERTAINMENT INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
	May 31,		May 31,	
(unaudited - in thousands of Canadian dollars)	2026	2025	2026	2025
OPERATING ACTIVITIES				
Net loss for the period	(35,721)	(5,847)	(51,007)	(45,789)
Amortization of program rights	126,912	131,072	348,605	390,361
Amortization (recovery) of film investments	3,329	(2,184)	6,818	2,397
Depreciation and amortization	15,085	22,602	47,481	67,747
Deferred income tax recovery	(330)	(1,005)	(923)	(2,600)
Non-cash gain on lease amendment	—	—	(14,286)	—
Write-off of intangible assets	—	—	—	4,070
Foreign exchange loss (gain)	4,043	(22,612)	1,356	(13,784)
Loss (gain) on sale of assets	(19)	2	(47)	(9,657)
Share-based compensation expense	2	17	29	91
Imputed interest	13,284	15,135	40,584	37,509
Debt refinancing	—	2,956	—	7,333
Payment of program rights	(132,452)	(153,689)	(363,275)	(408,413)
Net recovery (spend) on film investments	3,525	(1,686)	16,522	(12,136)
Other	(8)	(1)	(13)	705
Cash flow from operations	(2,350)	(15,240)	31,844	17,834
Net change in non-cash working capital balances related to operations	12,433	(13,737)	(70,630)	(16,552)
Cash provided by (used in) operating activities	10,083	(28,977)	(38,786)	1,282
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(3,633)	(2,872)	(6,557)	(6,884)
Proceeds from sale of property	46	3	138	10,098
Cash flows for intangibles, investments and other assets	(253)	(680)	(879)	(1,154)
Cash provided by (used in) investing activities	(3,840)	(3,549)	(7,298)	2,060
FINANCING ACTIVITIES				
Increase in credit facility borrowings	20,000	30,000	70,000	18,435
Financing fees	—	(94)	—	(1,344)
Return of capital to non-controlling interest	—	—	(4,500)	—
Payment of lease liabilities	(4,819)	(4,773)	(14,232)	(14,017)
Dividends paid to non-controlling interests	(400)	(1,050)	(1,800)	(2,050)
Other	(339)	(1,382)	(6,131)	(4,926)
Cash provided by (used in) financing activities	14,442	22,701	43,337	(3,902)
Net change in cash and cash equivalents during the period	20,685	(9,825)	(2,747)	(560)
Cash and cash equivalents, beginning of the period	36,123	91,687	59,555	82,422
Cash and cash equivalents, end of the period	56,808	81,862	56,808	81,862

Supplemental cash flow disclosures (note 15)

See accompanying notes

CORUS ENTERTAINMENT INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
May 31, 2026

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

1. CORPORATE INFORMATION

Corus Entertainment Inc. (the "Company" or "Corus") is a diversified Canadian media and content company. The Company is incorporated under the *Canada Business Corporations Act* ("CBCA") 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 and nine months ended May 31, 2026 were authorized for issue in accordance with a resolution of the Company's Board of Directors on June 25, 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 and economic and geopolitical uncertainty, 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 including with respect to Canadian program spending requirements, and funding and distribution of the Independent Local News Fund.

As at May 31, 2026, the Company has a working capital deficit of \$504.2 million and incurred losses of \$35.7 million and \$51.0 million for the three and nine months ended May 31, 2026, respectively, resulting in an accumulated deficit attributable to shareholders of \$757.6 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. The Company owes \$411.1 million in relation to the Credit Facility, which is due upon maturity on March 20, 2027. Management has taken and continues to take significant cost-cutting actions and make appropriate investments in areas or assets which support sustainable profitability. Corus has signed a

CORUS ENTERTAINMENT INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
May 31, 2026

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

waiver and standstill agreement (the "Waiver") with the lenders under the Credit Facility which provides waivers of certain financial covenants, including the net debt to segment profit ratio and interest coverage ratios through to and including June 30, 2026. 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 Corus will be in default under (i) the terms of the Credit Facility and, as a result of cross default provisions, (ii) its senior unsecured notes. There is also material risk that the Company will be unable to repay or refinance the Credit Facility upon its maturity on March 20, 2027.

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 CBCA. In connection with the Recapitalization Transaction, the Company has entered into the Amendment, Consent & Waiver agreement ("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 notes 7 and 8.

