MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the financial position and results of operations for the three months and year ended August 31, 2022 is prepared as at October 20, 2022. 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, 2021 and the interim condensed consolidated financial statements and notes of the current quarter. The financial highlights included in the discussion of the segmented results are derived from the unaudited interim condensed consolidated financial statements. All amounts are stated in Canadian dollars unless specified otherwise.

Corus Entertainment Inc. ("Corus" or the "Company") reports its financial results under International Financial Reporting Standards ("IFRS") in Canadian dollars. Per share amounts are calculated using the weighted average number of shares outstanding for the applicable period.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

To the extent any statements made in this report contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). This forward-looking information relates to, among other things, the Company's objectives, goals, strategies, targets, intentions, plans, estimates and outlook, including the adoption and anticipated impact of the Company's strategic plan, advertising and expectations of advertising trends for fiscal 2023, subscriber revenue and anticipated subscription trends, distribution, production and other revenue, the Company's dividend policy and the payment of future dividends; the Company's leverage target; the Company's proposed share purchases, including the number of Class B non-voting shares to be repurchased under its normal course issuer bid, if any, and timing thereof; the Company's ability to manage retention and reputation risks related to its on-air talent; expectations regarding financial performance, including capital allocation strategy and capital structure management, operating costs and tariffs, taxes and fees, and can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" or the negatives of these terms and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances may be considered forward-looking information.

Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such information involves assumptions, risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including without limitation: factors and assumptions regarding the general market conditions and general outlook for the industry including: the impact of recessionary conditions and continuing supply chain constraints; the potential impact of new competition and industry mergers and acquisitions; changes to applicable tax, licensing and regulatory regimes; inflation and interest rates, stability of the advertising, subscription, production and distribution markets; changes to key suppliers or clients; operating and capital costs and tariffs, taxes and fees, the Company's ability to source, produce or sell desirable content and the Company's capital and operating results being consistent with its expectations. Actual results may differ materially from those expressed or implied in such information.

Important factors that could cause actual results to differ materially from these expectations include, among other things: the Company's ability to attract, retain and manage fluctuations in advertising revenue; the Company's ability to maintain relationships with key suppliers and clients and on anticipated financial terms and conditions; audience acceptance of the Company's television programs and cable networks; the Company's ability to manage retention and reputation risks related to its on-air talent; the Company's ability to recoup production costs; the availability of tax credits; the availability of expected news, production and related credits, programs and funding; the existence of co-production treaties; the Company's ability to compete in any of the industries in which it does business including with competitors which may not be regulated in the same way or to the same degree; the business and strategic opportunities (or lack thereof) that may be presented to and pursued by the Company; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations including statements, decisions or positions by applicable regulators including, without limitation, the Canadian Radio-television and Telecommunications Commission ("CRTC"), Canadian Heritage and Innovation, Science and Economic Development Canada ("ISED"); changes to licensing status or conditions; unanticipated or un-mitigatable programming costs; the Company's ability to integrate and realize anticipated benefits from its acquisitions and to effectively manage its growth; the Company's ability to successfully defend itself against litigation matters and complaints; failure to meet covenants under the Company's senior credit facility, senior unsecured notes or other instruments or facilities; epidemics, pandemics or other public health and safety crises in Canada and globally, including COVID-19; physical and operational changes to the Company's key facilities and infrastructure; cybersecurity threats or incidents to the Company or its key suppliers and vendors; and changes in accounting standards.

Additional information about these factors and about the material assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in the Company's Management's Discussion and Analysis for the year ended August 31, 2021 (the "2021 MD&A") and under the heading "Risk Factors" in the Company's Annual Information Form for the year ended August 31, 2021 (the "AIF"). Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on the Company's forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document and may be updated or amended from time to time. Except as otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events or circumstances that arise after the date thereof or otherwise. For a discussion on the Company's results of operations for fiscal 2021, we refer you to the Company's Annual Report for the year ended August 31, 2021, filed on SEDAR on December 9, 2021. Additional information relating to the Company, including the AIF, is available on SEDAR at www.sedar.com.

OVERVIEW OF CONSOLIDATED RESULTS

REVENUE

Revenue for the fourth quarter of fiscal 2022 of $339.6 million decreased 6% from $361.3 million in the prior year's quarter. On a consolidated basis, advertising revenue decreased 12%, subscriber revenue was up 2% and distribution, production and other revenue was up 4% compared to the prior year's quarter. Revenue decreased 6% in Television and was consistent with the prior year's quarter in Radio.

For the year ended August 31, 2022, consolidated revenue of $1,598.6 million increased 4% from $1,543.5 million in the prior year. On a consolidated basis, advertising revenue increased 3%, subscriber revenue was up 4% and distribution, production and other revenue increased 8% from the prior year. Revenue increased 3% in Television and 9% 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 fourth quarter of fiscal 2022 of $283.4 million increased 10% from $258.6 million in the prior year's quarter. On a consolidated basis, direct cost of sales increased 16%, employee costs decreased 2% and other general and administrative expenses increased 14%. The increase in direct cost of sales results from increases in amortization of program rights, amortization of film assets, production service work, and costs associated with certain sales initiatives. The decrease in employee costs was primarily due to lower short-term compensation accruals, lower share-based compensation expense, offset by the impact of the Canada Emergency Wage Subsidy ("CEWS") benefits of $1.0 million in the fourth quarter of the prior year and labour costs. Other general and administrative expenses were higher as a result of increases in advertising and marketing costs, principally for STACKTV and certain program premieres on specialty networks, increased professional fees, as well as travel and entertainment costs, software and system license fees, partially offset by reduced common area rent costs.

