

Q2

SECOND QUARTER

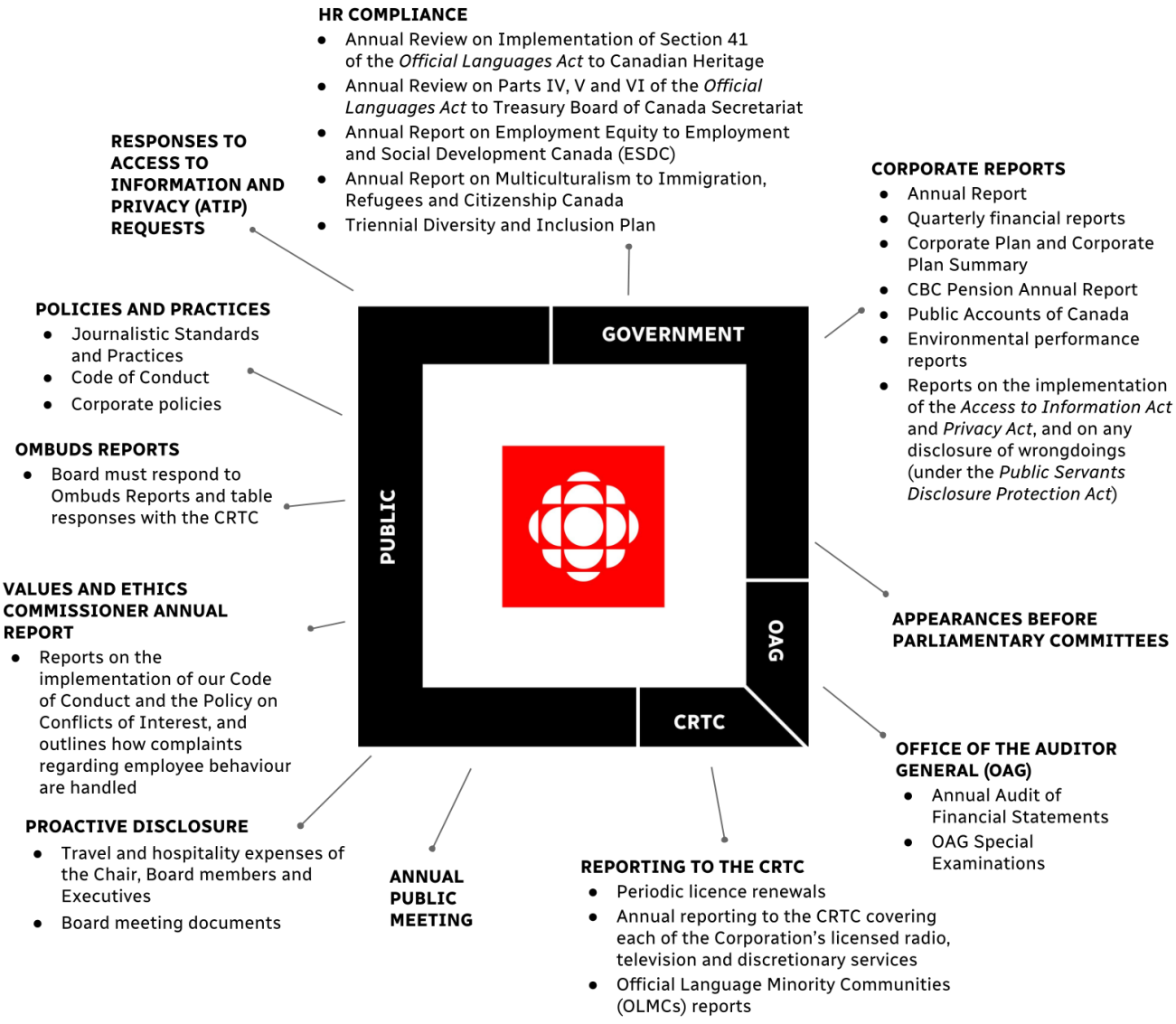
FINANCIAL REPORT

2021-2022

CBC Radio-Canada

CBC/RADIO-CANADA'S COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY

As Canada's national public broadcaster, we value our obligation to be transparent and accountable to Canadians. Our corporate website provides information about our activities and the way we manage our public resources.



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. In keeping with our commitment to transparency and effective oversight of public funds, the following Management's Discussion and Analysis (MD&A) aims to provide readers with an overview of our activities and performance for the second quarter of 2021-2022 (three-month period ended September 30, 2021) and the six-month period ended September 30, 2021, compared with results for the second quarter of 2020-2021 (three-month period ended September 30, 2020) and the six-month period ended September 30, 2020. This report should be read in conjunction with our most recent Annual Report. We have organized our MD&A in the following key sections:

FINANCIAL HIGHLIGHTS **4**
BUSINESS HIGHLIGHTS **5**
PERFORMANCE UPDATE **8**
DISCUSSION OF RESULTS **14**
CAPITAL RESOURCES, FINANCIAL CONDITION AND LIQUIDITY **19**
RISK UPDATE **21**
FINANCIAL REPORTING DISCLOSURE **22**
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS **23**

In this 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, 2021 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:

SEASONALITY

The majority of our revenue comes from advertising, which follows seasonal patterns based on our programming schedule. It also varies according to market and general economic conditions, as well as schedule performance. Subscriber-based revenue is more stable on a quarter-by-quarter basis. Operating expenses tend to follow a seasonal pattern because they are also influenced by the programming schedule. Government appropriations are recognized in income based on the annual budget, which reflects seasonal impacts on expenditures and revenue.

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. Given the impact of the evolving COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities and businesses, there is inherently more uncertainty associated with the Corporation's assumptions relative to periods preceding the pandemic.

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.

NON-IFRS MEASURE

This report includes the measure "Budget Results," which does not have any standardized meaning according to International Financial Reporting Standards (IFRS). It is therefore unlikely to be comparable to similar measures presented by other companies. Refer to the *Discussion of Results* section for more details.

Financial Highlights

REVENUE

Q2
2021-2022: $182M
2020-2021: $107M
TOTAL INCREASE
$75M

Revenue increased by 70.7% this quarter, mainly driven by growth in our advertising revenue as we broadcast the Tokyo 2020 Olympic Games.

TV advertising also increased as the negative impact of COVID-19 subsided compared to last year. In addition, we benefited from higher digital advertising and subscription revenue from our digital platforms as the market continues to shift away from TV.