On March 24, 2026, Corus obtained an order from the Ontario Superior Court of Justice (Commercial List) (the "Court") to proceed with the Recapitalization Transaction pursuant to the Plan of Arrangement under the CBCA, however, completion of the Recapitalization Transaction is dependent on the Company's ability to obtain 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 this matter 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 ("IFRS 7")

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

CORUS ENTERTAINMENT INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
May 31, 2026

(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 IFRS 18, *Presentation and Disclosure in Financial Statements* (“IFRS 18”) replacing IAS 1 - *Presentation of Financial Statements*. 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	339,584
Amortization	(348,605)
Balance – May 31, 2026	594,940

5. INTANGIBLE ASSETS

	Brands and trade marks	Other ⁽¹⁾	Total
Balance – August 31, 2025	61,284	10,235	71,519
Additions	7,348	12,230	19,578
Amortization	(13,898)	(5,868)	(19,766)
Balance – May 31, 2026	54,734	16,597	71,331

⁽¹⁾ Other intangible assets are principally comprised of computer software licenses.

CORUS ENTERTAINMENT INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
May 31, 2026

(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	18,747	—	—	18,747
Interest	—	89	—	89
Payments	(26,949)	(23)	(55)	(27,027)
Balance – May 31, 2026	14,687	6,461	1,125	22,273
Current portion of provisions	12,204	140	1,125	13,469
Long-term portion of provisions	2,483	6,321	—	8,804
	14,687	6,461	1,125	22,273

For the nine months ended May 31, 2026, the Company recorded restructuring provisions of \$18.7 million, comprised primarily of employee exits.

7. LONG-TERM DEBT

	May 31, 2026	August 31, 2025
Credit facility - revolving facility	110,000	40,000
Credit facility - term loan	301,098	301,098
Senior unsecured guaranteed notes	750,000	750,000
Deferred financing charges and prepayment options	(861)	(1,357)
	1,160,237	1,089,741
Less: current portion of long-term debt ⁽¹⁾	(411,098)	-
	749,139	1,089,741

⁽¹⁾ Current portion relates to Credit Facility which has been classified as current due to short-term covenant relief.

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 May 31, 2026, the weighted average interest rate on the outstanding loans and Notes was 6.0% (May 31, 2025 – 5.9%). The effective interest on the loans and Notes for both the three and nine months ended May 31, 2026 averaged 6.0% (May 31, 2025 – 6.0% and 6.2%, respectively).

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 loss and comprehensive loss.

CREDIT FACILITY

The Company has a Credit Facility, which includes a term loan (the "Term Loan") and a revolving facility (the "Revolving Facility"). Under the Credit Facility, the lenders hold, as collateral, a first ranking charge on all assets and undertakings of Corus and certain of Corus' subsidiaries as designated under the Credit Facility, as amended from time to time. The Credit Facility sets out financial covenants regarding a minimum interest coverage ratio and a maximum debt to cash flow ratio. However, the Company obtained the Waiver from the lenders which waives the Company's obligation to comply with these covenants through to and including

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June 30, 2026. The Credit Facility has been classified as current because it is due within one year.

In connection with the Recapitalization Transaction, the Company 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 was extended to February 28, 2026, returning to 4.25:1.0 thereafter.

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 May 31, 2026, 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.

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As at May 31, 2026, the Company had \$110.0 million drawn under the Revolving Facility, leaving \$15.0 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 Senior Notes is paid semi-annually. There have been no changes to the terms of the Senior 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 May 31, 2026 was \$3.9 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 expense (income), net (note 12) in the interim condensed consolidated statements of loss and comprehensive loss. On December 31, 2024, the contract expired and was not renewed.

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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		Class B		Total
	Voting Shares		Non-Voting Shares		
	#	\$	#	\$	\$
Balance – August 31, 2025	3,364,994	3,320	196,075,164	277,732	281,052
Conversion of Class A Voting Shares to Class B Non-Voting Shares	(8,112)	(8)	8,112	8	—
Balance – May 31, 2026	3,356,882	3,312	196,083,276	277,740	281,052

LOSS PER SHARE

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

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Net loss attributable to shareholders (numerator)	(36,495)	(7,336)	(53,684)	(51,308)
Weighted average number of shares outstanding (denominator)				
Weighted average number of shares outstanding – basic	199,440	199,440	199,440	199,440
Effect of dilutive securities	—	—	—	—
Weighted average number of shares outstanding – diluted	199,440	199,440	199,440	199,440

The calculation of diluted loss per share for the three and nine months ended May 31, 2026 excluded 3,745 and 3,958, respectively, (May 31, 2025 – 4,417 and 4,566, respectively), 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 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 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 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

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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.

SHARE-BASED COMPENSATION

Share-based compensation recorded for the three and nine months ended May 31, 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 \$32 and \$161, respectively (2025 – expense of \$124 and \$130, respectively). As at May 31, 2026, the carrying value of the liability for these plans was \$147 (August 31, 2025 – \$542).