For the year ended August 31, 2022, direct cost of sales, general and administrative expenses of $1,154.9 million increased 13% from $1,018.9 million in the prior year. On a consolidated basis, direct cost of sales increased 16%, employee costs increased 6%, while other general and administrative costs increased 20% from the prior year. The increase in direct cost of sales was driven principally by the increases in amortization of program rights, amortization of film assets, production service work, and costs associated with certain sales initiatives. The increase in employee costs was primarily attributable to the CEWS benefits of approximately $13.5 million in the prior year, higher labour costs and increased commission costs, partially offset by lower short-term compensation accruals and share-based compensation expense in the current year. Other general and administrative expenses increased as a result of the return of Part I and Part II CRTC fees that added $9.6 million compared to the prior year. In addition, increased spend on advertising and marketing costs, travel and entertainment costs, higher trade mark fees and tariff royalties that are positively correlated with revenue, as well as increased professional fees, software and system fees, and repairs and maintenance costs, partially offset by reduced common area rent costs. Further analysis of expenses is provided in the discussion of segmented results.

SEGMENT PROFIT

Segment profit for the fourth quarter of fiscal 2022 was $56.2 million, a decrease of 45% from $102.7 million in the prior year's quarter. The decrease in segment profit for the fourth quarter was principally a result of Television advertising revenue declines combined with an increase in program rights amortization. Segment profit margin for the fourth quarter of fiscal 2022 of 17% was down from 28% in the prior year's quarter.

For the year ended August 31, 2022, segment profit was $443.6 million, a decrease of 15% from $524.6 million in the prior year. The decrease in segment profit for the year was principally a result of an increase in amortization of program rights and film investments in the current year, as well as CEWS benefits and relief on CRTC fees received in the prior year. Segment profit margin of 28% for the year ended August 31, 2022 was down from 34% 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 August 31, 2022 was $39.9 million, an increase from $37.9 million in the prior year's quarter. The increase was a result of an increase in the amortization of brands of $2.5 million, offset by decreases in amortization of intangible assets and capital assets of $0.5 million.

Depreciation and amortization expense for the year ended August 31, 2022 was $156.9 million, an increase from $152.3 million in the prior year. The increase was a result of higher amortization of brands of $7.7 million, offset by lower amortization of capital assets of $1.6 million and other intangible assets of $1.5 million.

INTEREST EXPENSE

Interest expense for the three months ended August 31, 2022 of $27.3 million increased from $26.7 million in the prior year's quarter. The increase in interest expense in the quarter principally results from higher imputed interest of $1.7 million on long-term liabilities associated with program rights, trade marks and right-of-use assets and the reversal of $1.5 million in the prior comparable period of hedge ineffectiveness on interest rate swaps settled August 31, 2021, offset by lower interest on long-term debt of $2.6 million. Interest on long-term debt is lower due to lower bank debt levels, partially offset by interest on the 5.0% Senior Unsecured Notes of $500.0 million due 2028 issued in fiscal 2021 (the "2028 Notes") and the 6.0% Senior Unsecured Notes of $250.0 million due 2030 (the "2030 Notes", together with the 2028 Notes collectively referred to hereafter as the "Notes") issued on February 28, 2022.

On March 18, 2022, the Company's credit facility with a syndicate of banks was amended and restated. The principal amendments were to extend the maturity on both the senior secured term credit facility (the "Term Facility") and the senior secured revolving credit facility (the "Revolving Facility", together with the Term Facility collectively referred to hereafter as the "Credit Facility") to March 18, 2027 and to eliminate quarterly mandatory repayments and mandatory repayments of the net proceeds from the issue of other debt on the Term Facility. Further information about debt refinancing can be found in the *Liquidity and Capital Resources* section of this report, under the subheading *Liquidity*.

Interest expense for the year ended August 31, 2022 of $107.1 million increased from $104.1 million in the prior year. The increase principally results from higher imputed interest of $3.9 million on long-term liabilities associated with program rights, trade marks and right-of-use assets as well as a $2.9 million deferred gain amortization in the prior year, offset by lower interest on long-term debt of $4.5 million in the current year. Interest on long-term debt is lower due to lower bank debt levels, partially offset by interest on the Notes. The Company used the net proceeds of the Notes to repay bank debt in the amount of $245.6 million from the 2030 Notes issuance in fiscal 2022 and $490.7 million from the 2028 Notes issuance in fiscal 2021.

The effective interest rate on bank loans and Notes for the three months and year ended August 31, 2022 was 4.9% and 4.5%, respectively, compared to 4.8% and 4.2% in the comparable periods of the prior year. The increase in the effective rates for the quarter and year results from higher interest rates on the Notes and higher floating interest rates, offset by lower overall rates on the bank loans resulting from a smaller portion thereof subject to fixed rate interest rate swaps.

BROADCAST LICENCES AND GOODWILL IMPAIRMENT

Broadcast licences and goodwill are tested for impairment annually as at August 31 or more frequently if events or changes in circumstances indicate that they may be impaired. The macroeconomic environment became increasingly uncertain in the fourth quarter of fiscal 2022, characterized by persistently high inflation and continuing supply chain constraints, and as a result advertising demand and spending across the North American television media industry contracted meaningfully. In addition, there was a significant decline in the

Company's share price from August 31, 2021, which resulted in the Company's carrying value being greater than its current market enterprise value. As the Television operating segment had actual results that fell short of previous estimates and an outlook that is less robust, a non-cash goodwill impairment charge of $350.0 million was recorded in the Television operating segment (refer to note 6 of the interim condensed consolidated financial statements).