GOVERNMENT FUNDING

Q2
2021-2022: $295M
2020-2021: $300M
TOTAL DECREASE
$5M

Government funding recognized this quarter decreased by 1.9%. This decrease was consistent with our expected needs for operating funding in the quarter.

EXPENSES

Q2
2021-2022: $481M
2020-2021: $359M
TOTAL INCREASE
$122M

Our expenses increased by 34.1% as this quarter's results included the rights and costs to broadcast the Tokyo 2020 Olympic Games.

Our ongoing expenses were also comparatively higher than last year as they were not impacted by the delays or cancellations of programming we experienced due to COVID-19 in the prior year. In addition, a busy news quarter, marked by the federal election and special sports events, increased our ongoing expenses. We also continue to invest in our digital content and platforms.

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Revenue	182,043	106,637	70.7	300,095	205,642	45.9
Government funding	294,582	300,266	(1.9)	568,338	584,305	(2.7)
Expenses	(480,726)	(358,607)	34.1	(878,864)	(736,998)	19.2
Results before other gains and losses	**(4,101)**	**48,296**	**N/M**	**(10,431)**	**52,949**	**N/M**
Other gains and losses	812	132	N/M	822	385	N/M
Net results under IFRS for the period	**(3,289)**	**48,428**	**N/M**	**(9,609)**	**53,334**	**N/M**
Budget Results for the period[1]	**(14,297)**	**34,120**	**N/M**	**(12,999)**	**56,575**	**N/M**

N/M = not meaningful

[1]Budget Results is a non-IFRS measure. This measure considers only revenue or expenses included in, or funded by, our operating budget. A reconciliation of net results to Budget Results is provided in the *Discussion of Results* section of this report.

For the second quarter and on a year-to-date basis, **Net results under IFRS for the period** were a loss of $3.3 million and $9.6 million, respectively, compared to a gain of $48.4 million and $53.3 million in the same period of last year. Our lower results in 2021-2022 are consistent with increased expenses as last year's content offerings were either delayed or cancelled due to COVID-19 and we incurred additional costs to cover a busy news quarter.

For the second quarter and on a year-to-date basis, our lower **Budget Results for the period** reflected our higher spending discussed above.

Business Highlights

This quarter saw coverage of major events – from the Tokyo 2020 Olympic and Paralympic Games and federal and provincial elections, to Canada's first National Day for Truth and Reconciliation, as detailed below, all within the ongoing pandemic context. Beyond coverage of these key events, we have been tackling a number of initiatives that also hit close to home, including working to combat online hate and harassment, which are on the rise worldwide. At the Public Broadcasters International (PBI) conference in Brussels, CBC/Radio-Canada joined other public media from around the world to issue the Brussels Declaration, condemning violence and online harassment against media professionals. These attacks disproportionately target women and members of under-represented groups, as experienced by our own journalists and those from other Canadian media outlets.

Content

Tokyo 2020 Olympic and Paralympic Games coverage



This summer, after a full year delay, and amid continued logistical challenges, Canada's official Olympic and Paralympic Games broadcaster brought all of the excitement of the Tokyo 2020 Games to Canadians. These Games were the most-watched games for Canada, with almost 44 million video views[1] across all of CBC/Radio-Canada's digital platforms, including record-setting digital audiences for the Tokyo 2020 Opening Ceremonies. Coverage of these ceremonies was offered with unparalleled accessibility, streaming live in French, English, eight Indigenous languages, LSQ (Quebec Sign Language), ASL (American Sign Language) and described video. CBC Sports brought Canada to Tokyo through Mark Sakamoto's special series *Sugoi Tokyo*. A special five-episode Radio-Canada podcast series, *Mon athlète à Tokyo*, featured unique conversations between Radio-Canada personalities and the Olympic athletes they had chosen to highlight on the road to Tokyo.

CBC and Radio-Canada season launches



New programming on CBC and Radio-Canada focused on representing Canadians and telling their compelling stories. CBC GEM launched *Sort Of* – a big-hearted dramatic comedy about a fluid millennial who straddles various identities and feels like they're in transition in every aspect of their life, from gender to love to sexuality to family to career.

In line with September's focus on Indigenous content, Radio-Canada launched its first radio show dedicated to Indigenous cultures, *Kuei! Kwe!*, on ICI PREMIÈRE. Melissa Mollen Dupuis hosts this weekly program that provides an Indigenous perspective on all facets of artistic and cultural life. On the awards front, Malik Gervais-Aubourg took home

[1] Source: Adobe Analytics, CBC and Radio-Canada Tokyo 2020 Olympic content, July 20 to August 8, 2021.

the prix Dior de la Révélation at the festival international de séries télévisées, Canneseries, for his role in *Je voudrais qu'on m'efface*. *Six degrés* and *L'effet secondaire* were also honoured as finalists for the Diversity TV Excellence Awards at MIPCOM in Cannes.

Other great new content on CBC TV this season includes *Moonshine*: the story of the Finley-Cullens, a dysfunctional clan of adult half-siblings battling for control of the family business, The Moonshine, a rundown summer resort; *Strays* – a new comedy on CBC that follows the upbeat and enthusiastic *Kim's Convenience* character Shannon Ross as she embarks on a new career in Hamilton, Ontario alongside an ensemble; and *Race Against the Tide* – a competition series featuring 10 teams of two world-class sand sculptors competing against other teams (and the incoming tide) to create extraordinary works of art made entirely out of sand at New Brunswick's iconic and beautiful Bay of Fundy.

Meanwhile, ICI TOU.TV's fall season brought an extensive lineup of kids and youth content, including *Makinium*, an exciting new science-fiction series shot in Ottawa. Radio-Canada's fall season featured several promising new shows on ICI TÉLÉ and on-demand on ICI TOU.TV, such as the family saga, *Nuit Blanche*, and *Après*, the story of a tragic event that occurs in Lac-Sabin, a small town in the Laurentians. In addition, *District 31*, our popular police drama, returns for a sixth season.