9. DIRECT COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	May 31,		May 31,	
	2026	2025	2026	2025
Direct cost of sales				
Amortization of program rights	126,912	131,072	348,605	390,361
Amortization (recovery) of film investments	3,329	(2,184)	6,818	2,397
Other cost of sales	4,955	5,653	15,384	28,228
General and administrative expenses				
Employee costs	59,438	67,724	179,132	199,984
Other general and administrative	25,604	33,934	80,627	111,027
	220,238	236,199	630,566	731,997

10. INTEREST EXPENSE

	Three months ended		Nine months ended	
	May 31,		May 31,	
	2026	2025	2026	2025
Interest on long-term debt (note 7)	17,649	21,514	50,938	54,449
Imputed interest on long-term liabilities	13,284	15,136	40,584	37,510
Other	743	112	788	921
	31,676	36,762	92,310	92,880

11. RESTRUCTURING AND OTHER COSTS

In the three months ended May 31, 2026, the Company recorded restructuring and other costs of \$8.7 million consisting of severance of \$3.0 million and professional and other fees of \$5.7 million.

In the nine months ended May 31, 2026, the Company recorded restructuring and other costs of \$19.0 million, consisting of severance of \$15.3 million and professional and other fees of \$18.4 million, offset by a non-cash gain on lease amendment of \$14.7 million.

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12. OTHER EXPENSE (INCOME), NET

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Interest income	(562)	(606)	(2,079)	(2,006)
Foreign exchange loss (gain) (note 7)	4,043	(22,612)	1,356	(13,784)
Equity loss (gain) of associates	(9)	(1)	(13)	6
Asset impairment reversal	(251)	(1,200)	(251)	(1,200)
Loss (gain) on asset disposal ⁽¹⁾	(19)	2	(47)	(9,657)
Write-off of intangible assets	—	—	—	4,070
Other expense	2,331	(3,612)	4,687	(1,748)
	5,533	(28,029)	3,653	(24,319)

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

13. INCOME TAXES

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

	2026		Nine months ended May 31, 2025	
	\$	%	\$	%
Income tax at combined federal and provincial rates	(12,067)	26.3%	(9,127)	26.3%
Income subject to tax at less than statutory rates	(118)	0.3%	(9)	—%
Non-taxable portion of capital gains	(5)	—%	(1,262)	3.6%
Increase in derecognized deferred income tax assets	18,255	(39.8%)	19,082	(55.0%)
Transaction costs	—	—%	1,207	(3.5%)
Miscellaneous differences	(937)	2.0%	1,193	(3.3%)
	5,128	(11.2%)	11,084	(31.9%)

14. 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.

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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.

REVENUE AND SEGMENT PROFIT

Three months ended May 31, 2026	Television	Radio	Corporate	Consolidated
Revenues	229,477	19,886	—	249,363
Direct cost of sales, general and administrative expenses	199,593	15,808	4,837	220,238
Segment profit (loss)	29,884	4,078	(4,837)	29,125
Depreciation and amortization				15,085
Interest expense				31,676
Restructuring and other costs				8,676
Other expense, net				5,533
Loss before income taxes				(31,845)

Three months ended May 31, 2025	Television	Radio	Corporate	Consolidated
Revenues	274,522	23,284	—	297,806
Direct cost of sales, general and administrative expenses	211,855	18,212	6,132	236,199
Segment profit (loss)	62,667	5,072	(6,132)	61,607
Depreciation and amortization				22,602
Interest expense				36,762
Debt refinancing				2,956
Restructuring and other costs				25,282
Other income, net				(28,029)
Income before income taxes				2,034

Nine months ended May 31, 2026	Television	Radio	Corporate	Consolidated
Revenues	686,982	60,127	—	747,109
Direct cost of sales, general and administrative expenses	567,682	48,789	14,095	630,566
Segment profit (loss)	119,300	11,338	(14,095)	116,543
Depreciation and amortization				47,481
Interest expense				92,310
Restructuring and other costs				18,978
Other expense, net				3,653
Loss before income taxes				(45,879)

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Nine months ended May 31, 2025	Television	Radio	Corporate	Consolidated
Revenues	829,959	65,371	—	895,330
Direct cost of sales, general and administrative expenses	658,716	54,993	18,288	731,997
Segment profit (loss)	171,243	10,378	(18,288)	163,333
Depreciation and amortization				67,747
Interest expense				92,880
Debt refinancing				7,333
Restructuring and other costs				54,397
Other income, net				(24,319)
Loss before income taxes				(34,705)

Revenue is derived from the following areas:

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Advertising	138,747	172,785	414,006	518,571
Subscriber	96,461	111,092	294,073	338,670
Distribution, production and other	14,155	13,929	39,030	38,089
	249,363	297,806	747,109	895,330

15. INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Three months ended		Nine months ended	
	2026	May 31, 2025	2026	May 31, 2025
Interest paid	20,752	24,222	54,287	58,509
Interest received	562	606	2,079	2,006
Income tax paid (recovery)	(2,372)	(218)	7,310	(17,340)

16. COMPARATIVE INTERIM CONDENSED 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.