CORUS ENTERTAINMENT REACHES AGREEMENT TO SELL TOON BOOM ANIMATION

Integrated Media Company to Acquire Emmy® Award-Winning Montreal-based Animation Software Business for Approximately $147.5 million

TORONTO, July 13, 2023 /CNW/ - Corus Entertainment Inc. ("Corus" or the "Company") (TSX: CJR.B) today announced that its wholly-owned subsidiary, Nelvana Limited ("Nelvana"), has entered into a definitive agreement under which Integrated Media Company ("IMC"), a TPG platform dedicated to the new media ecosystem, will acquire Nelvana's wholly-owned subsidiary, Montreal-based animation software company Toon Boom Animation Inc. ("Toon Boom") for approximately $147.5 million CAD in cash.

"Corus is building a powerful multiplatform business aggregating premium video content," said Colin Bohm, EVP of Content and Corporate Strategy, Corus Entertainment. "After an enterprise-wide review of our operating model and asset base, we have decided to exit the animation software business. This move will free up capital, increase Corus' financial flexibility, and sharpen our focus as we advance our strategic plan and priorities."

"Toon Boom and its exceptional team have built a leading solution for content creators the world over," continued Bohm. "We appreciate their contributions to the Corus content portfolio and will work closely with IMC to support a smooth transition."

Toon Boom's award-winning software is the global standard for 2D animation, storyboarding and pipeline management. It provides solutions for everyone from enthusiasts to professionals, giving them the artistic freedom to create in any style and efficiently publish anywhere, as well as providing real-time management for animated projects.

Founded originally in 1994, Corus purchased a 50 per cent interest in Toon Boom in 2004 and acquired the remaining 50 per cent in 2012. Toon Boom has grown steadily since, with an expanding roster of global clients that includes many of the world's leading animation studios, universities and colleges. This transaction will allow Toon Boom, an Emmy® award-winning company, to further accelerate its impressive growth streak within IMC, a global company with expertise in the digital media landscape.

"Toon Boom empowers creators of all types to bring their stories to life through a versatile platform that offers powerful storyboarding, extensive animation capabilities, and tools for streamlining the production process," said Yuning Zhang, who led the transaction for IMC. "With a best-in-class product, Toon Boom has established itself as an innovative market leader with a best-in-class product suite. Its exceptional tools are trusted by both large and small creative teams, as well as educational institutions shaping the next generation of talent. We are excited to collaborate with the team at Toon Boom to expand their platform into new markets and to introduce ground-breaking products."

The transaction is expected to close later in calendar 2023 and is subject to customary adjustments and closing conditions in the jurisdictions where the parties do business.

The transaction is expected to generate net proceeds to Corus of approximately $142 million CAD, which will be used to repay outstanding bank indebtedness.

LionTree Advisors acted as exclusive financial advisor to Corus and the law firm of McCarthy Tétrault LLP represented Corus on this transaction. Weil, Gotshal & Manges LLP and Davies Ward Phillips & Vineberg LLP served as legal counsel to IMC on this transaction.

About Toon Boom Animation Inc.

Toon Boom Animation Inc.'s award-winning software is the global standard for animation, storyboarding and pipeline management. Storyboard Pro and Harmony solutions provide everyone from enthusiasts to professionals with the artistic freedom to create in any style and efficiently publish anywhere, while Producer provides real-time management for animated projects. Customers who chose Toon Boom animation software for the development and creation of their productions include Disney Television Animation, Amazon, Fox Television Animation, Nelvana, Toei Animation, The SPA Studios, Xilam and Boulder Media, to name a few. The technology is currently available in English, Spanish, Japanese and Simplified Chinese. For more information, visit: toonboom.com.

About Integrated Media Company

Integrated Media Company, LLC is a TPG portfolio company thematically investing across the digital media landscape. Launched in 2018, IMC's mandate is both financial and strategic, providing greater flexibility with regards to investment size, term and portfolio construction. IMC's investments are oriented in verticals, allowing for additional acquisitions and organic investment in pursuit of growth.

About Corus Entertainment Inc.

Corus Entertainment Inc. (TSX: CJR.B) is a leading media and content company that develops and delivers high quality brands and content across platforms for audiences around the world. Engaging audiences since 1999, the company's portfolio of multimedia offerings encompass 33 specialty television services, 39 radio stations, 15 conventional television stations, digital and streaming platforms, and technology and media services. Corus is an internationally-renowned content creator and distributor through Nelvana, a world class animation studio expert in all formats and Corus Studios, a globally recognized producer of hit scripted and unscripted content. The company also owns full-service social digital agency so.da, lifestyle entertainment company

Kin Canada, and children's book publishing house, Kids Can Press. Corus' roster of premium brands includes Global Television, W Network, HGTV Canada, Food Network Canada, Magnolia Network Canada, The HISTORY® Channel, Showcase, Adult Swim, National Geographic, Disney Channel Canada, YTV, Global News, Globalnews.ca, Q107, Country 105, and CFOX, along with streaming platforms STACKTV, TELETOON+, the Global TV App and Curiouscast. Corus is the domestic advertising representative and an original content partner for Pluto TV, a Paramount Company, which is the leading free ad-supported streaming television (FAST) service. For more information visit www.corusent.com.

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