Federal election coverage



Radio-Canada and CBC provided compelling and informative news and analysis for the duration of the 2021 federal election campaign, with more accessibility options than ever before. 7.3 million Canadians tuned in to CBC and CBC News Network for extensive election coverage on September 20, 2021. On top of a strong linear performance, CBC had record-breaking audiences on digital platforms. CBC TV and CBC News Network had an overall average minute audience of close to one million viewers from 6:30 p.m. to 2 a.m. ET.[2] Radio-Canada also provided comprehensive coverage of the federal election campaign for French-speaking Canadians from coast to coast to coast. The *La vérif* team fact-checked and clarified statements made by the main party leaders, holding them to account. On September 15, French-language issues took centre stage during an election debate organized by ICI Ottawa-Gatineau that included representatives from all parties in the House of Commons. The debate was an opportunity for candidates to face off on issues such as the modernization of the *Official Languages Act*, francophone immigration, access to education and health services in French, bilingualism in the civil service, and much more.

Marking the first National Day for Truth and Reconciliation



On September 30, 2021, CBC and Radio-Canada featured great content focused on marking this historic first event. ICI TÉLÉ featured a special program for the National Day for Truth and Reconciliation, while CBC News' Indigenous-led team investigating residential schools was featured on *The National*, CBC News Network and CBC.ca/Indigenous. ICI RDI

[2] **Source**: Numeris PPM, persons aged 2+, Total Canada, September 20, 2021, CBC Total and CBC News Network.

broadcast two Indigenous documentaries: *Le mur invisible* and *Mamu*. CBC Kids News held a “Ask an Indigenous person anything” segment with four First Nation, Inuit and Métis people under 30 who took questions from kids across Canada, and *Studio K* featured original content all about Indigenous Heritage and Culture. For arts programming, ICI ARTV presented *Elisapie : Faire face à la musique* with Elisapie Isaac, while CBC Arts held a special edition of the "Poetic License," featuring four Indigenous poets, and also asked Indigeous curators, cultural programmers and artists to highlight a piece of art that speaks to the ideas behind Truth and Reconciliation. ICI EXPLORA invited viewers to share a special journey with *Stanley Vollant : De Compostelle à Kuujjuaq*. Finally, CBC Sports featured interviews and opinion pieces by and with Indigenous athletes, including Hunter Lang, Michael Linklater and Kali Reis.

Other Services

Technology and Infrastructure

More than 400 members of our technology and production teams played a direct role in delivering Olympic programming for the Tokyo 2020 Olympic and Paralympic Games. A strong and secure infrastructure connected teams in Tokyo, Toronto and Montreal, while IP technology played a key role in the development and broadcast of French-language content for the Games thanks to installations in the new Maison de Radio-Canada.

Our technology teams also facilitated the delivery of 2021 federal election coverage, building and supporting the infrastructure and applications that allowed for the data, statistics and graphics needed to provide up-to-the-minute results across multiple platforms on election night and in the days that followed.

On the infrastructure side, CBC entered into a new lease in Regina to house the CBC and Radio-Canada Regina operations. This reduced our corporate real estate footprint while achieving significant savings in local operating costs and allowing for the creation of a right-sized modern content production facility. The staff moved into the substantially completed space in September 2021, with the remaining work to be completed in the coming months.

People

In order to continue developing and supporting a world-class employee experience at the public broadcaster, this quarter we focused on further supporting the needs of our employees, on fostering strong partnerships with our unions, on strengthening our workforce digital capabilities, and on further embedding equity, diversity and inclusiveness (EDI) into all we do with ongoing reviews of several of our programs and policies through an EDI lens. To help better inform other initiatives and projects focused on the future of work at CBC/Radio-Canada, we shared the results of our internal Employee Experience Survey corporation-wide. We also continue to develop our digital tools. This summer, in line with our focus on well-being, our Learning & Development team held sessions about resilience in journalism in response to an increase in online hate targeting our journalists. A national webinar series launched in September focused on *Languishing and COVID-19 fatigue*. *Transition back to the office anxiety*, *Resiliency and Post-Traumatic Growth in the Wake of COVID-19* sessions were also held to help raise awareness among employees about some common responses to the ongoing pandemic, as well as practical coping strategies.

Finally, we temporarily supplemented our existing benefit coverage by adding coverage of fees for social workers for employees who need to seek counselling and may not be able to access the services of other registered professionals.

Other Business Matters

On August 23, Miguel Baz joined CBC/Radio-Canada as Vice-President, Legal Services, General Counsel and Corporate Secretary. Miguel comes to us from Bell Canada, where he held various senior roles in the legal team over the past 20 years.

Performance Update

Our Performance – *Your Stories, Taken to Heart*

Below are the Key Performance Indicators (KPIs) that measure and track our progress with respect to our strategy, *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.

Annual targets for 2021-2022 were established using our best estimates of the continued impacts of the COVID-19 pandemic, along with changing audience habits. We anticipate that performance metrics may remain volatile throughout 2021-2022, as the duration and severity of the pandemic remain unknown.

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO SEP 30, 2020	RESULTS APR 1 TO SEP 30, 2021	TARGETS 2021-2022
Customized digital services				
1. Digital reach of CBC/Radio-Canada[4]	*Monthly average unique visitors*	**23.9M**	**23.9M**	**23.7M**
2. Digital engagement with CBC/Radio-Canada[5]	*Monthly average minutes per visitor*	**50 min/vis**	**49 min/vis**	**49 min/vis**
Engaging with young audiences				
3. Digital visits to CBC/Radio-Canada kids content[6]	*Monthly average visits*	**2,886K**	**3,336K**	**3,394K**
Prioritizing our local connections				
4. Digital engagement with CBC News/Regions[5]	*Monthly average minutes per visitor*	**26 min/vis**	**24 min/vis**	**26 min/vis**
5. Digital engagement with Radio-Canada Info/Régions[5]	*Monthly average minutes per visitor*	**21 min/vis**	**15 min/vis**	**16 min/vis**
Reflecting contemporary Canada				
6. Employment equity representation[7]	*% of new external hires*	**21.2%**	**34.7%**	**42.0%**

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 second quarter of 2021-2022, our digital reach is trending above target as a result of Canadians turning to our digital services in large numbers to get informed and entertained. Digital engagement is trending on target.

[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 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 visible minorities.

Engaging with young audiences

Traffic to our overall digital offering for kids content continues to perform well. The result is currently trending just below target with 3.336 million visits from Canadian youth and parents on average per month.

Prioritizing our local connections

Digital engagement for our news, info and regions sections is currently trending slightly below target for both CBC and Radio-Canada, but is expected to increase as the year progresses.