The Company has completed its annual impairment testing of the Radio broadcast licences and goodwill for fiscal 2022 and determined that there were no impairment charges or recoveries required for the operating segment as at August 31, 2022.

DEBT REFINANCING

On March 18, 2022, 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 gain on debt modification of $4.2 million, offset by a write-off of unamortized debt financing fees of $0.8 million.

On May 31, 2021, the Company amended its Credit Facility. This transaction resulted in a non-cash write off of unamortized debt financing fees of $3.5 million, offset by a gain on debt modification of $1.6 million.

RESTRUCTURING AND OTHER COSTS

For the three months and year ended August 31, 2022, the Company incurred $1.8 million and $8.1 million, respectively, of restructuring and other costs, compared to $2.4 million and $11.3 million in the comparable periods of the prior year. The current and prior year fiscal year costs relate to ongoing system integration costs, as well as restructuring costs associated with employee exits.

OTHER EXPENSE (INCOME), NET

Other expense for the three month period ended August 31, 2022 was $9.3 million, compared to $3.4 million in the prior year's quarter. The current quarter includes a net foreign exchange loss of $6.6 million primarily related to the translation of USD denominated liabilities, a fair value loss on the Notes prepayment options of $3.6 million, offset by other income of $0.9 million consisting of rental income, miscellaneous interest income and net gains from the sale of assets associated with the decommissioning of certain transmitter sites. The prior year's quarter included a net foreign exchange loss of $4.2 million and other income of $0.8 million.

Other expense for the year ended August 31, 2022 was $16.8 million compared to other income of $8.2 million in the prior year. In the current year, other expense includes net foreign exchange losses of $9.8 million, a fair value loss on the Notes prepayment options of $7.3 million, and a trademark intangible write-off of $2.2 million, as a result of the rebranding of DIY channel to Magnolia Network, offset by $2.4 million from rental income, miscellaneous interest income and gains from asset sales, as discussed above. In the prior year, other income included net foreign exchange gains of $5.1 million and income of $3.1 million from rental income, gains related to net insurance proceeds received, the sale of property and miscellaneous interest income.

INCOME TAX EXPENSE (RECOVERY)

For the three months ended August 31, 2022, the Company has an effective income tax recovery rate of 1.6% compared to an effective income tax expense rate of 26.4% in the prior year's quarter. The Company's effective income tax recovery rate for the year ended August 31, 2022 is 21.0% compared to an effective income tax expense rate of 26.1% in the prior year. The difference between the statutory rate of 26.5% and effective tax rates in both the three months and year ended August 31, 2022 result from the impairment recorded on goodwill in the Television operating segment in the fourth quarter.

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

Net loss attributable to shareholders for the fourth quarter of fiscal 2022 was $367.1 million ($1.82 loss per share basic), compared to net income attributable to shareholders of $19.9 million ($0.10 per share basic) in the prior year's quarter. Net loss attributable to shareholders for the fourth quarter of fiscal 2022 includes a non-cash goodwill impairment charge of $350.0 million ($1.73 per share) in the Television operating segment and restructuring and other costs of $1.8 million ($0.01 per share). Adjusting for the impact of these items results in an adjusted net loss attributable to shareholders of $17.1 million ($0.08 loss per share basic) in the quarter. Net income attributable to shareholders for the fourth quarter of fiscal 2021 includes restructuring and other costs of $2.4 million ($nil per share). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of $21.7 million ($0.10 per share basic) in the prior year quarter.

Net loss attributable to shareholders for the year ended August 31, 2022 was $245.1 million ($1.19 loss per share basic), compared to net income attributable to shareholders of $172.6 million ($0.83 per share basic) in the prior year. Net loss attributable to shareholders for the year ended August 31, 2022 includes a non-cash goodwill impairment charge of $350.0 million ($1.69 per share) in the Television operating segment, restructuring and other costs of $8.1 million ($0.03 per share) and a debt refinancing gain of $3.4 million ($0.01 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $106.9 million ($0.52 per share basic) for the current fiscal year. Net income attributable to shareholders for the year ended August 31, 2021 includes restructuring and other costs of $11.3 million ($0.04 per share basic) and debt refinancing costs of $1.9 million ($0.01 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of $182.2 million ($0.88 per share basic) for the prior year period.

The weighted average number of basic shares outstanding for the three months and year ended August 31, 2022 was 201,462,000 and 205,905,000, respectively, compared to 208,367,000 for both comparable periods in the prior year. The average number of shares outstanding in fiscal 2022 decreased as a result of the purchase and cancellation of Class B Non-Voting Participating Shares under the Company's normal course issuer bid ("NCIB"), which took place between January 2022 and August 2022.

OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES

Other comprehensive loss for the three months ended August 31, 2022 was $1.3 million, compared to other comprehensive income of $5.1 million in the prior year's quarter. For the three months ended August 31, 2022, other comprehensive loss includes an actuarial loss on the remeasurement of post-employment benefit plans of $2.5 million and an unrealized loss on the change in the fair value of cash flow hedges of $0.1 million, offset by an unrealized gain from foreign currency translation adjustments of $1.3 million. In the prior year's quarter, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of $5.5 million, an unrealized gain on the fair value of cash flow hedges of $2.7 million, and an unrealized gain from foreign currency translation adjustments of $1.2 million, offset by an unrealized loss on the change in fair value of financial assets of $4.2 million.

