

Q1 

FIRST QUARTER

**FINANCIAL
REPORT**

2022-2023

CBC  Radio-Canada

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to filing an annual report, we are required – like most Canadian federal Crown corporations – to file quarterly financial reports for the first three quarters of each fiscal year. The following Management's Discussion and Analysis (MD&A) aims to provide readers with an overview of our activities and performance for the first quarter of 2022-2023, and should be read in conjunction with our most recent Annual Report. In keeping with our commitment to transparency and effective oversight of public funds, we are pleased to present this quarterly report for the first quarter ended June 30, 2022. We have organized our MD&A in the following key sections:

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In this management's discussion and analysis of financial condition and results of operations (MD&A), "we", "us", "our" and "the Corporation" mean CBC/Radio-Canada. Refer to CBC/Radio-Canada's audited consolidated financial statements for the year ended March 31, 2022 when reading this MD&A. All amounts in this MD&A are in thousands of Canadian dollars, except where noted.

To help you better understand this MD&A, note the following:

FINANCIAL REPORTING DISCLOSURE

Our first quarter condensed interim consolidated financial statements ("interim financial statements") were prepared in accordance with IFRS, as issued by the IASB, under IAS 34 – *Interim Financial Reporting* and adopted by the Accounting Standards Board (AcSB). They were approved by the Corporation's Board of Directors on August 24, 2022. These interim financial statements were prepared using the same basis of presentation and accounting policies as outlined under Note 2 of our audited annual financial statements for the year ended March 31, 2022 ("2021-2022 audited annual financial statements"). Our interim financial statements do not include all of the notes required in the 2021-2022 audited annual financial statements.

Discussion and analysis of our financial condition and results of operations are based upon our interim financial statements.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding objectives, strategic initiatives, and expected financial and operational results. Forward-looking statements are typically identified by words such as "may", "should", "could", "would" and "will", as well as expressions such as "believe", "expect", "forecast", "anticipate", "intend", "plan", "estimate" and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Update* section of this report. However, some risks and uncertainties are by definition difficult to predict and are beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

PERFORMANCE INDICATORS

We rely on data from both internal tools and third parties to measure our performance metrics. While these data are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in collecting this information, particularly as the media industry undergoes a digital transformation. For example, Canadians now consume media content on multiple devices from an ever-growing array of content providers. As media consumption habits change, we are, together with audience measurement suppliers, refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. As a result, changes in the way data are collected could result in certain information provided in future periods not being comparable with information disclosed in prior periods. Since some of these data are used to measure our strategic and operational indicators, we may be required to make adjustments to targets and historical results to enhance comparability of the data and follow industry best practices.

Changes in Presentation

This quarter, we have streamlined both the MD&A and interim financial statements in order to improve the overall readability of the report and help better summarize our financial results. As a result, we discontinued the use of our non-IFRS measure 'Budget Results' from the *Financial Highlights* and *Discussion of Results* sections. This non-IFRS measure was introduced in 2013 following the adoption of the revised IFRS Pension Standard (IAS 19R - *Employee Benefits*). Upon reassessment of the metric, management believes that readers now understand the impacts of IAS 19R on our net results and the metric is no longer useful.

Business Highlights

This quarter, we saw several important developments. One of the most significant was the [renewal of our broadcast licences by the Canadian Radio-television and Telecommunications Commission \(CRTC\)](#). Our new five-year licences, which will come into effect on September 1, 2022, recognize the significant contribution of our digital streaming services, [CBC Gem](#), [ICI TOU.TV](#), [CBC Listen](#) and [Radio-Canada OHdio](#), to the Canadian content ecosystem, as well as our commitments to supporting equity-deserving groups in our productions.



As part of #NotOK, our ongoing initiative dedicated to supporting journalists and media professionals against online harm, we launched the [Newsroom Guide for Managing Online Harm](#). This guide is available to all news organizations and provides resources, best practices, and advice for those working with individuals or teams that are subject to online harm.

We also celebrated two milestones this quarter. April saw the [first anniversary of Mauril](#), our free language-learning app that is helping thousands of Canadians learn (or practice) either of Canada's official languages through a wide range of CBC/Radio-Canada content. In June, our environmental strategic plan, [Greening Our Story](#), which aims to integrate environmental sustainable thinking into all we do, also celebrated a year of work accomplished.

English Services

As part of our ongoing efforts to better serve audiences across Canada on both television and digital platforms, CBC News [announced](#) the launch of a new no-cost news streaming channel coming this fall. [CBC Podcasts](#) also announced a joint commission of three new original podcasts with BBC World Service (an extension of our [commitment to collaboration](#)) to create high-impact content for global audiences.

In May 2022, Simu Liu hosted the 51st Annual JUNO Awards, welcoming a live audience back to the show which was also broadcast live nationwide on [CBC TV](#), [CBC Radio One](#) and [CBC Music](#), and streamed on [CBC Gem](#), [CBC Listen](#), [CBCMusic.ca/junos](#), and CBC Music's social media pages. In June 2022, CBC and Massey Hall announced a five-year [partnership](#) to develop new programming initiatives that will amplify emerging and established homegrown musical talent, including a new dynamic live concert series for national audiences that will be available across CBC platforms, beginning this fall.

CBC, BIPOC TV & Film and the Canadian Film Centre announced the creation of [Catalyst](#), a new program to support the advancement of diverse Canadian creators in the Canadian film and television industry via hands-on on-set experience with support systems to reach a showrunner level in the Canadian film and television industry. CBC also recently launched its [Indigenous Pathways to Journalism Development Program](#), a 9-month learning opportunity for six First Nations, Inuit and Métis applicants interested in developing practical skills as a storyteller in a CBC newsroom.



The Junos hosted by Simu Liu CBC

French Services

In support of our commitment to reflecting contemporary Canada, Radio-Canada launched its new dramatic series [Pour toi Flora](#), which was directed and produced by Indigenous creators. Radio-Canada has also launched a paid internship program for racialized and Indigenous professionals that will begin in the 2022-2023 season. A minimum of ten paid internships in various production trades will be offered in collaboration with our production partners.

Radio-Canada underscored its standing as a source of trusted news for its coverage of the war in Ukraine. Over a two week period, Céline Galipeau was a special correspondent in Ukraine and shared Ukrainians' stories and the impact of the war on their families and their country. Her reports were broadcast on [ICI RDI](#) and [ICI TÉLÉ](#). Céline Galipeau and Tamara Alteresco also answered questions from the public as part of the [Midi info](#) program on [ICI PREMIÈRE](#).

[ICI EXPLORA](#) celebrated its 10th anniversary by dedicating the next ten months to subjects related to our planet, including programs and films about science, nature, health, people and civilization, recycling and history, featuring new and different perspectives.

Lastly, [District 31](#) aired its final episode in April and was watched by an average minute audience of 1,972,000 people on [ICI TÉLÉ](#).¹



Pour toi Flora ICI TOU.TV

People and Culture

As the pandemic response shifted and many strict measures were lifted across Canada, our priority remained to ensure the health and safety of all our employees. In April, we launched our [teleworking policy](#). This policy provided a plan for our return to the workplace and the launch of our hybrid workmodel. As of May, the reintegration process had begun. Employees who had been working from home were able to return to the workplace and make hybrid work arrangements. At the end of June, we offered training to our staff to support them in their transition back to the workplace and in hybrid work arrangements.

On June 1, our [accessibility feedback](#) mechanism was published under the [Accessible Canada Act](#) regulations as part of the continuous improvement of our accessibility efforts and to encourage members of the public to provide feedback on the barriers they experience. The feedback we have received is provoking insights into the development of our first Accessibility Plan, which we expect to launch in June 2023. As part of our national training offer, we launched a new disability e-learning course that builds our awareness of disability and sheds light on the role we can all play in making our workplace accessible and inclusive.

The submission of our [Official Languages Annual Report 2021-2022](#) was done in June as part VII of the [Official Languages Act](#). Our new hires employment equity index results for the last fiscal year also became available this quarter.² In the last fiscal year, we achieved our highest results ever. All results were above established targets and external labour force availability.

¹ Source: Numeris TV PPM, francophones in Quebec aged 2+, April 21, 2022, average minute audience.

² The index tracks the cumulative numbers for all three groups and is based on employee self-identification: Indigenous Peoples, racialized people or persons with disabilities.

Technology and Infrastructure

On June 9, the New Maison de Radio-Canada (NMRC) was honoured by achieving second place at the 2022 European Broadcasting Union Technology & Innovation Awards. The NMRC was designed to not only house over 3,000 employees, but to be a hub of cutting-edge technological innovation and broadcasting practices. The NMRC's IP technologies allow virtually unlimited audio/video signal routing infrastructures to be built, significantly boosting flexibility, agility, and production efficiency. The network is one of the largest and most ambitious of its kind. The work done on the NMRC has raised CBC/Radio-Canada's profile as an industry leader, garnering the national public broadcaster further recognition as a leading collaborator and a pioneer in the standardization of IP technologies. We have also completed the migration of the Information Service in the NMRC and begun production of the general television sector.