Reflecting contemporary Canada

This quarter, employment equity representation of our new employees increased compared to the same period last year, but is currently trending below target. Equity representation among our new hires is expected to continue to increase as we build upon our Equity, Diversity and Inclusion Plan and hire new talent.



La rentrée ICI Ottawa-Gatineau | Michel Aspirot

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.

Annual targets for 2021-2022 were established using our best estimates of the continued impacts of the COVID-19 pandemic. We anticipate that performance metrics may remain volatile throughout 2021-2022, as the duration and severity of the pandemic remain unknown.

Our second 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 2021-2022 results

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO SEP 30, 2020	RESULTS APR 1 TO SEP 30, 2021	TARGETS 2021-2022
Customized digital services				
Digital reach[8]	*Monthly average unique visitors*	**6.0M**	**5.8M**	**5.6M**
Digital engagement[9]	*Monthly average minutes per visitor*	**59 min/vis**	**53 min/vis**	**55 min/vis**
Engaging with young audiences				
Digital visits to kids content[10]	*Monthly average visits*	**499K**	**419K**	**425K**
Prioritizing our local connections				
Digital engagement with Radio-Canada Info/Régions[9]	*Monthly average minutes per visitor*	**21 min/vis**	**15 min/vis**	**16 min/vis**
Reflecting contemporary Canada				
Employment equity representation[11]	*% of new external hires*	**11.9%**	**20.5%**	**22.0%**
Television				
ICI RDI, ICI ARTV and ICI EXPLORA[12]	*All-day audience share*	**6.6%**	**5.8%**	**5.6%**
Revenue				
Total revenue[13]	*Conventional, discretionary, online*	**$88.5M**	**$172M**	**$326M**[14]

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. *Refer to page 8 for more information on our methodologies.*

Customized digital services

After the second quarter, our digital reach is trending above target. The Tokyo 2020 Olympic Games, the federal election and the COVID-19 news coverage contributed to this performance. Our digital engagement is currently trending below target, but we believe this is due to seasonality in the business, and expect results to strengthen with the launch of our fall and winter programming schedules on ICI TÉLÉ and on ICI TOU.TV.

[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 Zone Jeunesse and ICI TOU.TV, April to March.
[11] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[12] **Source**: Numeris 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).
[14] The target for 2021-2022 includes revenue for the Tokyo and Beijing Olympic Games because they are a shared responsibility for CBC and Radio-Canada.

Engaging with young audiences

Digital visits to kids content are also tracking below the annual target due to summer holidays. Digital visits are expected to grow in future months with the recent and future addition of new titles on ICI TOU.TV, such as the latest season *L'effet secondaire*.

Prioritizing our local connections

Digital engagement with news and regional content is slightly below target. Results are expected to improve by year-end due to coverage of regional events.

Reflecting contemporary Canada

Despite strong results during the first half of the year, employment equity representation of our new employees is currently tracking slightly below the annual target. We anticipate a better result by year-end as we continue to build upon our Equity, Diversity and Inclusion Plan during the year.

Television

Since the start of the year, the combined share of our three specialty channels has been tracking above the annual target primarily driven by ICI RDI's news coverage of events such as the federal election.

Revenue

Our revenues in the first half of the year are tracking toward the annual target as a result of higher advertising revenue from linear and digital platforms, especially from the Tokyo 2020 Olympic Games.

CBC 2021-2022 results

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO SEP 30, 2020	RESULTS APR 1 TO SEP 30, 2021	TARGETS 2021-2022
Customized digital services				
Digital reach[15]	*Monthly average unique visitors*	**20.1M**	**20.6M**	**20.4M**
Digital engagement[16]	*Monthly average minutes per visitor*	**37 min/vis**	**34 min/vis**	**36 min/vis**
Engaging with young audiences				
Digital visits to kids content[17]	*Monthly average visits*	**2,388K**	**2,917K**	**2,969K**
Prioritizing our local connections				
Digital engagement with CBC News/Regions[16]	*Monthly average minutes per visitor*	**26 min/vis**	**24 min/vis**	**26 min/vis**
Reflecting contemporary Canada				
Employment equity representation[18]	*% of new external hires*	**34.8%**	**51.0%**	**55.0%**
Television				
CBC News Network[19]	*All-day audience share*	**2.3%**	**1.9%**	**1.7%**
Revenue				
Total revenue[20]	*Conventional, discretionary, online*	**$87M**	**$168M**	**$320M[21]**

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Refer to page 8 for more information on our methodologies.

Customized digital services

After the first half of the year, digital reach is above target as Canadians turned to CBC as the go-to source for news and entertainment.

Our digital engagement results are expected to improve with the Beijing 2022 Olympic Winter Games, which will bring larger and more engaged audiences similar to the Tokyo 2020 Olympic and Paralympic Games. Digital engagement is currently trending below target. This was due in part to the Olympics having an unanticipated dampening effect on news audiences and to lower-than-expected public interest in the lead up to the federal election.

Engaging with young audiences

CBC Kids is slightly below target. Anticipated gains in the balance of the year from major events (i.e., Beijing 2022 Olympic Winter Games) will more than offset these small declines.

Prioritizing our local connections

Digital engagement with CBC News/Regions is tracking slightly below target, as engagement was lower over the quarter for reasons explained in our digital engagement results.

[15] **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.
[16] **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.
[17] **Source**: Adobe Analytics, average of monthly visits to kids content on CBC Kids sites, CBC Kids News and CBC Gem, April to March.
[18] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[19] **Source**: Numeris PPM, persons aged 2+, CBC Television: September to April (regular season); CBC News Network: April to March.
[20] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).
[21] The target for 2021-2022 includes revenue for the Tokyo and Beijing Olympic Games because they are a shared responsibility for CBC and Radio-Canada.

Reflecting contemporary Canada

Employment equity is pacing to meet our target as we move forward on our priority to reflect contemporary Canada and implement our Equity, Diversity and Inclusion Plan across the Corporation.

Television

CBC News Network continues to remain strong versus the target, driven mainly by the coverage of the federal election and English leaders' debate along with the free preview for the month of September, which drew large audiences to the channel.

Revenue

We are tracking towards the annual target after the first half of the year as a result of higher advertising revenue from linear and digital platforms, especially from the Tokyo 2020 Olympic Games.

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 licence 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 licence, both over the whole day and in prime time.

	YEARLY CONDITIONS OF LICENCE	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

The following analysis provides a more detailed discussion of our financial performance.