Other comprehensive income for the year ended August 31, 2022 was $15.7 million, compared to $43.4 million in the prior year. For the year ended August 31, 2022, other comprehensive income includes an unrealized gain on the fair value of financial assets of $5.0 million, an unrealized gain on the fair value of cash flow hedges of $4.9 million, an actuarial gain on the remeasurement of post-employment benefit plans of $4.5 million and an unrealized gain from foreign currency translation adjustments of $1.3 million. In the year ended August 31, 2021, other comprehensive income includes an actuarial gain on the remeasurement of post-employment benefit plans of $19.4 million, an unrealized gain on the fair value of financial assets of $12.3 million and an unrealized gain on the fair value of cash flow hedges of $14.4 million, offset by the amortization of a deferred gain on terminated interest rate swaps of $2.1 million and an unrealized loss from foreign currency translation adjustments of $0.5 million.

BUSINESS SEGMENT INFORMATION

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

TELEVISION

The Television segment is comprised of 33 specialty television networks (34 services prior to December 31, 2020), 15 conventional television stations, streaming services, a social media digital agency, a social media creator network, technology and media services, and the Corus content business, which includes the production and distribution of films and television programs, merchandise licensing, book publishing, and animation software. 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, animation software, and the provision of technology and media services.

RADIO

The Radio segment comprises 39 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, except as described in note 3 to the interim condensed consolidated financial statements.

TELEVISION

FINANCIAL HIGHLIGHTS

	Three months ended August 31,		Year ended August 31,	
(thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Revenue				
Advertising	**151,873**	176,942	**859,598**	842,202
Subscriber	**127,715**	125,735	**518,483**	498,049
Distribution, production and other	**34,582**	33,167	**114,627**	106,036
Total revenue	**314,170**	335,844	**1,492,708**	1,446,287
Expenses	**255,152**	225,818	**1,034,563**	897,128
Segment profit (1)	**59,018**	110,026	**458,145**	549,159
Segment profit margin(1)	**19%**	33%	**31%**	38%

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

Revenue for the three months ended August 31, 2022, decreased 6% from the prior year's quarter as a result of a 14% decrease in advertising revenue, offset by an increase of 2% in subscriber revenue and a 4% increase in distribution, production and other revenue. Advertising demand and spending across the North American television media industry contracted in the quarter as a result of disruptions to consumer behaviour patterns and supply chains. The decrease in advertising revenue was attributable to persistent supply chain issues in the automotive category, as well as declines in the direct to consumer, food and beverages, communications, health and beauty, and travel categories, partially offset by increased advertising in the entertainment, packaged goods, and financial services categories. The growth on subscriber revenue results from continued growth on streaming services resulting from subscriber growth and the expansion of streaming services via new distributors. The increase in distribution, production and other revenue was primarily driven by service work revenue resulting from the business acquisition made in the second quarter of fiscal 2022 and revenue related to software support.

Revenue for the year ended August 31, 2022, increased 3% from the prior year as a result of growth of 2% in advertising revenue, 4% in subscriber revenue and 8% in distribution, production and other revenue. Growth in advertising revenue over the first three quarters of the year was eroded by a contraction of advertising demand and spend in the fourth quarter. The growth in advertising revenue for the year was driven by increased advertising in entertainment, financial services, retail, travel, and communications categories, offset by automotive, health and beauty, direct to consumer, and food and beverages categories. Subscriber revenue benefited from growth on streaming services from increased subscribers and the addition of new streaming services, as well as retroactive adjustments tied to distribution agreement renewals with large cable providers in the second and third quarters of the year, all which offset lower subscribers in the traditional linear system. The increase in distribution, production and other revenue was primarily attributable to production service work resulting from the business acquisition made in the second quarter of fiscal 2022 and revenue related to software support.

Expenses for the quarter were up 13% from the prior year's quarter as a result of an increase of 15% in direct cost of sales, 4% in employee costs and 21% in other general and administrative expenses. The increase in direct cost of sales was driven by a 13% ($14.9 million) increase in amortization of program rights, a 58% ($1.8 million) increase in amortization of film investments and a 39% ($3.3 million) increase in other cost of sales. The increase in amortization of program rights was driven predominantly by an increase of Canadian content production, increased original programming deliveries and the extension of long-term output deals compared to the prior year's quarter. The increase in amortization of film investments is a result of increased episodic deliveries compared to the prior year's quarter driven by the business acquisition made in the second quarter of fiscal 2022 and higher levels of in-house production at Nelvana. The increase in other cost of sales was principally a result of increased costs associated with certain sales initiatives. Employee costs increased primarily due to the CEWS benefits of $1.1 million in the fourth quarter of the prior year and higher labour costs, offset by lower short-term compensation accruals and commissions. Other general and administrative expenses increased from the prior year's quarter primarily from an increase in marketing costs to promote specialty channel programming, continued promotion of STACKTV, as well as increases to CRTC Part I and II fees, copyright fees, fees related to streaming, digital services and system fees, travel and entertainment, and consulting costs.

Expenses for the year ended August 31, 2022, were up 15% from the prior year as a result of increases of 16% in direct cost of sales, 11% in employee costs and 22% in other general and administrative expenses. The increase in direct cost of sales was driven by a 13% ($64.1 million) increase in amortization of program rights, an 85% ($11.0 million) increase in amortization of film investments and a 29% ($9.0 million) increase in other cost of sales. The increase in amortization of program rights was driven predominantly by the increase of Canadian content production, increased original programming deliveries and the extension of long-term output deals compared to the prior year. The increase in amortization of film investments was driven mainly by the business acquisition made in the second quarter of fiscal 2022. The increase in other cost of sales was principally a result of costs associated with certain sales initiatives. The increase in employee costs was due to the CEWS benefits of $11.1 million in the prior year, as well as higher labour and commission costs, partially offset by lower short-term compensation accruals compared to the prior year. The increase in other general and administrative expenses was a result of the $8.8 million increase in CRTC Part I and II fees as relief was provided in the prior year, as well as increases in marketing costs, travel and entertainment, fees related to streaming and digital services, trade mark fees, facility costs, and consulting costs.