NMRC

Other Business Matters

Between April and September 2022, we will be [hosting more engagement sessions](#) with First Nations, Inuit and Métis Peoples around the country. These sessions are aimed at generating a meaningful dialogue with Indigenous communities, to better represent and reflect their needs, interests and cultures in our programming, and to inform the development of CBC/Radio-Canada's first Indigenous strategy.

Following the [March 16 decision](#) of the CRTC to ban Russian state television in Canada, Russia ordered CBC/Radio-Canada to close its bureau in Moscow after 40 years of operation. As we operate independently of any government, we are not linked with decisions made by the Government of Canada or Canadian regulatory agencies. This is the first time that a foreign government has forced the closure of one of our bureaus, which further demonstrates the ongoing decline of press freedom in Russia.

Reporters Without Borders announced [CBC News and Radio-Canada Info's Journalism Trust Initiative \(JTI\) certifications](#) in June, recognizing the transparency and editorial practices of our news services as exceeding the international standards. This is the first time a Canadian broadcast media company has received this certification.

Finally, as part of our efforts to combat threats to journalism and media freedom, our President & CEO, Catherine Tait, spoke to business leaders in [Toronto](#) and [Montreal](#) about the importance of public broadcasting to democracy and how we are responding to the threats of misinformation and polarization.



PERFORMANCE UPDATE

Our Performance – *Your Stories, Taken to Heart*

Below are the key performance indicators that measure and track our progress with respect to our strategic plan, [Your Stories, Taken to Heart](#), and its five strategic priorities: customized digital services, engaging with young audiences, prioritizing our local connections, reflecting contemporary Canada and taking Canada to the world.³ These priorities continue to shape our strategic initiatives until 2024.

Targets are specific to the markets we operate in and consider a number of factors such as market realities, competition and service penetration rate. This year's targets and year-to-date results outlined below are discussed further in the CBC and Radio-Canada sections.

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO JUN 30, 2021	RESULTS APR 1 TO JUN 30, 2022	TARGETS 2022-2023
Customized digital services				
Digital reach of CBC/Radio-Canada ⁴	<i>Monthly average unique visitors</i>	24.2M	21.4M	22.1M
Digital engagement with CBC/Radio-Canada ⁵	<i>Monthly average minutes per visitor</i>	47 min/vis	41 min/vis	43 min/vis
Engaging with young audience				
Digital visits to CBC/Radio-Canada kids content ⁶	<i>Monthly average visits</i>	3,890K	3,293K	3,777K
Prioritizing our local connections				
Digital engagement with CBC News/Regions ⁵	<i>Monthly average minutes per visitor</i>	24 min/vis	21 min/vis	23 min/vis
Digital engagement with Radio-Canada Info/Régions ⁵	<i>Monthly average minutes per visitor</i>	15 min/vis	14 min/vis	13 min/vis
Reflecting contemporary Canada				
Employment equity representation ⁷	<i>% of new external hires</i>	43.4%	30.4%	43.0%

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices from an ever-growing array of content providers. As media consumption habits change, measurement suppliers and the Corporation are refining and introducing new methodologies to ensure accuracy and completeness of data. Since some of these are used to measure our strategic and operational performance, adjustments to targets and historical results may be required to enhance comparability.

Customized digital services

In the first quarter of 2022-2023, our digital reach and engagement are trending below target due to lower than expected interest in news.

Engaging with young audiences

Traffic to our overall digital offering for kids is currently trending below target due to anticipated slowdowns in June for CBC Kids, however we expect results to increase in the fall.

³ Our fifth strategic priority – Taking Canada to the World – is measured via an internal KPI.

⁴ **Source:** Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of CBC/Radio-Canada digital platforms.

⁵ **Source:** Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC/Radio-Canada digital platforms | CBC News/Regions | Radio-Canada Info/Régions, April to March, Canada.

⁶ **Source:** Adobe Analytics, average of monthly visits to kids content on Appli des petits (included as of October 2021), Zone Jeunesse, ICI TOU.TV, CBC Kids sites, CBC Kids News and CBC Gem, April to March.

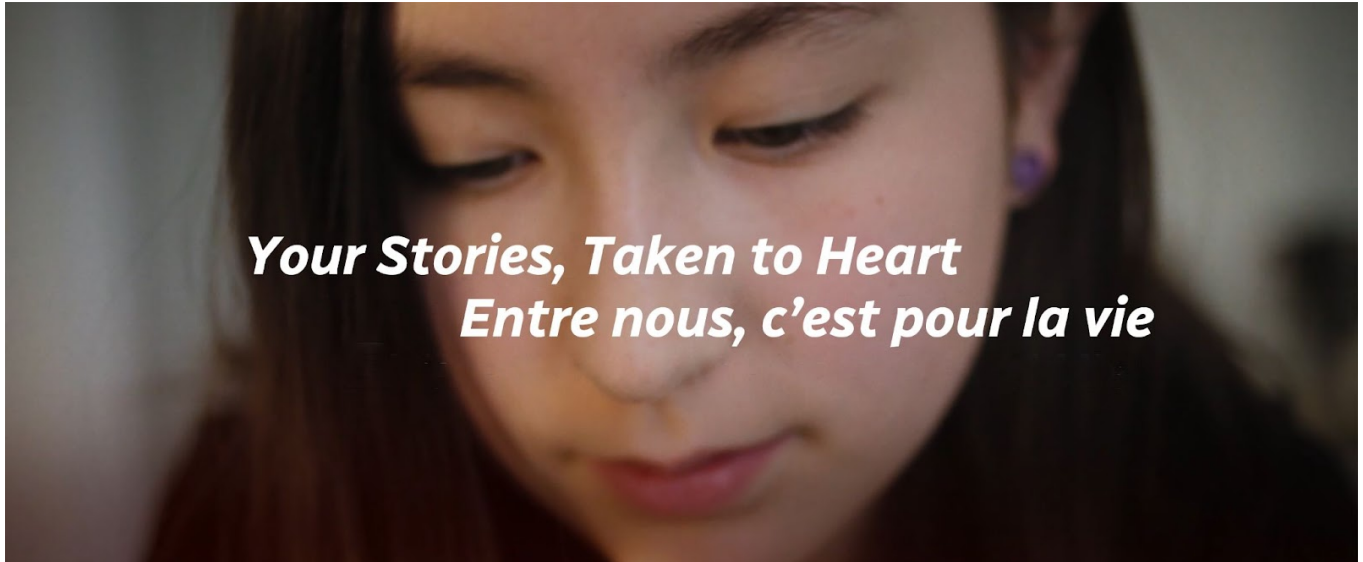
⁷ This metric is made up of three groups: Indigenous Peoples, persons with disabilities and racialized people.

Prioritizing our local connections

Digital engagement for our news and regions sections is currently trending above target for Radio-Canada, however below target for CBC due in part to the lower than anticipated interest in news as the urgency around the pandemic has declined.

Reflecting contemporary Canada

In the first quarter of 2022-2023 employment equity representation of our new employees is tracking behind target but is expected to grow throughout the year as we continue to implement our [2022-2025 Equity, Diversity and Inclusion Plan](#) across the Corporation.



Your Stories Taken to Heart - Our 2019-2024 Strategic Plan

Our Performance – Media Lines

We use Media Lines reporting to measure performance against our operational targets, which mostly focus on audience reach and share through our various platforms and revenue across all our services. While the Corporation continues to monitor the performance of its discretionary television services, we have not reported our subscriber data for competitive reasons.

Our first quarterly report contains a partial list of KPIs because many of the principal targets are measured starting in September each year. KPIs are not available for ICI TÉLÉ, ICI PREMIÈRE, ICI MUSIQUE, CBC Television, CBC Radio One and CBC Music until the fall, and are consequently not presented until our third quarterly report.

Radio-Canada 2022-2023 results

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO JUN 30, 2021	RESULTS APR 1 TO JUNE 30, 2022	TARGETS 2022-2023
Customized digital services				
Digital reach ⁸	Monthly average unique visitors	6.0M	5.1M	5.5M
Digital engagement ⁹	Monthly average minutes per visitor	50 min/vis	53 min/vis	52 min/vis
Engaging with young audiences				
Digital visits to kids content ¹⁰	Monthly average visits	501K	461K	455K
Prioritizing our local connections				
Digital engagement with Radio-Canada Info/Régions ⁹	Monthly average minutes per visitor	15 min/vis	14 min/vis	13 min/vis
Reflecting contemporary Canada				
Employment equity representation ¹¹	% of new external hires	27.8%	13.5%	26.0%
Television				
ICI RDI, ICI ARTV and ICI EXPLORA ¹²	All-day audience share	5.9%	5.3%	5.2%
Revenue				
Total revenue ¹³	Conventional, discretionary, online	\$54M	\$59M	\$225M

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Refer to page 6 for more information on our methodologies.

Customized digital services

Our digital reach is below target after the first quarter, due to seasonality in the business. We expect results to strengthen as the year progresses.

Our digital engagement is tracking slightly above target, thanks to our relevant digital content.

Engaging with young audiences

Digital visits to kids content are tracking above the annual target. Digital visits are expected to increase in future months with the addition of new titles on ICI TOU.TV, such as the second season of [Famille magique](#) and the return to the classroom in September.