Results under IFRS and Budget Results

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Revenue	182,043	106,637	70.7	300,095	205,642	45.9
Government funding	294,582	300,266	(1.9)	568,338	584,305	(2.7)
Expenses	(480,726)	(358,607)	34.1	(878,864)	(736,998)	19.2
Results before other gains and losses	**(4,101)**	**48,296**	**N/M**	**(10,431)**	**52,949**	**N/M**
Other gains and losses	812	132	N/M	822	385	N/M
Net results under IFRS for the period	**(3,289)**	**48,428**	**N/M**	**(9,609)**	**53,334**	**N/M**
Items not included in our operating budget						
Pension and other employee future benefits	8,422	5,776	45.8	20,666	15,688	31.7
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	1,627	2,705	(39.9)	3,551	6,615	(46.3)
Other provisions for non-cash items	(21,057)	(22,789)	(7.6)	(27,607)	(19,062)	44.8
Budget Results for the period[1]	**(14,297)**	**34,120**	**N/M**	**(12,999)**	**56,575**	**N/M**

N/M = not meaningful

[1]Budget Results is a non-IFRS measure. An explanation of Budget Results is provided below.

Net results under IFRS for the period

Second quarter - A loss of $3.3 million, a $51.7 million decrease relative to the same quarter last year, due to:

- Higher expenses by $122.1 million (↑34.1%) from programming rights and production costs to broadcast the Tokyo 2020 Olympic Games, as well as increased spending on programming, sports events and continued investments in our digital activities. Comparatively in the same period last year, our spending on programming was lower due to production delays and program cancellations at the onset of the pandemic.
- Lower government funding recognized in income this quarter by $5.7 million (↓1.9%), consistent with our expected needs.
- This was partly offset by higher revenue by $75.4 million (↑70.7%) as our results this quarter include additional advertising and licensing revenue from the broadcast of the Tokyo 2020 Olympic Games, and higher advertising revenue as Canadian television advertising demand continues to rebound from the pandemic slowdown in the prior year.

Year-to-date - A loss of $9.6 million compared to a gain of $53.3 million for the same period last year. This decrease is due to the same factors impacting our second quarter results.

Budget Results for the period

We define Budget Results as Net results under IFRS less the adjustments for revenue or expenses not included in our operating budget for the current fiscal period. This measure is used by management to help monitor performance and balance the Corporation's budget with parliamentary appropriations. We believe this measure provides useful complementary information to readers, while recognizing that it does not have a standard meaning under IFRS and will not likely be comparable to measures presented by other companies.

Adjustments include the elimination of non-cash pension and other employee future benefit costs, which represent the excess of the IFRS expense over the actual cash contributions for the period. Adjustments are also made for other non-cash items such as the depreciation, amortization and decommissioning of capital assets; the amortization of deferred capital funding; and non-budgetary annual leave.

Second quarter and Year-to-date – Our **Budget Results** for both periods decreased by $48.4 million and $69.6 million respectively. This result is consistent with management's plan to increase spending in key business areas in 2021-2022 as we execute on delayed expenditures from the prior year following COVID-19.

Revenue

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Advertising						
English Services	81,110	22,372	262.6	110,774	46,355	139.0
French Services	38,122	25,742	48.1	74,128	51,407	44.2
	119,232	48,114	147.8	184,902	97,762	89.1
Subscriber fees						
English Services	15,291	15,666	(2.4)	30,780	31,330	(1.8)
French Services	14,980	15,150	(1.1)	30,248	30,725	(1.6)
	30,271	30,816	(1.8)	61,028	62,055	(1.7)
Financing, investment and other income						
English Services	14,653	11,533	27.1	23,183	16,367	41.6
French Services	5,802	5,543	4.7	9,932	8,045	23.5
Corporate Services	12,085	10,631	13.7	21,050	21,413	(1.7)
	32,540	27,707	17.4	54,165	45,825	18.2
TOTAL	**182,043**	**106,637**	**70.7**	**300,095**	**205,642**	**45.9**

Our revenue increased by $75.4 million (↑70.7%) in the second quarter of 2021-2022 and by $94.5 million (↑45.9%) on a year-to-date basis. Significant variances by revenue streams are explained below.

Advertising (Q2: ↑ 147.8%; YTD: ↑ 89.1%)

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

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
TV advertising	96,986	36,055	169.0	146,922	75,001	95.9
Digital advertising	22,246	12,059	84.5	37,980	22,761	66.9
	119,232	**48,114**	**147.8**	**184,902**	**97,762**	**89.1**

Second quarter and Year-to-date – This quarter and on a year-to-date basis, our total advertising revenue increased by $71.1 million (↑147.8%) and by $87.1 million (↑89.1%), respectively, mostly due to TV advertising revenue from our broadcast of the Tokyo 2020 Olympic Games. In addition, ongoing TV advertising revenue this quarter and on a year-to-date basis is higher due to increased demand for Canadian TV advertising over pandemic-driven lows in the previous year. Advertising demand was further boosted by this quarter's sports and news coverage.

Digital advertising revenue has continued to grow this quarter and on a year-to-date basis across video and display advertisement in particular as consumption of digital content has steadily increased since the early days of the pandemic.

Despite the continued growth of our TV advertising revenue this quarter, the recovery of the TV advertising market remains uncertain as the pandemic has accelerated the market shift to digital platforms.

Subscriber fees (Q2: ↓ 1.8%; YTD: ↓ 1.7%)

Our subscriber revenue is driven by the rates for our discretionary services and our subscriber base. Subscribers to our discretionary platforms are declining due to the adverse effects of the cord-shaving trend affecting the cable industry. Subscribers to our digital platforms are steadily increasing.

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Discretionary TV platforms	24,602	26,151	(5.9)	49,647	52,557	(5.5)
Digital platforms	5,669	4,665	21.5	11,381	9,498	19.8
	30,271	**30,816**	**(1.8)**	**61,028**	**62,055**	**(1.7)**

Second quarter and Year-to-date – Our subscriber revenue was lower by $0.5 million (↓1.8%) during the second quarter and $1.0 million (↓1.7%) during the first half of the fiscal year as our subscriber base for our discretionary services decreased. This decline was somewhat offset by continued subscriber growth on our digital platforms (ICI TOU.TV EXTRA and CBC Gem) since the start of the COVID-19 pandemic.