Segment profit[1] was down 46% for the fourth quarter of fiscal 2022 and down 17% for the year ended August 31, 2022. The decrease for the quarter was primarily a result of a contraction in advertising demand, an increase in amortization of program rights and growth in general and administrative expenses. The decrease for the year was primarily a result of an increase in amortization of program rights and film investments, CEWS benefits and relief on CRTC fees in the prior year as discussed above. Segment profit margin[1] for the three months and year ended August 31, 2022 was 19% and 31%, respectively, down from 33% and 38% in the comparable periods of the prior year.

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

RADIO

FINANCIAL HIGHLIGHTS

	Three months ended		Year ended	
	August 31,		**August 31,**	
(thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Revenue	**25,424**	25,411	**105,878**	97,196
Expenses	**23,695**	21,095	**92,611**	83,045
Segment profit [1]	**1,729**	4,316	**13,267**	14,151
Segment profit margin[1]	**7%**	17%	**13%**	15%

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

Revenue in the three months ended August 31, 2022, was consistent with the prior year's comparable quarter. Softness in airtime revenue was offset by growth on digital advertising revenue. Advertising revenue in the quarter was driven by the entertainment, travel and restaurant categories, offset by declines in the telecommunications, automotive, food, and professional services categories. Revenue for the year ended August 31, 2022, increased 9% from the previous year. Advertising revenue growth in the year was driven by the entertainment, professional services, travel, general services and retail categories, muted by continued declines in the automotive and food categories.

Direct cost of sales and general and administrative expenses in the three months and year ended August 31, 2022 increased $2.6 million and $9.6 million, respectively, compared to the same comparable prior year periods. The increase in the quarter was primarily due to increased labour costs, which included CEWS benefit of $0.2 million in the prior year's quarter, increased marketing expenses, as well as increased sports rights costs due to the return of normal league schedules compared to the prior year's quarter. The increase for the year was primarily due to increased labour costs, which included CEWS benefit in the prior year of $1.9 million, increased sports rights costs, increased tariff royalties levied under the *Copyright Act* that are positively correlated with movements in revenue and the increase of $0.8 million in CRTC Part I and II fees as relief was provided in the prior year.

Radio's segment profit(1) in the three months and year ended August 31, 2022 decreased by $2.6 million and $0.9 million, respectively, from the same comparable prior year periods primarily as expense growth exceeded revenue growth. Segment profit margin(1) for the quarter and the year ended August 31, 2022 was 7% and 13%, respectively, down from 17% and 15% in the comparable periods of the prior year.

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

CORPORATE

FINANCIAL HIGHLIGHTS

	Three months ended		Year ended	
		August 31,		**August 31,**
(thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Share-based compensation	**(297)**	3,312	**4,196**	17,734
Other general and administrative costs	**4,855**	8,330	**23,573**	20,958
	4,558	11,642	**27,769**	38,692

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

Share-based compensation decreased in the three months and year ended August 31, 2022 by $3.6 million and $13.5 million, respectively, from the comparable prior year periods. The decreases in both the quarter and year result from the decrease in the Company's share price, which is partially offset by the change in the fair value of the total return swaps (refer to note 7 to the interim condensed consolidated financial statements for further details on this swap arrangement).

Other general and administrative costs decreased $3.5 million in the quarter, but increased $2.6 million for the year ended August 31, 2022 from the prior year. The decrease in the quarter is principally due to lower short-term compensation accruals and reduced common area rent costs, offset by increases in professional fees. The increase in the year ended August 31, 2022 relates to higher labour costs, which included the benefit of CEWS in the prior year of $0.5 million, increases in professional fees and directors fees, offset by lower short-term compensation accruals and a reduction in common area rent costs.

QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

SEASONAL FLUCTUATIONS

As discussed in Management's Discussion and Analysis for the year ended August 31, 2021, Corus' operating results are subject to seasonal fluctuations that can significantly impact quarter-to-quarter operating results. The Company's advertising revenue is dependent on general advertising revenue and retail cycles associated with consumer spending activity, accordingly the first and third quarter results tend to be the highest and second and fourth quarter results tend to be the lowest in a fiscal year. The Company's distribution and production revenue is dependent on the number and timing of film and television programs delivered. Consequently, the Company's results may fluctuate materially from period-to-period and the results of any one period are not necessarily indicative of results for future periods.

The following table sets forth certain unaudited data derived from the Company's interim condensed consolidated financial statements for each of the eight most recent quarters ended August 31, 2022. 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, 2021, 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]
2022								
4th quarter	**339,594**	**56,189**	**(367,065)**	**(17,116)**	**$ (1.82)**	**$ (1.82)**	**$ (0.08)**	**44,713**
3rd quarter	433,458	123,728	29,621	30,159	$ 0.14	$ 0.14	$ 0.15	27,468
2nd quarter	361,661	86,556	16,221	16,964	$ 0.08	$ 0.08	$ 0.08	88,417
1st quarter	463,873	177,170	76,165	76,931	$ 0.37	$ 0.36	$ 0.37	79,987
2021								
4th quarter	361,255	102,700	19,920	21,699	$ 0.10	$ 0.10	$ 0.10	35,181
3rd quarter	402,999	130,671	40,666	44,324	$ 0.20	$ 0.19	$ 0.21	64,702
2nd quarter	358,874	112,640	35,300	37,496	$ 0.17	$ 0.17	$ 0.18	89,690
1st quarter	420,355	178,607	76,664	79,851	$ 0.37	$ 0.37	$ 0.38	62,374