⁸ Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of Radio-Canada digital platforms.

⁹ Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to Radio-Canada | Radio-Canada Info/Régions, April to March, Canada.

¹⁰ Source: Adobe Analytics, average of monthly visits to kids content on Appli des petits (included as of October 2021), Zone Jeunesse and ICI TOU.TV, April to March.

¹¹ This metric is made up of three groups: Indigenous Peoples, persons with disabilities and racialized people.

¹² Source: Numeris TV PPM, francophones in Quebec aged 2+, ICI RDI, ICI ARTV and ICI EXPLORA: April to March.

¹³ Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

Prioritizing our local connections

Digital engagement with news and regional content is tracking above target. We offered engaging content with our digital news coverage for events such as the war in Ukraine, the Ontario election and Guy Lafleur's national funeral.

Reflecting contemporary Canada

This quarter, employment equity representation of our new employees was tracking below the annual target. We expect results to grow over the course of the year as we continue to implement our [2022-2025 Equity, Diversity and Inclusion plan](#).

Television

The combined share of our three specialty channels has been tracking slightly above the annual target primarily driven by ICI RDI's news coverage.

Revenue

After the first three months of the year, revenue is tracking towards the annual target.



L'heure de pointe Acadie ICI PREMIÈRE

CBC 2022-2023 results

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO JUN 30, 2021	RESULTS APR 1 TO JUN 30, 2022	TARGETS 2022-2023
Customized digital services				
Digital reach ¹⁴	Monthly average unique visitors	21.0M	17.5M	18.8M
Digital engagement ¹⁵	Monthly average minutes per visitor	32 min/vis	29 min/vis	31 min/vis
Engaging with young audience				
Digital visits to kids content ¹⁶	Monthly average visits	3,388K	2,832K	3,322K
Prioritizing our local connections				
Digital engagement with CBC News/Regions ¹⁵	Monthly average minutes per visitor	24 min/vis	21 min/vis	23 min/vis
Reflecting contemporary Canada				
Employment equity representation ¹⁷	% of new external hires	56.8%	32.8%	55.0%
Television				
CBC News Network ¹⁸	All-day audience share	1.9%	2.0%	1.8%
Revenue				
Total revenue ¹⁹	Conventional, discretionary, online	\$48M	\$52M	\$218M

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Refer to page 6 for more information on our methodologies.

Customized digital services

Digital reach and engagement are below target after the first three months as audience interest in the news cycle declined faster than anticipated across the digital news category.

Engaging with young audiences

CBC Kids segment is on track to meet its annual target. The first quarter experienced some anticipated slow downs with summer seasonality as schools wind down their regular classroom programming. We expect results to increase as school starts back in the fall.

Prioritizing our local connections

Digital engagement with CBC News/Regions fell below target due in part to the lower than anticipated interest in news as the urgency around the pandemic has declined.

Reflecting contemporary Canada

Employment equity representation of our new employees is tracking below the target after the first quarter. We expect results to grow over the course of the year as we continue to implement our [2022-2025 Equity, Diversity and Inclusion Plan](#) across the Corporation.

¹⁴ Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of CBC digital platforms.

¹⁵ Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC | CBC News/Regions, April to March, Canada.

¹⁶ Source: Adobe Analytics, average of monthly visits to kids content on CBC Kids sites, CBC Kids News and CBC Gem, April to March.

¹⁷ This metric is made up of three groups: Indigenous Peoples, persons with disabilities and racialized people.

¹⁸ Source: Numeris TV PPM, persons aged 2+, CBC News Network: April to March.

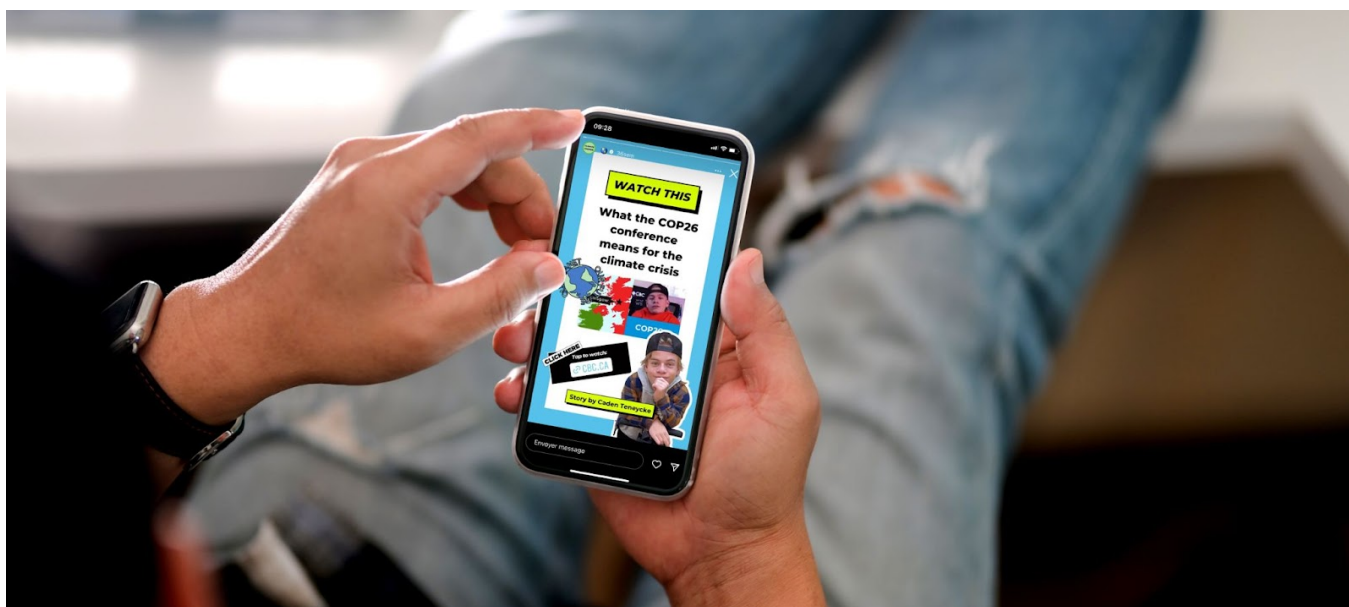
¹⁹ Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

Television

CBC News Network is above target driven by [The National](#) and the coverage of major news stories that drew large audiences including Ontario Votes, the Conservative Leadership Debate and The Queen's Platinum Jubilee.

Revenue

After the first quarter of the fiscal year, revenue is tracking towards the annual target.



CBC Kids News

Measuring our Canadian Content

Regulatory requirements for Canadian content on television are specified by the Canadian Radio-television and Telecommunications Commission (CRTC), which sets conditions of license for ICI TÉLÉ and CBC Television. As shown in the table below, in the previous two broadcast years, ICI TÉLÉ and CBC Television exceeded the CRTC's Canadian content conditions of license, both over the whole day and in prime time.

	YEARLY CONDITIONS OF LICENSE	RESULTS SEP 1, 2019 TO AUG 31, 2020	RESULTS SEP 1, 2020 TO AUG 31, 2021
ICI TÉLÉ			
Broadcast day	75%	79%	82%
Prime time	80%	93%	95%
CBC Television			
Broadcast day	75%	78%	76%
Prime time	80%	83%	83%




Discussion of Results

Financial Highlights

For the three months ended June 30	2022	2021	% change
Revenue	131,358	118,052	11.3
Government funding	288,559	273,756	5.4
Expenses	(414,382)	(398,138)	4.1
Results before other gains and losses	5,535	(6,330)	N/M
Other gains and losses	40	10	N/M
Net results under IFRS for the period	5,575	(6,320)	N/M

N/M = not meaningful

Net results under IFRS for the period were a gain of \$5.6 million this quarter, compared to a loss of \$6.3 million in the same period last year. These results are further explained below:

 <p>REVENUE</p> <p>Q1 2022-2023: \$131M 2021-2022: \$118M TOTAL INCREASE +\$13M</p>	<p>Revenue increased by 11.3% this quarter, mostly from stronger TV advertising demand and continued digital revenue growth.</p> <p>Higher other income from additional content sales and demand for production services also contributed to this increase.</p>
 <p>GOVERNMENT FUNDING</p> <p>Q1 2022-2023: \$289M 2021-2022: \$274M TOTAL INCREASE +\$15M</p>	<p>Government funding recognized this quarter increased by 5.4%. This increase was consistent with our expected needs for operating funding in the quarter.</p>
 <p>EXPENSES</p> <p>Q1 2022-2023: \$414M 2021-2022: \$398M TOTAL INCREASE +\$16M</p>	<p>Our expenses increased this quarter by 4.1% mostly from higher programming costs due to scheduling changes. We also continued to invest in our digital activities and content, and incurred additional costs to cover a news-heavy quarter.</p>

Revenue

For the three months ended June 30	2022	2021	% change
Advertising			
English Services	32,206	29,664	8.6
French Services	39,908	36,006	10.8
	72,114	65,670	9.8
Subscriber fees			
English Services	15,257	15,489	(1.5)
French Services	15,268	15,268	-
	30,525	30,757	(0.8)
Financing, investment and other income			
English Services	10,205	8,530	19.6
French Services	7,629	4,130	84.7
Corporate Services	10,885	8,965	21.4
	28,719	21,625	32.8
TOTAL	131,358	118,052	11.3

Our revenue increased by \$13.3 million (↑ 11.3%) compared to the same period last year, with the main variances by revenue streams noted below.