Financing, investment and other income (Q2: ↑ 17.4%; YTD: ↑18.2%)

Financing, investment and other income depend on the different events and transactions throughout the quarter, 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. More information about our revenue streams is provided in Note 13 Revenue *of our Interim Financial Statements.*

Second quarter and Year-to-date – Financing, investment and other income increased by $4.8 million (↑17.4%) during the second quarter and by $8.3 million (↑18.2%) during the first half of the fiscal year mostly due to a combination of higher licensing revenue from covering the Tokyo 2020 Olympic Games and other sports events.

Operating expenses

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Television, radio and digital services costs						
English Services	280,450	180,995	54.9	476,433	373,252	27.6
French Services	177,399	155,965	13.7	357,231	319,496	11.8
	457,849	336,960	35.9	833,664	692,748	20.3
Other operating expenses						
Transmission, distribution and collection	14,047	12,644	11.1	27,348	25,815	5.9
Corporate management	2,716	2,417	12.4	5,477	4,924	11.2
Finance costs	6,114	6,586	(7.2)	12,375	13,511	(8.4)
	22,877	21,647	5.7	45,200	44,250	2.1
TOTAL	**480,726**	**358,607**	**34.1**	**878,864**	**736,998**	**19.2**

[1] Television, radio and digital services costs were updated to reflect the current approach for allocating shared costs between English Services and French Services.

Our total operating expenses increased by $122.1 million (↑34.1%) in the second quarter of 2021-2022 and by $141.9 million (↑19.2%) on a year-to-date basis. The main variances are discussed below.

Television, radio and digital services costs (Q2: ↑35.9%; YTD: ↑20.3%)

Television, radio and digital services costs depend on the different events of importance we cover throughout the quarter 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.

Second quarter and Year-to-date – This quarter and on a year-to-date basis, our television, radio and digital services costs increased by $120.9 million (↑35.9%) and by $140.9 million (↑20.3%), respectively, due to the programming rights and production costs to broadcast the Tokyo 2020 Olympic Games, increased spending on programming content, a busier news cycle from covering the federal election and sports events, and continued investments in our digital activities. In the same periods in 2020-2021, our expenses were comparatively lower as our programming activities were heavily disrupted by cancellations or delays at the onset of the pandemic.

Other operating expenses (Q2: ↑5.7%; YTD: ↑2.1%)

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.

Second quarter and Year-to-date – Other operating expenses increased by $1.2 million (↑5.7%) and $1.0 million (↑2.1%), respectively, mainly due to higher **transmission, distribution and collection costs** as we continued to execute on some of the infrastructure projects that were delayed last year due to COVID-19.

Government funding

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Parliamentary appropriations for operating expenditures	269,637	275,275	(2.0)	518,447	534,579	(3.0)
Parliamentary appropriations for working capital	1,000	999	0.1	2,000	1,999	0.1
Amortization of deferred capital funding	23,945	23,992	(0.2)	47,891	47,727	0.3
TOTAL	**294,582**	**300,266**	**(1.9)**	**568,338**	**584,305**	**(2.7)**

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 income over the same periods as the related property, equipment and intangible assets are used in CBC/Radio-Canada's operations.*

Second quarter and Year-to-date – Parliamentary appropriations for operating expenditures decreased by $5.6 million (↓2.0%) this quarter and by $16.1 million (↓3.0%) on a year-to-date basis. Our government funding recognized in the first half of the year was lower due to the timing of our expected needs.

Second quarter and Year-to-date – Amortization of deferred capital funding remained stable compared to the same period last year (↓0.2%) and on a year-to-date basis (↑0.3%), consistent with our expectations.

Other gains and losses

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Gain on disposal of property and equipment and intangibles	812	132	N/M	822	385	N/M
TOTAL	**812**	**132**	**N/M**	**822**	**385**	**N/M**

N/M = not meaningful

Second quarter and Year-to-date – For both current and previous year's results, the gain during the quarter and in the first half of the year were related to the retirement of assets in the regular course of our operations.

Total comprehensive income (loss)

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Net results for the period	(3,289)	48,428	N/M	(9,609)	53,334	N/M
Other comprehensive income						
Remeasurements of defined benefit plans	163,069	24,565	N/M	352,305	(378,960)	N/M
Total comprehensive income for the period	**159,780**	**72,993**	**N/M**	**342,696**	**(325,626)**	**N/M**

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 quarter.

Second quarter – Total comprehensive income recognized this quarter was $159.8 million, compared to $73.0 million in the same period last year. In addition to our net results, total comprehensive income includes remeasurements of defined benefit plans as described above.

A gain of $163.1 million was recognized this quarter on remeasurements of defined benefit plans. This was mostly due to a 12 basis-point increase in the discount rate, which decreased the defined benefit obligation by $131.1 million, as well as a gain on plan assets of $32.0 million from a higher return on plan assets than estimated in our actuarial assumptions.

A gain of $24.6 million was recognized in the same period last year on remeasurements of defined benefit plans. This was mostly due to a gain on plan assets of $87.8 million from a higher return on plan assets than estimated in our actuarial assumptions. This was partly offset by a 4 basis-point decrease in the discount rate, which increased the defined benefit obligation by $63.2 million.

Year-to-date – A gain of $352.3 million was recognized on a year-to-date basis on remeasurements of defined benefit plans. This was mostly due to a gain on plan assets of $418.0 million, resulting from a higher return on plan assets than estimated in our actuarial assumptions. This was partly offset by a 5 basis-point decrease in the discount rate, which increased the defined benefit obligation by $65.7 million.

A loss of $379.0 million was recognized in the same period last year on remeasurements of defined benefit plans. This was mostly due to a 108 basis-point decrease in the discount rate, which increased the defined benefit obligation by $1.3 billion. This significant decrease in the discount rate was driven by a decrease in Canadian corporate bond yields. This was offset by a gain on plan assets of $886.3 million from a higher return on plan assets than estimated in our actuarial assumptions.