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

SIGNIFICANT ITEMS CAUSING VARIATIONS IN QUARTERLY RESULTS

- Net income attributable to shareholders for the fourth quarter of fiscal 2022 was negatively impacted by a non-cash television goodwill impairment charge of $350.0 million ($1.73 per share) and restructuring and other costs of $1.8 million ($0.01 per share).
- Net income attributable to shareholders for the third quarter of fiscal 2022 was negatively impacted by restructuring and other costs of $4.2 million ($0.02 per share) and was positively impacted by a debt refinancing gain of $3.4 million ($0.01 per share).
- Net income attributable to shareholders for the second quarter of fiscal 2022 was negatively impacted by restructuring and other costs of $1.0 million ($nil per share).
- Net income attributable to shareholders for the first quarter of fiscal 2022 was negatively impacted by restructuring and other costs of $1.0 million ($nil per share).
- Net income attributable to shareholders for the fourth quarter of fiscal 2021 was negatively impacted by restructuring and other costs of $2.4 million ($nil per share).
- Net income attributable to shareholders for the third quarter of fiscal 2021 was negatively impacted by debt refinancing costs of $1.9 million ($0.01 per share) and restructuring and other costs of $1.6 million ($nil per share).
- Net income attributable to shareholders for the second quarter of fiscal 2021 was negatively impacted by restructuring and other costs of $3.0 million ($0.01 per share).
- Net income attributable to shareholders for the first quarter of fiscal 2021 was negatively impacted by restructuring and other costs of $4.3 million ($0.01 per share).

OUTLOOK

The Company currently anticipates that in fiscal 2023, programming costs will grow modestly on a full-year basis, with approximately half of this driven by the CRTC's decision requiring the Company to make up Canadian programming expenditures ("CPE") shortfalls from fiscal 2020 that resulted from COVID-19 disruptions in productions. In addition, due to the general macroeconomic conditions and other risks, the Company currently anticipates some year-over-year softness in Television advertising revenue, including lower Television advertising revenue for the first quarter of the new fiscal year.

FINANCIAL POSITION

Total assets at August 31, 2022 were $3.5 billion, compared to $3.9 billion at August 31, 2021. The following discussion describes the significant changes in the consolidated statements of financial position since August 31, 2021.

Current assets at August 31, 2022 were $404.5 million, up $5.6 million from August 31, 2021.

Cash and cash equivalents increased by $11.2 million from August 31, 2021. Refer to the discussion of cash flows in the next section.

Accounts receivable decreased $14.6 million from August 31, 2021. The decrease was primarily a result of a decrease in trade accounts receivable, offset by a $6.9 million increase attributable to a business acquisition. The accounts receivable balance is subject to seasonal trends. Typically, the balance of trade receivables is higher at the end of the first and third quarters and lower at the end of the second and fourth quarters as a result of the broadcast advertising revenue seasonality. The Company carefully monitors the aging and collection performance of its accounts receivable.

Tax credits receivable increased $8.2 million from August 31, 2021, of which $13.2 million relates to a business acquisition, offset by tax credit receipts exceeding accruals relating to film productions.

Investments and other assets decreased $34.7 million from August 31, 2021, principally as a result of a distribution of $44.2 million from a venture fund investment, a decrease in the net asset position of certain post employment benefits of $2.0 million and adjustments of $6.2 million to certain other investments, offset by a $12.9 million fair value adjustment to venture funds, as well as the $3.9 million change in fair value of both the foreign exchange forward contracts and the prepayment option on the Notes.

Property, plant and equipment decreased $22.2 million from August 31, 2021 as a result of depreciation expense exceeding additions.

Program rights increased $84.6 million from August 31, 2021, as additions of acquired rights of $644.5 million were offset by amortization of $559.8 million.

Film investments increased $19.4 million from August 31, 2021, as film additions (net of tax credit accruals) of $36.6 million were offset by film amortization of $23.9 million and $6.7 million was added related to a business acquisition.

Intangibles decreased $66.6 million from August 31, 2021, principally as a result of amortization of $117.7 million exceeding renewals and extensions of several trade mark output agreements of $46.0 million and net additions to other assets of $5.1 million.

Goodwill decreased $348.7 million from August 31, 2021 as a result of a non-cash goodwill impairment charge of $350.0 million in the television operating segment, offset by an addition of $1.4 million related to a business acquisition.

Accounts payable and accrued liabilities increased $17.1 million from August 31, 2021, principally as a result of higher program rights payable and trade marks payable, offset by decreases in the software license liability, trade accounts payable and other accrued liabilities, which include other working capital accruals, unremitted sales taxes and short-term compensation accruals.

Provisions, including the long-term portion, increased $1.7 million from August 31, 2021, principally as a result of restructuring-related additions exceeding payments.

Long-term debt, including the current portion, as at August 31, 2022 was $1,261.7 million compared to $1,349.3 million as at August 31, 2021. As at August 31, 2022, the $15.6 million classified as the current portion of long-term debt is comprised of interim production financing. During the year ended August 31, 2022, the Company repaid bank debt and interim production financing of $354.8 million, issued 2030 Notes of $250.0 million that resulted in the additions of deferred fees of $5.9 million and the fair value of prepayment options of $9.6 million, extended the Credit Facility that resulted in a net gain of $3.4 million on debt modification, added $13.5 million in production financing related to a business acquisition and amortized $3.3 million of deferred financing charges.

Other long-term liabilities increased $45.1 million from August 31, 2021, primarily from increases in long-term program rights payable and trade mark liabilities resulting from renewals and extensions of output deals, and an increase in unearned revenue, offset by adjustments in the fair value of foreign exchange forward contracts derivatives, the reduction of long-term lease liabilities and employee obligations.