Advertising (↑ 9.8%)

Our advertising revenue depends on the different events of significant importance we cover throughout the year, the overall health of the economy and advertising market, and the success of our programming schedule.

For the three months ended June 30	2022	2021	% change
TV advertising	54,967	49,936	10.1
Digital advertising	17,147	15,734	9.0
	72,114	65,670	9.8

Revenue from TV advertising increased for both CBC and Radio-Canada this quarter by \$5.0 million (↑ 10.1%) mostly due to stronger TV advertising demand.

Digital advertising revenue has increased this quarter by \$1.4 million (↑ 9.0%) mainly in video advertising as consumption of digital content and demand for digital advertising continues to grow.

Subscriber fees (↓ 0.8%)

Our subscriber revenue is driven by the rates for our discretionary services and our subscriber base, which has declined for our TV services when compared to the prior year due to the adverse effects of the cord-shaving trend affecting the cable industry.

For the three months ended June 30	2022	2021	% change
Discretionary TV platforms	23,865	25,045	(4.7)
Digital platforms	6,660	5,712	16.6
	30,525	30,757	(0.8)

Our subscriber revenue was lower by \$0.2 million (↓0.8%) when compared to the same period last year as the subscriber base of our discretionary platforms decreased. This decline was somewhat offset by sustained subscriber growth on our digital platforms (ICI TOU.TV EXTRA and CBC Gem).

Financing, investment and other income (↑ 32.8%)

Financing, investment and other income depends on the different events and transactions throughout the year, as it includes production revenue from host broadcasting services and revenue from the sale of content. It also reflects revenue from our rentals, sponsorships and retransmission rights.

The \$7.1 million (↑ 32.8%) increase in financing, investment and other income this quarter resulted mostly from:

- Higher production revenue due to additional demand for production services driven by scheduling changes;
- Higher other income due to new content added on the Mauril application and the recognition of a foreign exchange gain. In the same period last year, a foreign exchange loss was recorded on receipt of a one-time retroactive royalties for retransmission rights; and
- Higher revenue from news feeds and timing of content sales.

These increases were partly offset by lower leasing income from our Toronto Broadcast Center (TBC) building.

Operating expenses

For the three months ended June 30	2022	2021	% change
Television, radio and digital services costs			
English Services	201,955	195,983	3.0
French Services	189,930	179,832	5.6
	391,885	375,815	4.3
Other operating expenses			
Transmission, distribution and collection	14,181	13,301	6.6
Corporate management	2,675	2,761	(3.1)
Finance costs	5,641	6,261	(9.9)
	22,497	22,323	0.8
TOTAL	414,382	398,138	4.1

Our total operating expenses increased by \$16.2 million (↑4.1%) compared to the same period last year, with the main variances noted below.

Television, radio and digital services costs (↑ 4.3%)

Television, radio and digital services costs depend on the different events of importance we cover throughout the year and on our ongoing programming schedule. They represent the costs we incur in relation to the production of our programs, including the cost of our technical labour and facilities.

Television, radio and digital services costs increased by \$16.1 million (↑ 4.3%) compared to the same period last year due to higher programming costs mostly from scheduling changes. At the start of this year, programming costs increased due to the shift of some season finales to accommodate the broadcast of the Beijing 2022 Olympic Games. In addition, we continued to invest in our digital content and activities, and incurred additional expenses to cover a heavy news quarter marked by the war in Ukraine, the Ontario election, Guy Lafleur's national funeral and the Royals specials.

These increases were partially offset by lower costs resulting from the pension fund contribution holiday.

Other operating expenses (↑ 0.8%)

Other operating expenses include costs related to the broadcasting of the Corporation's programs ("transmission, distribution and collection costs"), corporate management costs, and finance costs.

Other operating expenses remained stable (↑ 0.8%) compared to the same period last year.

Government funding

For the three months ended June 30	2022	2021	% change
Parliamentary appropriations for operating expenditures	264,157	248,810	6.2
Parliamentary appropriations for working capital	1,000	1,000	-
Amortization of deferred capital funding	23,402	23,946	(2.3)
TOTAL	288,559	273,756	5.4

Parliamentary appropriations for operating expenditures are recognized based on the amounts voted by Parliament.

Capital funding is recorded as **deferred capital funding**. It is amortized and recognized as revenue over the same periods as the related property, equipment and intangible assets are used in CBC/Radio-Canada's operations.

Parliamentary appropriations for operating expenditures increased by \$15.3 million (↑ 6.2%). Our government funding recognized in the first quarter was higher due to the timing of our expected needs between quarters.

Amortization of deferred capital funding slightly decreased (↓ 2.3%) compared to the same period last year, consistent with our expectations.

Other gains and losses

For the three months ended June 30	2022	2021	% change
Gain on disposal of property and equipment and intangibles	40	10	N/M
TOTAL	40	10	N/M

N/M = not meaningful

Other gains and losses this quarter and in the first quarter last year were related to the retirement of assets in the regular course of our operations.

Total comprehensive income (loss)

For the three months ended June 30	2022	2021	% change
Net results for the period	5,575	(6,320)	N/M
Other comprehensive income			
Remeasurements of defined benefit plans	53,225	189,236	(71.9)
Total comprehensive income for the period	58,800	182,916	(67.9)

N/M = not meaningful

Remeasurements of defined benefit plans are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each year.

Total comprehensive income recognized this quarter was \$58.8 million, compared to \$182.9 million in the same period last year due to changes in market conditions and our discount rate. In addition to our net results, total comprehensive income includes remeasurements of defined benefit plans as described above.

A gain of \$53.2 million was recognized this quarter on remeasurements of defined benefit plans. This was mostly due to a 105 basis-point increase in the discount rate, which decreased the defined benefit obligation by \$906.7 million. This was partly offset by a loss on plan assets of \$853.5 million, resulting from a lower return on plan assets than estimated in our actuarial assumptions.



Camerman in action in Winnipeg, Manitoba

Capital Resources, Financial Condition and Liquidity

Revenue and Other Sources of Funds

CBC/Radio-Canada has four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income:

Government funding: This quarter, operating funding was \$264.2 million, capital funding recognized in income was \$23.4 million and working capital was \$1.0 million.

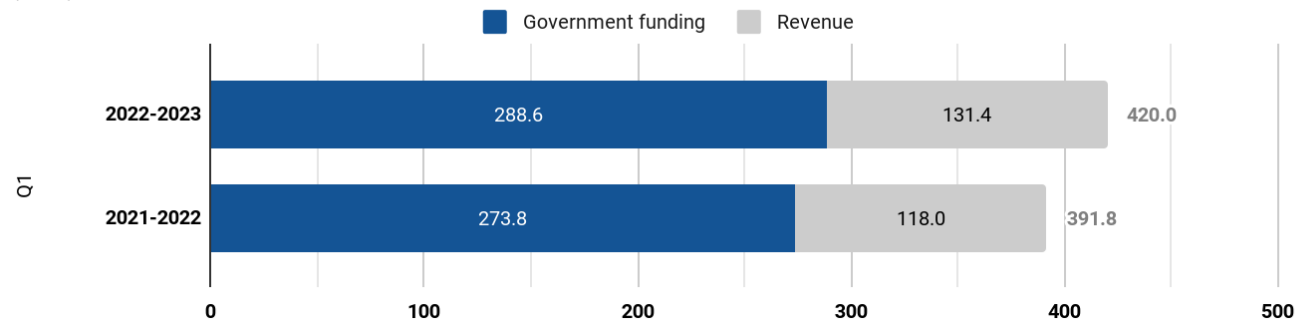
Advertising revenue: This includes ongoing sales of advertising on our conventional television channels, digital platforms and discretionary television services. Over the long-term, TV advertising revenue is decreasing as a proportion of our total source of funds, mainly as a result of the market's shift away from conventional advertising platforms.

Subscriber fees: These are fees from our discretionary services: CBC News Network, *documentary*, CBC Gem, ICI EXPLORA, ICI ARTV, ICI RDI, ICI TOU.TV EXTRA and Curio.ca. Subscriber fees from our traditional platforms are experiencing downward pressure from the continuing cord-cutting and cord-shaving, a trend that has accelerated during the pandemic. Subscribers to our digital platforms are increasing.

Financing and other income: This includes ongoing income from activities such as the rental of real estate assets, content sales, leasing of space at transmission sites and host broadcasting sports events.