Capital Resources, Financial Condition and Liquidity

Revenue and Other Sources of Funds

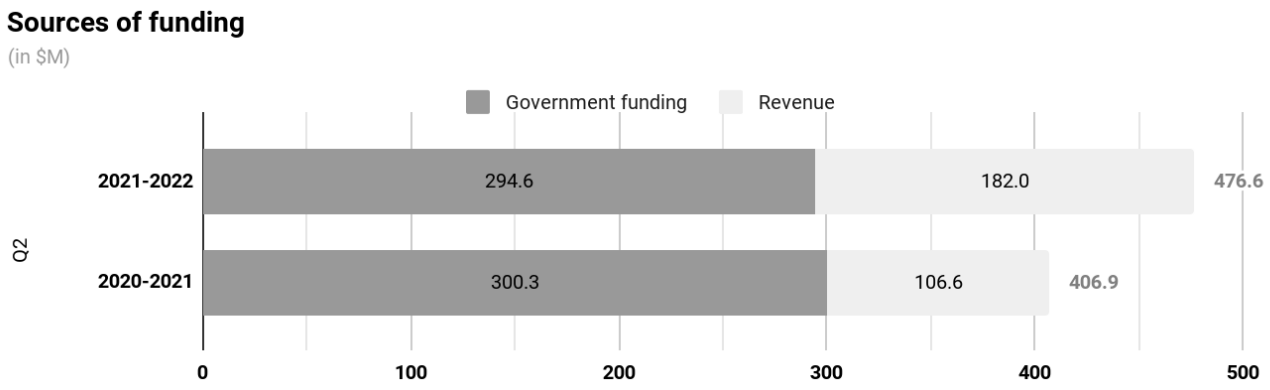
CBC/Radio-Canada has four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income.

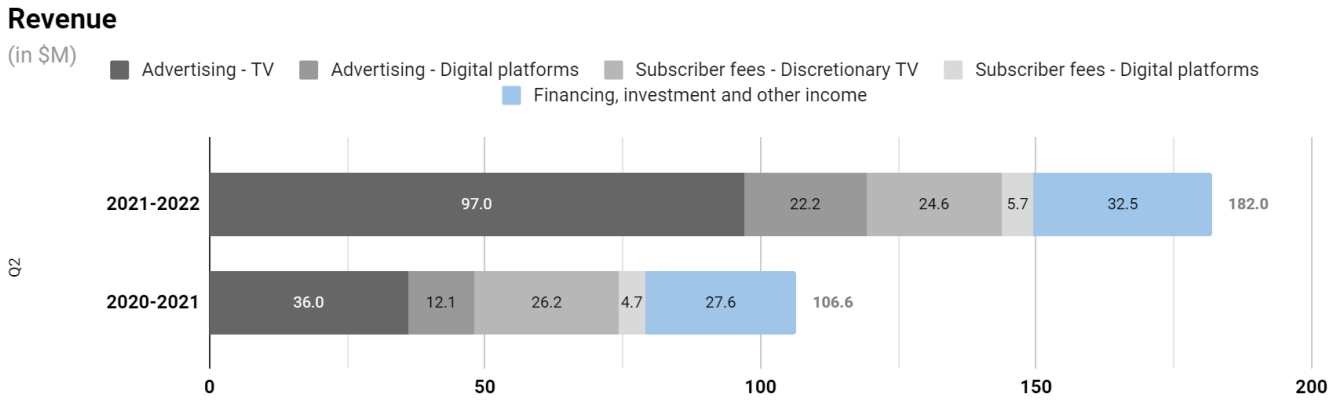
Government funding: This quarter, operating funding was $269.6 million, capital funding recognized in income was $24.0 million and working capital was $1.0 million.

Advertising revenue: This includes both ongoing and events-driven sales of advertising on our conventional television channels, digital platforms and discretionary television services. Advertising revenue driven by events can have a material impact on the Corporation's self-generated revenue. This quarter's revenue benefited from sports and news coverage, which included the Tokyo 2020 Olympic Games and the federal election. 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 continuing cord-cutting and cord-shaving. Subscribers to our digital platforms are steadily increasing.

Financing and other income: This includes both ongoing and events-driven income from activities such as the rental of real estate assets, content sales, leasing of space at our transmission sites, retransmission royalties, host broadcasting sports events such as Olympic Games and contributions from the Canada Media Fund.





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

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2021	2020	% change	**2021**	2020	% change
Cash – beginning of the period	**96,726**	**95,985**	**0.8**	**90,107**	**72,386**	**24.5**
Changes in the period						
Cash (used in) from operating activities	(1,866)	34,414	N/M	(22,520)	78,098	N/M
Cash used in financing activities	(6,910)	(6,460)	7.0	(36,030)	(35,547)	1.4
Cash from (used in) investing activities	14,385	(11,263)	N/M	70,778	(2,261)	N/M
Net change	**5,609**	**16,691**	**(66.4)**	**12,228**	**40,290**	**(69.7)**
Cash – end of the period	**102,335**	**112,676**	**(9.2)**	**102,335**	**112,676**	**(9.2)**

N/M = not meaningful

Cash (used in) from operating activities

Cash (used in) from 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.

Second quarter – Cash used in operating activities was $1.9 million during the second quarter of 2021-2022, compared to $34.4 million from operating activities for the same period last year. This quarter, changes in cash used in operating activities were mostly driven by lower cash receipts due to the timing of parliamentary appropriations for operating expenditures.

Year-to-date – Cash used in operating activities was $22.5 million during the first half of 2021-2022, compared to $78.1 million from operating activities for the same period last year. The decrease since last year is mostly due to a $31.1 million income tax payment and lower cash receipts due to the timing of parliamentary appropriations for operating expenditures.

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.

Second quarter and Year-to-date – Cash outflows for financing activities increased by $0.5 million this quarter and on a year-to-date basis, mostly due to higher payments for lease obligations.

Cash from (used in) investing activities

Cash from (used in) investing activities includes cash from our drawdowns of parliamentary appropriations for capital expenditures.

Second quarter – This quarter, cash inflows from investing activities increased by $25.6 million. The higher cash inflows during the period were mostly attributable to a higher drawdown of our parliamentary appropriations for capital funding.

Year-to-date – Cash inflows from investing activities was $70.8 million, an increase of $73.0 million relative to last year. The main driver of this increase was mostly attributable to our redemptions of Canada Mortgage Bonds, which more than offset our purchases. There were no similar transactions in the same period last year. The increase is also attributable to a higher drawdown of our parliamentary appropriations for capital funding.

Borrowing plan

The *Broadcasting Act*, section 46.1, confers on CBC/Radio-Canada the authority to borrow up to $220.0 million, or such greater amount as may be authorized by Parliament, subject to approval of the Minister of Finance. Section 54.(3.1) of the *Act* requires that our borrowing plan be included in our Corporate Plan. Borrowing to meet working capital purposes is prohibited.