Share capital decreased by $34.3 million from August 31, 2021 as a result of 8.14 million shares repurchased under the NCIB and an estimated 0.6 million shares that the Company has committed to purchase under an automatic share purchase plan during the Company's quarterly blackout period from September 1, 2022 through October 21, 2022. Contributed surplus decreased by $1.0 million primarily as a result of the repurchases under the NCIB, offset by share-based compensation expense.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

Overall, the Company's cash and cash equivalents position increased by $11.2 million for the year ended August 31, 2022. Free cash flow[1] for the three months and year ended August 31, 2022 was $44.7 million and $239.6 million, respectively, compared to $35.2 million and $251.9 million in the same comparable prior year periods. The increase in free cash flow[1] in the fourth quarter is attributable to an increase of $5.7 million in cash provided by operating activities and a decrease of $9.7 million in cash used in investment activities. The decrease in free cash flow[1] for the year ended August 31, 2022 is mainly attributable to a decrease in cash provided by operating activities of $57.7 million, offset by a $43.5 million venture fund distribution.

Cash provided by operating activities for the three months and year ended August 31, 2022 was $55.8 million and $216.8 million, respectively, compared to $50.1 million and $274.5 million for the same comparable prior year periods. The increase in the current quarter of $5.7 million arises from an increase in cash provided by the net change of non-cash working capital of $29.3 million, offset by a decrease in cash provided from operations of $23.6 million, which includes a lower net income from operations, adjusted for non-cash items of $19.3 million and higher spend on film investments of $5.4 million, offset by lower spend on program rights of $1.1 million. For the year ended August 31, 2022, the $57.7 million decrease in cash provided by operating activities arises from a decrease of cash provided by the net change in non-cash working capital of $27.2 million and lower cash provided by operations of $30.5 million, which includes a higher spend on program rights and film investments of $30.4 million and $23.5 million, respectively, offset by a higher net income from operations, adjusted for non-cash items of $22.4 million.

Cash used in investing activities for the three months ended August 31, 2022 was $11.4 million compared to $21.1 million in the prior year. The decrease in cash used in the quarter of $9.7 million is primarily due to decreases of $5.1 million in net cash outflows for intangibles, investments and other assets and $4.4 million in additions to property, plant and equipment compared to the prior year's quarter. Cash provided by investing activities for the year ended August 31, 2022 was $25.2 million compared to cash used in investing activities of $29.5 million in the prior year. The increase of $54.7 million in the year was attributable to the venture fund distribution of $43.5 million, a decrease of $5.9 million in net cash outflows for intangibles, investments and other assets, an increase of $3.6 million from a business combination, net of cash acquired, and a decrease of cash used for additions to property, plant and equipment of $1.7 million.

Cash used in financing activities in the three months and year ended August 31, 2022 was $41.2 million and $230.8 million, respectively, compared to $69.4 million and $247.2 million for the same comparable prior year periods. The decrease in the current quarter of $28.2 million arises principally from lower repayments on bank loans of $41.3 million, offset by increases in share repurchases of $11.6 million and $2.0 million in lower funding from a non-controlling interest. The decrease of $16.4 million in the year arises principally from decreases of repayments of bank loans of $295.8 million and financing fees of $6.2 million, offset by a $250.0 million decrease in financing from the issuance of Notes and an increase of share repurchases of $34.7 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's capital management objectives are to maintain financial flexibility in order to pursue its strategy of organic growth combined with strategic acquisitions and 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.

The Company manages its capital structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, 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 and dividend yield. The Company's stated long-term objectives are a leverage target (net debt to segment profit ratio) below 2.5 times and to maintain a dividend yield in excess of 2.5%. In the short-term, the Company may permit the long-term leverage range to be exceeded (for long-term investment opportunities), but endeavours to return to the leverage target range as the Company believes that these objectives provide a reasonable framework for providing a return to shareholders and is supportive of maintaining the Company's credit ratings.

As at August 31, 2022, the Company was in compliance with all loan covenants, had a cash and cash equivalents balance of $54.9 million and had available approximately $300.0 million under the Revolving Facility, all of which could be drawn. Management believes that cash flow from operations and the existing Credit Facility will provide the Company with sufficient financial resources to fund its operations for the following 12 months.

On March 18, 2022, the Company's credit agreement with a syndicate of banks was amended and restated. The principal amendments were to extend the maturity on both the Term Facility and Revolving Facility to March 18, 2027 and to eliminate quarterly mandatory repayments and mandatory repayments from the net proceeds from the issue of other debt on the Term Facility. For further details on the Credit Facility, refer to note 7 of the Company's interim condensed consolidated financial statements.

TOTAL CAPITALIZATION

As at August 31, 2022, total capitalization was $2,245.1 million compared to $2,669.5 million at August 31, 2021, a decrease of $424.4 million. The decrease in total capitalization is principally related to an increase in accumulated deficit of $291.5 million, a reduction share capital of $34.3 million resulting from the purchase and cancellation of Class B Non-Voting Participating Shares under the NCIB, a decrease in total debt and lease liabilities of $96.8 million, offset by an increase in cash and cash equivalents of $11.2 million.

OUTSTANDING SHARE DATA

	As at August 31,	
(shares/units)	**2022**	2021
Shares Outstanding		
Class A Voting Shares	**3,371,526**	3,412,392
Class B Non-Voting Shares [1]	**196,093,632**	204,954,666
Stock Options		
Vested	**4,852,325**	4,203,200
Non-vested	**2,730,775**	3,022,450

[1] Outstanding shares differ from those reported in the financial statements as financial statements include shares purchased, but not yet cancelled.