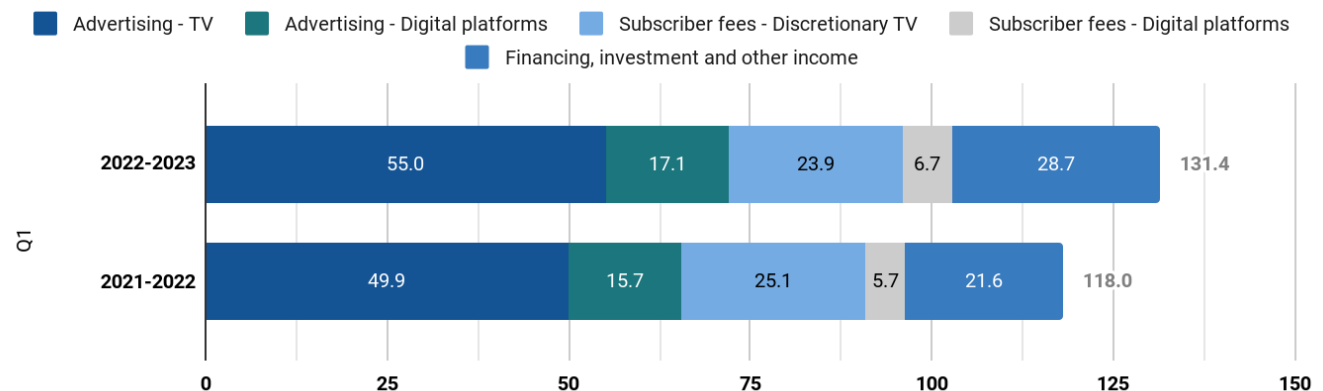
Sources of funding

(in \$M)



Revenue

(in \$M)



Financial Condition, Cash Flows and Liquidity

We rely on parliamentary appropriations and the cash generated from our operations to fund our operating activities and our capital needs in an environment highly dependent on technology. Specifically, our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements, and revenue such as the sale of advertising on our various platforms. Our cash flows from operating, investing and financing activities for the period are summarized below.

Cash position

For the three months ended June 30	2022	2021	% change
Cash – beginning of the period	82,960	90,107	(7.9)
Changes in the period			
Cash used in operating activities	(43,850)	(20,366)	N/M
Cash used in financing activities	(32,912)	(29,120)	13.0
Cash from investing activities	48,497	56,105	(13.6)
Net change	(28,265)	6,619	N/M
Cash – end of the period	54,695	96,726	(43.5)

N/M = not meaningful

Cash used in operating activities

Cash used in operating activities includes cash inflows from our drawdowns of parliamentary appropriations for operating expenditures and working capital. Fluctuations in working capital have a significant impact on cash received or disbursed in the course of our operations.

Cash used in operating activities was \$43.9 million during the first quarter of 2022-2023, compared to \$20.4 million for the same period last year. This quarter, the increase in cash used in operating activities was mostly driven by the increased need to recognize parliamentary appropriations for operating expenditures and a lower pension expense, consistent with our expectations. Partly offsetting these increases was a \$31.1 million payment of income taxes during the same quarter last year.

Cash used in financing activities

Cash used in financing activities includes cash outflows for interest payments, repayments of the Broadcast Centre Trust bonds, payments of notes payable and payments to meet obligations under our leases.

Cash used in financing activities increased by \$3.8 million compared to the same period last year mainly due to a final lease payment made this quarter.

Cash from investing activities

Cash from investing activities includes cash from our drawdowns of parliamentary appropriations for capital expenditures.

Cash inflows from investing activities decreased by \$7.6 million compared to the same period last year. This decrease in cash inflows was mostly due to the fact that, in the same period last year, there were more Canada Mortgage Bonds (CMB) that came to maturity, of which a large portion was not re-invested in order to alleviate cost pressures related to the Tokyo 2020 and Beijing 2022 Olympic Games.

Risk Update

We occupy an important place in the Canadian broadcasting system and face a unique set of risks. Like all broadcasters, we must adapt to accelerated technological changes, shifts in demographics, evolving consumer demands, increasing regulatory scrutiny and structural changes in the media ecosystem. We are seeing an increase in violence against journalists and media professionals, and continued sources of disinformation and misinformation. Moreover, given our mandate to serve all Canadians, we also face a unique set of public expectations and financial challenges.

It is our policy to develop, implement and practise effective risk management to ensure risks and opportunities that impact our strategies, objectives and operations are identified, assessed and managed appropriately.

A full assessment of risks, potential impacts and our risk mitigation strategies is provided in our 2021-2022 Annual Report.

Other than the items noted below, there have been no significant changes to our risk profile since year end.

Canadian Radio-television and Telecommunications Commission (CRTC)

In June 2022, the CRTC issued our new five-year licences which will come into effect September 1, 2022. We welcomed the CRTC decision that recognizes our dual priorities of digital services and diversity, and we no longer consider this a risk.

Cybersecurity

The cybersecurity threat landscape globally has never been so unfavourable. The geopolitical context linked to the conflict in Ukraine and the announcement of the closure of the Moscow bureaus further increase our threat level. We have increased our cyber defenses and enhanced our monitoring activities and mitigation efforts.



My Brampton Day: CBC Toronto and Brampton Library come together to celebrate community connections

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements ("interim financial statements") in accordance with IAS 34 – *Interim Financial Reporting*, and for such internal controls as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the interim financial statements.

Based on our knowledge, these unaudited interim financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation, as at the date of and for the periods presented in the interim financial statements.



Catherine Tait
President and Chief Executive Officer



Carol Najm
Vice-President and Chief Financial Officer

Ottawa, Canada
August 24, 2022



INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

Q1 

FIRST QUARTER

**FINANCIAL
REPORT**

2022-2023

CBC  Radio-Canada

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	As at June 30 2022	As at March 31 2022
ASSETS			
Current			
Cash	15	54,695	82,960
Marketable securities	15	3,823	3,814
Restricted cash		1,954	-
Bonds receivable	15	30,221	59,692
Promissory notes receivable	15	4,088	4,018
Trade and other receivables	4,15	176,164	233,041
Programming	5	361,621	300,433
Prepaid expenses		45,404	41,834
Investment in finance lease	15	4,491	4,419
Derivative financial instruments	15	427	-
Assets classified as held for sale		46	46
Income tax receivable		24,428	24,428
		707,362	754,685
Non-current			
Bonds receivable	15	14,356	14,422
Property and equipment	6	765,369	776,467
Intangible assets	7	38,379	40,056
Right-of-use (ROU) assets	8	320,179	324,544
Pension plan asset	10	1,650,464	1,621,166
Promissory notes receivable	15	19,040	20,088
Programming	5	44,903	48,156
Investment in finance lease	15	20,635	21,785
Deferred charges		28,018	29,049
		2,901,343	2,895,733
TOTAL ASSETS		3,608,705	3,650,418
LIABILITIES			
Current			
Accounts payable and accrued liabilities	15	81,738	107,111
Provisions	9	27,048	25,057
Pension plans and employee-related liabilities	10	190,158	217,607
Financial obligations	15	34,424	36,938
Lease liabilities	11	18,052	22,285
Deferred revenue and other liabilities		13,580	18,336
Deferred operating vote drawdown	13	2,843	-
Derivative financial instruments	15	-	141
		367,843	427,475
Non-current			
Deferred revenue and other liabilities		20,121	24,482
Pension plans and employee-related liabilities	10	204,936	225,382
Financial obligations	15	153,619	170,109
Lease liabilities	11	295,506	298,688
Deferred capital funding	13	516,487	512,889
		1,190,669	1,231,550
TOTAL LIABILITIES		1,558,512	1,659,025
EQUITY			
Retained earnings		2,049,365	1,990,558
Total equity attributable to the Corporation		2,049,365	1,990,558
Non-controlling interests		828	835
TOTAL EQUITY		2,050,193	1,991,393
TOTAL LIABILITIES AND EQUITY		3,608,705	3,650,418

Commitments (NOTE 17)

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME (LOSS) (UNAUDITED)

		For the three months ended June 30	
<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	2022	2021
REVENUE	12		
Advertising		72,114	65,670
Subscriber fees		30,525	30,757
Other income		27,128	20,080
Financing and investment income		1,591	1,545
		131,358	118,052
GOVERNMENT FUNDING	13		
Parliamentary appropriation for operating expenditures		264,157	248,810
Parliamentary appropriation for working capital		1,000	1,000
Amortization of deferred capital funding		23,402	23,946
		288,559	273,756
EXPENSES			
Television, radio and digital services costs		391,885	375,815
Transmission, distribution and collection costs		14,181	13,301
Corporate management costs		2,675	2,761
Finance costs		5,641	6,261
		414,382	398,138
Results before other gains and losses		5,535	(6,330)
OTHER GAINS AND LOSSES			
Gain on disposal of property and equipment and intangibles		40	10
Net results for the period		5,575	(6,320)
Net results attributable to:			
The Corporation		5,582	(6,317)
Non-controlling interests		(7)	(3)
		5,575	(6,320)

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

		For the three months ended June 30	
<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	2022	2021
COMPREHENSIVE INCOME (LOSS)			
Net results for the period		5,575	(6,320)
Other comprehensive income - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	10	53,225	189,236
Total comprehensive income for the period		58,800	182,916
Total comprehensive income attributable to:			
The Corporation		58,807	182,919
Non-controlling interests		(7)	(3)
		58,800	182,916

The accompanying notes form an integral part of the consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2022		1,990,558	835	1,991,393
Changes during the period				
Net results for the period		5,582	(7)	5,575
Remeasurements of defined benefit plans	10	53,225	-	53,225
Total comprehensive income for the period		58,807	(7)	58,800
Balance as at June 30, 2022		2,049,365	828	2,050,193

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2021		1,269,285	755	1,270,040
Changes during the period				
Net results for the period		(6,317)	(3)	(6,320)
Remeasurements of defined benefit plans	10	189,236	-	189,236
Total comprehensive income for the period		182,919	(3)	182,916
Balance as at June 30, 2021		1,452,204	752	1,452,956

The accompanying notes form an integral part of the consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(in thousands of Canadian dollars)	NOTE	For the three months ended June 30	
		2022	2021*
CASH FLOWS FROM (USED IN)			
OPERATING ACTIVITIES			
Net results for the period		5,575	(6,320)
Adjustments for:			
(Gain) on disposal of property and equipment and intangibles		(40)	(10)
Financing and investment income	12	(1,591)	(1,545)
Finance costs		5,641	6,261
Net (gain) from the change in fair value of financial instruments	15	(568)	(61)
Depreciation and amortization	6,7,8	29,163	25,889
Change in deferred charges		1,031	1,046
Net change in programming asset [non-current]	5	3,414	4,396
Amortization of deferred capital funding	13	(23,402)	(23,946)
Change in deferred appropriations for operating expenditures	13	2,843	45,190
Change in deferred revenue and other liabilities [non-current]		(4,522)	(4,245)
Pension and other post-employment plans expenses	10	14,831	30,104
Pension and other post-employment plans cash payments	10	(11,350)	(17,366)
Amortization of bond premium		271	450
Income taxes paid, net of refund		-	(31,149)
Movements in working capital	14	(65,146)	(49,060)
		(43,850)	(20,366)
FINANCING ACTIVITIES			
Payment of lease liabilities	11	(8,420)	(4,558)
Repayment of financial obligations		(15,447)	(14,462)
Interest paid		(9,045)	(10,100)
		(32,912)	(29,120)
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	13	27,000	25,001
Additions to property and equipment and intangible assets	6,7	(11,139)	(13,464)
Acquisition of bonds receivable		(520)	(36,769)
Acquisition of marketable securities		(10)	(16)
Net proceeds from disposal of property and equipment	6	93	123
Collection of financial assets		31,791	80,156
Interest received		1,282	1,074
		48,497	56,105
Change in cash		(28,265)	6,619
Cash, beginning of the period		82,960	90,107
Cash, end of the period		54,695	96,726

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

* Certain comparative figures have been reclassified to conform to the current year presentation.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED JUNE 30, 2022 (UNAUDITED)

BUSINESS AND ENVIRONMENT

This Section sets out the basis of preparation of these condensed interim financial statements when compared to the Corporation's latest complete set of audited annual financial statements for the year ended March 31, 2022. This section also shows new and future changes in policies, if any, and whether they are effective in 2022 or later years. We explain how these changes are expected to impact the financial position and performance of the Corporation.

1. GENERAL INFORMATION

CBC/Radio-Canada ("the Corporation", "We", "Us", "Our") was first established by the 1936 *Broadcasting Act*. The Corporation, a federal Crown Corporation domiciled in Canada, is an agent of Her Majesty and all assets and liabilities are those of the Government. Our registered office is located at 181 Queen Street, Ottawa ON K1P 1K9. The Corporation is accountable to Parliament through the Minister of Canadian Heritage and in accordance with section 85(1.1) of the *Financial Administration Act*, the Corporation is exempt from certain sections of this *Act*¹.

As the national public broadcaster, we provide radio, television and digital services in both official languages, delivering predominantly and distinctly Canadian programming to reflect Canada and its regions to national and regional audiences.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance

The Corporation has prepared these condensed interim consolidated financial statements as required by Section 131.1 of the *Financial Administration Act* which requires most parent Crown Corporations to prepare and make public quarterly financial reports in compliance with the *Treasury Board Standard on Quarterly Financial Reports for Crown Corporations*.

These condensed interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditor. The Board of Directors has authorized them for issuance on August 24, 2022.

All amounts are in Canadian dollars, which is our functional currency, and rounded to the nearest thousand unless otherwise noted.

B. Basis of Preparation

Basis of Presentation

As permitted under IAS 34 *Interim Financial Reporting*, these interim consolidated financial statements are presented on a condensed basis and therefore do not include all disclosures that would otherwise be required in a full set of financial statements. These condensed interim consolidated financial statements are intended to provide an update on the Corporation's latest complete set of audited annual financial statements for the year ended March 31, 2022 ("2021-2022 audited annual financial statements"). Accordingly, they should be read in conjunction with the 2021-2022 audited annual financial statements.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except as permitted by International Financial Reporting Standards ("IFRS") and as otherwise indicated within these notes.

¹ The Corporation is exempt from *Divisions I to IV of Part X of the Act, except for sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.*

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those disclosed in the Corporation's 2021-2022 audited annual financial statements.

The accounting policies have been applied consistently to all periods presented unless otherwise noted.

Seasonality

Excluding government appropriations, approximately 50% of the Corporation's ongoing revenue comes from advertising revenue that tends to follow seasonal patterns, with the second quarter typically being the lowest as the summer season typically attracts fewer viewers. Advertising revenue also varies according to market and general economic conditions and the programming schedule. By contrast, subscriber-based revenue is less volatile on a quarter-by-quarter basis. Operating expenses also tend to follow a seasonal pattern, as they are influenced by the programming schedule.

Key Sources of Estimation Uncertainty and Critical Judgments

The preparation of these condensed interim consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of such financial statements and the reported amounts of revenue and expenses recorded during the period, and all related disclosures.

Estimates are regularly reviewed by management and changes in those estimates are recognized prospectively by including them in our condensed interim consolidated statement of income (loss) in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. Actual results could significantly differ from those estimates. Similarly, critical judgments are reassessed at each reporting date.

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

At the date of this report, there were no new pronouncements issued by the IASB or the IFRS Interpretations Committee that impacted these consolidated financial statements.

B. Future Accounting Changes

At the date of this report, there were no future accounting standards or amendments issued by the IASB that are expected to significantly impact our consolidated financial statements.

ASSETS AND LIABILITIES

This section shows the assets used to fulfill our mandate and the liabilities incurred as a result. Only significant items are discussed below.

4. TRADE AND OTHER RECEIVABLES

	June 30, 2022	March 31, 2022
Trade receivables	165,524	201,373
Parliamentary appropriations receivable	-	21,000
Provision for expected credit losses	(608)	(473)
Other	11,248	11,141
Total	176,164	233,041

Trade receivables disclosed above include amounts that are past due at the end of the reporting period.

Trade and other receivables are subject to credit risk, which is further discussed in Note 15.B.

5. PROGRAMMING

Programming consists of programs that require our involvement during the production and acquired license agreements for programming material.

A. Programming by Category

	June 30, 2022	March 31, 2022
Completed programs	171,085	173,601
Programs in process of production	153,464	90,663
Broadcast rights available for broadcast within the next twelve months	37,072	36,169
Total Current Programming	361,621	300,433
Broadcast rights not available for broadcast within the next twelve months	44,903	48,156
Total Programming	406,524	348,589

B. Movement in Programming

	June 30, 2022	March 31, 2022
Opening balance	348,589	421,219
Additions	352,791	1,334,348
Programs broadcast	(294,856)	(1,406,978)
Balance, end of period	406,524	348,589

6. PROPERTY AND EQUIPMENT

Cost and Accumulated Depreciation

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2022	107,864	466,969	191,133	1,038,201	189,352	41,831	2,035,350
Additions	-	-	-	1,192	1,606	6,319	9,117
Transfers (refer to Note 7)	-	634	865	5,321	833	(7,470)	183
Disposals and write-offs	-	(28)	-	(3,828)	(1,195)	-	(5,051)
Cost as at June 30, 2022	107,864	467,575	191,998	1,040,886	190,596	40,680	2,039,599
Accumulated depreciation as at March 31, 2022	-	(291,434)	(58,482)	(785,050)	(123,917)	-	(1,258,883)
Depreciation for the period	-	(2,768)	(2,272)	(11,146)	(4,159)	-	(20,345)
Reclassification of depreciation on disposals and write-offs	-	29	-	3,775	1,194	-	4,998
Accumulated depreciation as at June 30, 2022	-	(294,173)	(60,754)	(792,421)	(126,882)	-	(1,274,230)
Net carrying amount as at June 30, 2022	107,864	173,402	131,244	248,465	63,714	40,680	765,369

The contractual commitments for the acquisition of property and equipment were \$16.6 million as at June 30, 2022 (March 31, 2022 - \$2.8 million).