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 return cash 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 (a) presented in the financial statements and (b) is, or is 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 optimized advertising revenue and new platform revenue as supplementary financial measures as discussed below.

OPTIMIZED ADVERTISING REVENUE

Optimized advertising revenue is calculated as advertising revenue attributable to audience segment selling and to the Cynch automated buying platform expressed as a percentage of Television advertising revenue. The Company believes this is an important measure to enable the Company and investors to evaluate performance on how Television advertising is sold.

(thousands of Canadian dollars, except percentages)	Three months ended August 31, 2022	2021	% change	Year ended August 31, 2022	2021	% change
Optimized advertising revenue (numerator)	76,660	60,995	26%	371,540	263,734	41%
Television advertising revenue (denominator)	151,873	176,942	(14%)	859,598	842,202	2%
Optimized advertising revenue percentage	**50%**	34%		**43%**	31%	

NEW PLATFORM REVENUE

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

(thousands of Canadian dollars, except percentages)	Three months ended August 31, 2022	2021	% change	Year ended August 31, 2022	2021	% change
New platform revenue (numerator)	33,061	29,965	10%	142,284	107,807	32%
Television advertising revenue	151,873	176,942	(14%)	859,598	842,202	2%
Television subscriber revenue	127,715	125,735	2%	518,483	498,049	4%
Total Television advertising and subscriber revenue (denominator)	279,588	302,677	(8%)	1,378,081	1,340,251	3%
New platform revenue percentage	**12%**	10%		**10%**	8%	

SEGMENT PROFIT AND SEGMENT PROFIT MARGIN

Segment profit is calculated as revenue less direct cost of sales, general and administrative expenses as reported in the Company's consolidated statements of income and comprehensive income. 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; significant intangible and other asset impairment; debt refinancing; non-cash gains or losses; restructuring and other costs; gain (loss) on dispositions; and certain other income and expenses as included in note 11 to the interim condensed consolidated financial statements. Segment profit is also one of the measures used by the investing community to value the Company and is included in note 13 to the interim condensed consolidated financial statements. Segment profit margin is calculated by dividing segment profit by revenue. Segment profit and segment profit margin do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Segment profit and segment profit margin should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by the IASB.

(thousands of Canadian dollars, except percentages)	Three months ended August 31, 2022	2021	Year ended August 31, 2022	2021
Revenue	339,594	361,255	1,598,586	1,543,483
Direct cost of sales, general and administrative expenses	283,405	258,555	1,154,943	1,018,865
Segment profit	**56,189**	102,700	**443,643**	524,618
Segment profit margin	**17%**	28%	**28%**	34%

FREE CASH FLOW

Free cash flow is calculated as cash provided by operating activities less cash used in investing activities, as reported in the consolidated statements of cash flows, and then adding back cash used specifically for business combinations and strategic investments and deducting net proceeds from dispositions. Free cash flow is a key metric used by the 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		Year ended	
		August 31,		**August 31,**
(thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Cash provided by (used in):				
Operating activities	**55,835**	50,091	**216,835**	274,493
Investing activities	**(11,442)**	(21,149)	**25,172**	(29,526)
	44,393	28,942	**242,007**	244,967
Add (deduct): cash used in (provided by) business acquisitions and strategic investments[1]	**320**	6,239	**(2,422)**	6,980
Free cash flow	**44,713**	35,181	**239,585**	251,947

[1] Strategic investments are comprised of investments in venture funds and associated companies.

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

Management uses adjusted net income and adjusted basic earnings per share as a measure of enterprise-wide performance. Adjusted net income and adjusted basic earnings per share are defined as net income and basic earnings 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 attributable to shareholders and adjusted basic earnings per share are useful measures that facilitate period-to-period operating comparisons. Adjusted net income attributable to shareholders and adjusted basic earnings 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 attributable to shareholders and adjusted basic earnings per share should not be considered in isolation or as a substitute for net income or basic earnings per share attributable to shareholders prepared in accordance with IFRS as issued by the IASB.

	Three months ended		Year ended	
		August 31,		**August 31,**
(thousands of Canadian dollars, except per share amounts)	**2022**	2021	**2022**	2021
Net income (loss) attributable to shareholders	**(367,065)**	19,920	**(245,058)**	172,550
Adjustments, net of income tax:				
Goodwill impairment	**348,597**	—	**348,597**	—
Debt refinancing	**—**	—	**(2,526)**	1,389
Restructuring and other costs	**1,352**	1,749	**5,925**	8,279
Adjusted net income (loss) attributable to shareholders	**(17,116)**	21,669	**106,938**	182,218
Basic earnings (loss) per share	**($1.82)**	$0.10	**($1.19)**	$0.83
Adjustments, net of income tax:				
Goodwill impairment	**$1.73**	—	**$1.69**	—
Debt refinancing	**—**	—	**($0.01)**	$0.01
Restructuring and other costs	**$0.01**	—	**$0.03**	$0.04
Adjusted basic earnings (loss) per share	**($0.08)**	$0.10	**$0.52**	$0.88

NET DEBT AND NET DEBT TO SEGMENT PROFIT

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

(thousands of Canadian dollars)	**As at August 31, 2022**	As at August 31, 2021
Total debt, net of unamortized financing fees and prepayment options	**1,261,650**	1,349,293
Lease liabilities	**134,369**	143,546
Cash and cash equivalents	**(54,912)**	(43,685)
Net debt	**1,341,107**	1,449,154
Net debt (numerator)	**1,341,107**	1,449,154
Segment profit (denominator) [1]	**443,643**	524,618
Net debt to segment profit	**3.02**	2.76

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