7. INTANGIBLE ASSETS

Cost and Accumulated Depreciation

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2022	127,933	81,420	1,761	211,114
Additions	-	119	1,616	1,735
Transfers (refer to Note 6)	36	1,857	(2,076)	(183)
Disposals and write-offs	(2,254)	-	-	(2,254)
Cost as at June 30, 2022	125,715	83,396	1,301	210,412
Accumulated amortization as at March 31, 2022	(124,863)	(46,195)	-	(171,058)
Amortization for the period	(249)	(2,980)	-	(3,229)
Reclassification of amortization on disposals and write-offs	2,254	-	-	2,254
Accumulated amortization as at June 30, 2022	(122,858)	(49,175)	-	(172,033)
Net carrying amount as at June 30, 2022	2,857	34,221	1,301	38,379

The contractual commitments for the acquisition of intangible assets were nil as at June 30, 2022 (March 31, 2022 - nil).

8. RIGHT-OF-USE (ROU) ASSETS

ROU assets consist primarily of real estate leases for the rental of office space and technical equipment to carry our transmission activities. The lease of office space typically runs for periods between 2 and 37 years, and lease of technical equipment (including transmission assets) for 3 to 35 years.

As at June 30, 2022	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the period	2,013	297,048	3,459	17,659	320,179
Depreciation charge for the period	86	4,328	150	1,025	5,589

As at March 31, 2022	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,099	300,263	3,609	18,573	324,544
Depreciation charge for the year	349	17,320	602	4,089	22,360

Additions to the ROU assets during the three months ended June 30, 2022 were \$1.4 million (March 31, 2022 - \$8.1 million).

9. PROVISIONS

As at June 30, 2022	Claims and Legal Proceedings	Other	Total
Opening balance	24,832	225	25,057
Additional provisions recognized	2,235	-	2,235
Reductions resulting from remeasurement or settlement without cost	(244)	-	(244)
Balance, end of period	26,823	225	27,048

Various claims and legal proceedings have been asserted or instituted against us. Some of these claims or legal proceedings demand large monetary damages or other forms of relief, and could create significant expenditures. They include ongoing legal, compensation, employment matters and copyright tariffs against CBC/Radio-Canada.

Other provisions consist of environmental decommissioning liabilities and probable costs for reorganizations, relocations and redundancies at CBC/Radio-Canada.

All provisions are classified as current because we are working to resolve these matters within 12 months.

10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

A. Pension Plans Asset/Liabilities and Employee-Related Liabilities

Employee-related asset/liabilities recognized and presented in our Condensed Interim Consolidated Statement of Financial Position are as follows:

	Current		Non-current	
	June 30, 2022	March 31, 2022	June 30, 2022	March 31, 2022
Pension plan asset	-	-	1,650,464	1,621,166
Pension plans liability	-	-	109,158	122,115
Other post-employment plans	-	-	95,778	103,267
Vacation pay	81,083	78,082	-	-
Termination benefits	3,688	4,960	-	-
Salary-related liabilities	105,387	134,565	-	-
Total pension plans and employee-related liabilities	190,158	217,607	204,936	225,382

The amount included in our Condensed Interim Consolidated Statement of Financial Position arising from our obligation in respect of our defined benefit plans is as follows:

	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
	June 30, 2022			March 31, 2022		
Fair value of plan assets	7,600,691	-	-	8,430,477	-	-
Defined benefit obligation	5,950,227	109,158	95,778	6,809,311	122,115	103,267
Net asset (liability) arising from defined benefit obligation	1,650,464	(109,158)	(95,778)	1,621,166	(122,115)	(103,267)

B. Significant Actuarial Assumptions

As disclosed in Note 15 *Pension Plans and Employee-Related Liabilities* of the Corporation's 2021-2022 audited annual financial statements, the Corporation reviews its actuarial assumptions at each reporting period to ensure that the net defined benefit asset (liability) recognized in the financial statements is updated for significant changes arising from non-recurring events. The impact on the net defined benefit asset (liability) arising from any such changes in assumptions is recognized in other comprehensive income as a remeasurement for the period.

The significant actuarial assumptions used for the purposes of determining the defined benefit obligation and pension benefit costs were:

Assumptions – annual rates	June 30, 2022	March 31, 2022
Assumptions for the calculation of pension benefit costs:		
Discount rate	4.00%	3.30%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	5.05%	4.00%
Discount rate - long service gratuity	4.86%	3.81%
Discount rate - LTD benefit	4.86%	3.81%
Discount rate - life insurance	5.04%	3.97%

C. Total Cash Payments

Our cash payments for pension, other post-employment and other long-term benefits were as follows:

For the three months ended June 30	2022	2021
Benefits paid directly to beneficiaries	3,488	3,028
Employer regular contributions to pension benefit plans	7,862	14,338
Total cash payments for defined benefit plans	11,350	17,366

The Canadian Broadcasting Corporation Pension Plan (the "Plan") is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute a percentage of their pensionable salary to the Plan. The Corporation provides the balance of the funding, as required, based on actuarial valuations. Starting on April 21, 2022, CBC/Radio-Canada has been required to take a contribution holiday in accordance with the *Income Tax Act*.

D. Defined Benefit Obligation

Movements in the present value of the defined benefit obligation were as follows:

	Pension plans	Other post- employment plans	Pension plans	Other post- employment plans
	June 30, 2022		March 31, 2022	
Opening defined benefit obligation	6,931,426	103,267	7,423,136	115,160
Current service cost	26,033	1,062	127,987	5,848
Interest cost	68,455	813	242,547	3,248
Contributions from employees	17,674	-	61,854	-
Remeasurements:				
Actuarial losses arising from changes in demographic assumptions	-	-	-	(1,403)
Actuarial gains arising from changes in financial assumptions	(901,462)	(5,876)	(652,357)	(6,139)
Actuarial losses arising from experience adjustments	-	-	55,935	151
Benefits paid	(82,741)	(3,488)	(327,676)	(13,598)
Closing defined benefit obligation	6,059,385	95,778	6,931,426	103,267

E. Fair Value of Plan Assets

Movements in the fair value of the plan assets were as follows:

	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
	June 30, 2022		March 31, 2022	
Opening fair value of plan assets	8,430,477	-	8,163,234	-
Administration fees (other than investment management fees)	(2,000)	-	(8,000)	-
Interest income on plan assets	82,957	-	265,819	-
Return on plan assets, excluding interest income	(853,538)	-	213,769	-
Contributions from employees	17,674	-	61,854	-
Contributions from the Corporation	7,862	3,488	61,477	13,598
Benefits paid	(82,741)	(3,488)	(327,676)	(13,598)
Closing fair value of plan assets	7,600,691	-	8,430,477	-

F. Pension and Other Post-Employment Plans Expenses

Amounts recognized in other comprehensive income (loss)

For the three months ended June 30	2022	2021
Current service cost	27,095	33,165
Administration fees (other than investment management fees)	2,000	2,000
Interest cost on defined benefit obligation	69,268	61,312
Interest income on plan assets	(82,957)	(66,455)
Other	(575)	82
Expense recognized in net results	14,831	30,104
Less:		
Remeasurements of defined benefit plans recognized in OCI	53,225	189,236
Total	(38,394)	(159,132)

Retained earnings include \$2,246.5 million of cumulative actuarial gains as at June 30, 2022 (March 31, 2022 gains – \$2,193.2 million).

Expense recognized in net results

For the three months ended June 30	2022	2021
Television, radio and digital services costs	14,238	28,900
Transmission, distribution and collection costs	445	903
Corporate management costs	148	301
Total	14,831	30,104

11. LEASE LIABILITIES

	June 30, 2022	March 31, 2022
Land	2,026	2,050
Buildings	292,873	295,250
Leasehold improvements	-	4,010
Technical equipment	18,659	19,663
Total	313,558	320,973
Current	18,052	22,285
Non-current	295,506	298,688
Total	313,558	320,973

Maturity Analysis

	June 30, 2022	March 31, 2022
Contractual undiscounted cash flows		
Less than one year	25,841	30,226
One to five years	91,330	92,190
More than five years	307,525	311,049
Total undiscounted lease liabilities	424,696	433,465
Lease liabilities included in the Condensed Interim Consolidated Statement of Financial Position	313,558	320,973

Amounts recognized in our Condensed Interim Consolidated Statement of Cash Flows

During the three months ended June 30, 2022, total cash outflow for leases amounted to \$10.7 million (June 30, 2021 - \$6.9 million). Interest expense related to lease liabilities and presented as Finance costs for the three months ended June 30, 2022 totaled \$2.2 million (June 30, 2021 - \$2.3 million).

Some real estate leases in which we are the lessee contain variable lease payments that are linked to an index or rate. These types of payments are common in the real estate industry.

INCOME, EXPENSES AND CASH FLOWS

This Section focuses on our results and cash flows. On the following pages you will find disclosures describing our revenue and government funding for the period and supplemental cash flow information.

12. REVENUE

For the three months ended June 30	2022	2021*
TV advertising ¹	54,967	49,936
Digital advertising	17,147	15,734
Subscriber fees	30,525	30,757
Production revenue ²	8,073	5,602
Program license sales	5,634	4,456
Canadian retransmission rights	1,050	1,050
Program sponsorship	-	91
Other services	3,949	967
Revenue from contracts with customers	121,345	108,593
Leasing income	7,928	9,325
Financing and investment income	1,591	1,545
Net gain (loss) from the change in fair value of financial instruments	568	61
Foreign exchange gain (loss)	(74)	(1,472)
Other sources of income**	10,013	9,459
Total revenue	131,358	118,052

* Certain comparative figures have been reclassified to conform to the current year presentation.

** Revenue streams outside the scope of IFRS 15 *Revenue from Contracts with Customers*.

¹ For the period ended June 30, 2022, TV advertising included revenue from exchange of services of \$0.4 million (June 30, 2021 - \$0.3 million).

² For the period ended June 30, 2022, Production revenue included revenue from exchange of services of \$5.2 million (June 30, 2021 - \$3.8 million).

Advertising Revenue

For the three months ended June 30	2022	2021
English services	32,206	29,664
French services	39,908	36,006
Total advertising revenue	72,114	65,670

Subscriber Revenue

For the three months ended June 30	2022	2021
English services	15,257	15,489
French services	15,268	15,268
Total subscriber revenue	30,525	30,757

Contract Balances

Contract assets are presented under “Trade and Other Receivables” in our Condensed Interim Consolidated Statement of Financial Position. Trade and Other Receivables include \$14.7 million of contract assets as at June 30, 2022 (March 31, 2022 – \$13.7 million). There was no impairment loss on contract assets for the period considered.

Contract liabilities primarily relate to cash payments received in advance of meeting our performance obligations, mostly related to host broadcasting and program sponsorship revenue streams. Contract liabilities are presented as current liabilities under “Deferred Revenue and other liabilities” in our Condensed Interim Consolidated Statement of Financial Position. Deferred Revenue includes \$4.0 million of contract liabilities as at June 30, 2022 (March 31, 2022 - \$9.0 million).

13. GOVERNMENT FUNDING

We receive a substantial portion of our funding from the Government of Canada.

A. Government funding received

Parliamentary appropriations approved and the amounts we received are as follows:

For the three months ended June 30	2022	2021
Operating funding	267,000	294,000
Capital funding	27,000	25,001
Working capital funding	1,000	1,000
Balance, end of period	295,000	320,001

B. Deferred operating vote drawdown

Parliamentary appropriation for operating expenditures is recognized in our Condensed interim consolidated statement of income (loss) based on the net difference between quarterly budgeted expenses and revenue.

Quarterly budgets are established from the annual budget approved by the Board of Directors at the beginning of each year and reflect expected appropriation funding for the year and seasonal impacts of expenditures and self-generated revenue.

	June 30, 2022	March 31, 2022
Operating funding received during the period	267,000	1,139,694
Less: Parliamentary appropriation for operating expenditures recognized in the condensed interim consolidated statement of income (loss) for:		
the three months ended June 30	(264,157)	(248,810)
the three months ended September 30	-	(269,637)
the three months ended December 31	-	(275,290)
the three months ended March 31	-	(345,957)
Balance, end of period	2,843	-

C. Deferred capital funding

Capital funding received is recorded as Deferred Capital Funding in our condensed interim consolidated statement of financial position, with income being recognized in our condensed interim consolidated statement of income (loss) over the same basis and over the same periods as the assets acquired using the appropriations.

	June 30, 2022	March 31, 2022
Opening balance	512,889	502,479
Government funding for capital expenditures	27,000	106,730
Amortization of deferred capital funding for:		
the three months ended June 30	(23,402)	(23,946)
the three months ended September 30	-	(23,945)
the three months ended December 31	-	(23,946)
the three months ended March 31	-	(24,483)
Balance, end of period	516,487	512,889

14. MOVEMENTS IN WORKING CAPITAL

For the three months ended June 30	2022	2021*
Changes in Working Capital are comprised of:		
Restricted Cash	(1,954)	-
Trade and other receivables	57,081	47,636
Programming asset	(61,188)	(61,254)
Prepaid expenses	(3,745)	1,435
Accounts payable and accrued liabilities	(25,087)	(10,603)
Provisions	1,991	1,925
Pension plans and employee-related liabilities	(27,449)	(30,774)
Deferred revenue and other liabilities	(4,795)	2,575
Balance, end of period	(65,146)	(49,060)

* Certain comparative figures have been reclassified to conform to the current year presentation.

OTHER

This section discloses information related to our financial instruments, related parties and commitments.

15. FINANCIAL INSTRUMENTS

A. Fair Value

The carrying values and fair values of our financial assets and financial liabilities are listed in the following table:

	June 30, 2022		March 31, 2022			
	Carrying values	Fair values	Carrying values	Fair values	Fair Value Level ¹	Method
<i>Financial instruments measured at fair value through profit and loss on a recurring basis:</i>						
Cash	54,695	54,695	82,960	82,960	Level 1	(a)
Marketable securities	3,823	3,823	3,814	3,814	Level 1	(a)
Derivative financial instruments	427	427	-	-	Level 2	(c)
Financial assets	58,945	58,945	86,774	86,774		
Derivative financial instruments	-	-	141	141	Level 2	(d)
Financial liabilities	-	-	141	141		
<i>Financial instruments measured at amortized cost:</i>						
Bonds receivable (current)	30,221	29,982	59,692	59,834	Level 2	(b)
Promissory notes receivable (current)	4,088	4,088	4,018	4,018	Level 2	(a)
Trade and other receivables	176,164	176,164	233,041	233,041	Level 2	(a)
Investment in finance lease (current)	4,491	4,491	4,419	4,419	Level 2	(a)
Bonds receivable (non-current)	14,356	13,765	14,422	14,029	Level 2	(b)
Promissory notes receivable (non-current)	19,040	19,752	20,088	21,537	Level 2	(c)
Investment in finance lease (non-current)	20,635	23,188	21,785	25,216	Level 2	(c)
Financial assets	268,995	271,430	357,465	362,094		
Accounts payable and accrued liabilities	81,738	81,738	107,111	107,111	Level 2	(a)
Financial obligations (current)	34,424	34,424	36,938	36,938	Level 2	(a)
Financial obligations (non-current)	153,619	165,031	170,109	190,914	Level 2	(d)
Financial liabilities	269,781	281,193	314,158	334,963		

¹Fair Value Level refers to the hierarchy levels described in Note 2.C.iii of our 2021-2022 audited annual financial statements. Each level is based on the availability of observable inputs used to measure the fair values of assets and liabilities.

There have been no transfers between levels during the three months ended June 30, 2022.

(a) The fair values approximate their carrying value due to the current nature of these instruments.

(b) The fair values for bonds that trade in markets that are not considered to be active are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.-

(c) The fair values related to the various amounts receivable were determined using the expected future cash flows and discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects the credit worthiness of the various counterparties.

(d) The fair values related to our various financial liabilities were determined using the expected future cash flows and were discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects our credit worthiness.

B. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. We record a provision for potential credit losses based on an ECL model in accordance with IFRS 9 *Financial Instruments*. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at June 30, 2022 and March 31, 2022 is the carrying value of these assets. We disclose full descriptions of credit risks related to our financial instruments and how we manage those risks in Note 24 *Financial Instruments* of our 2021-2022 audited annual financial statements. There has been no change in the nature of the risks and how we manage them in the three-month period ended 30 June 2022

Trade and other receivables

The table below provides an aging of our customer trade and other receivables.

Trade and other receivables over 30 days	June 30, 2022	March 31, 2022
31 - 60 days	23,689	110,863
61 - 90 days	19,163	2,480
Over 90 days	55,859	18,150
Total	98,711	131,493

16. RELATED PARTIES

We enter into transactions with related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and at market prices. We record these transactions at fair value.

In addition, cash payments for our contributions to the defined benefit plans are disclosed in Note 10.C *Pension Plans and Employee-Related Liabilities*.

A. Transactions with Related Parties Excluding Government-Related Entities

Transactions carried out with related parties were at fair value and were not significant.

There were no significant amounts owing to related parties at June 30, 2022 (March 31, 2022 – not significant) and no expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. Transactions with Government-Related Entities

We are a Federal Crown Corporation that operates in an economic environment dominated by entities directly or indirectly controlled by the federal government through its government authorities, agencies, affiliations and other organizations (collectively referred to as "government-related entities"). We have transactions with other government-related entities including but not limited to sales and purchases of goods and rendering and receiving of services.

The Corporation has elected to take an exemption under IAS 24 *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government and other government related entities.

Canada Mortgage Bonds

As of June 30, 2022, \$44.6 million was invested in Canada Mortgage Bonds (CMB) (March 31, 2022 - \$74.1 million). CMB are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by Canada Mortgage and Housing Corporation (CMHC), another Crown Corporation, and backed by the Government of Canada.

17. COMMITMENTS

Commitments are discussed in Note 27 *Commitments* of the Corporation's 2021-2022 audited annual financial statements. Commitments for the purchase of property and equipment and intangible assets this quarter are disclosed within Note 6 *Property and Equipment* and Note 7 *Intangible assets* of this report.

During the first quarter of 2022-2023, the Corporation signed a 10-year agreement to equip and support its distribution capabilities, resulting in an increase of approximately \$79 million in its commitments for transmission and distribution expenses.