Under the *Broadcasting Act*, section 47.(1), we are an agent of the Crown and therefore have the constitutional immunities, privileges and prerogatives that are enjoyed by the Crown. The Crown is also fully liable and financially exposed for all our actions and decisions while we are operating within our mandate. Therefore, our assets and liabilities are the assets and liabilities of the Government of Canada.

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. However, 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 2020-2021 Annual Report. There have been no significant changes to our risk profile since year-end, noting our continued management of the COVID-19 pandemic's impact on the Corporation.

The effects of COVID-19 will persist into fiscal year 2021-2022, including continuing economic pressures and the possibility of programming disruptions. The Corporation's budget for 2021-2022 has been developed to include mitigation measures for the pressures of the ongoing pandemic and includes the Federal Budget 2021 announcement of $21M in funding support. We will continue to serve Canadians with vital news, information and entertainment programming during this unprecedented crisis while keeping our staff safe amid ongoing health and safety concerns.

Financial Reporting Disclosure

Our second 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 November 18, 2021. 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, 2021 ("2020-2021 audited annual financial statements"). Our interim financial statements do not include all of the notes required in the 2020-2021 audited annual financial statements.

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

Future Accounting Standards

Refer to Note 3 of the interim financial statements for information pertaining to accounting pronouncements effective in 2021-2022 and in future periods.

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.

Key Accounting Estimates and Critical Judgments

The preparation of these interim financial statements requires management to make estimates and judgments about the future. Estimates and judgments are based on historical experience and other factors, and are continually evaluated. Actual results could differ from those estimates.

There have been no material changes to our critical accounting estimates in the first six months of 2021-2022. Our key accounting estimates and critical judgments are disclosed in the relevant notes to our 2020-2021 audited annual financial statements.

Transactions with defined benefit plans

We made employer contributions to defined benefit plans as discussed in Note 11. We also provided management and administrative services to our defined benefit pension plans.

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.

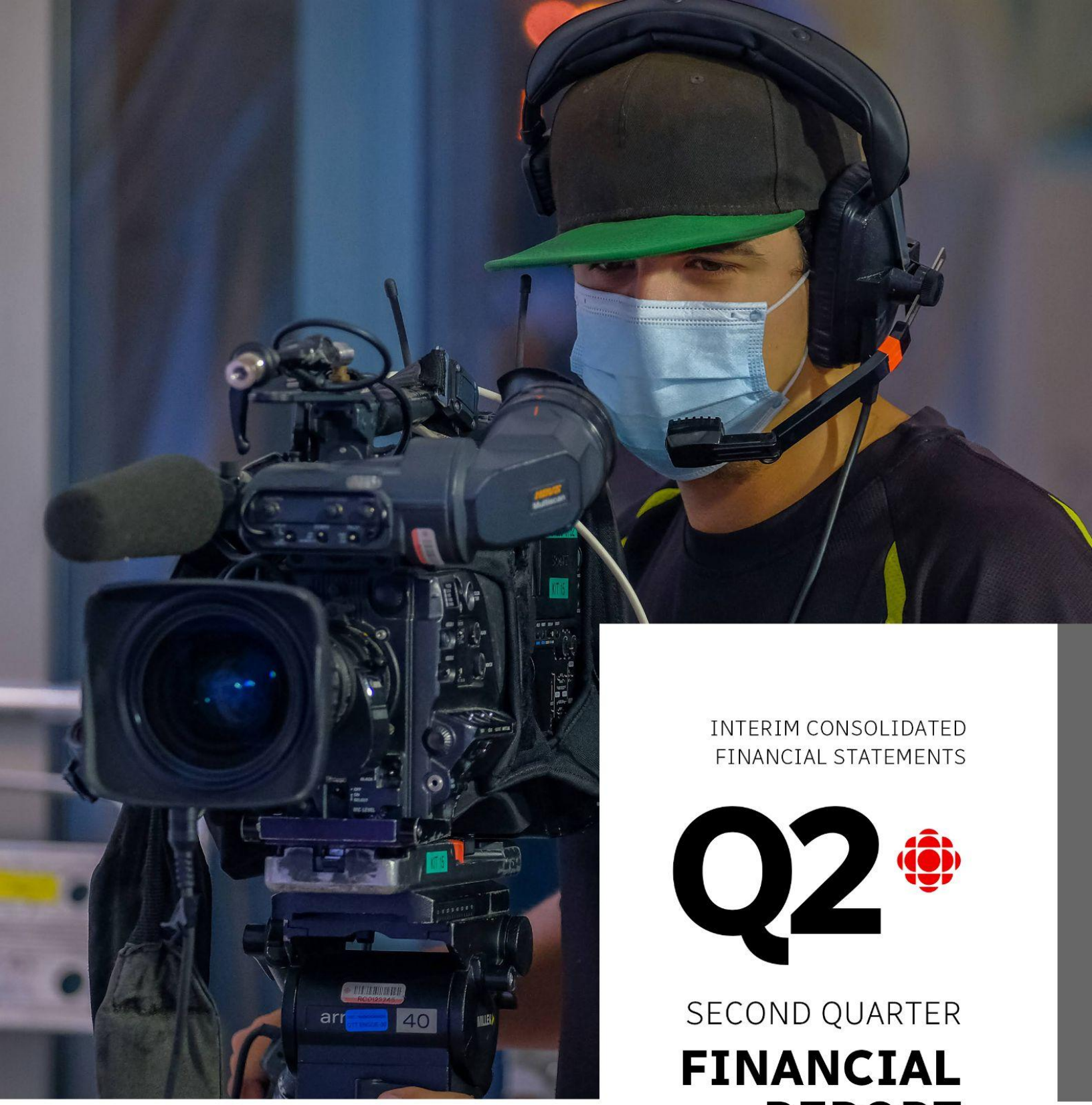


Catherine Tait
President and Chief Executive Officer



Carol Najm
Vice-President and Chief Financial Officer

Ottawa, Canada
November 18, 2021



INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

Q2

SECOND QUARTER

FINANCIAL REPORT

2021-2022

CBC Radio-Canada

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF: **PAGES**

FINANCIAL POSITION (UNAUDITED) **26**

INCOME (LOSS) (UNAUDITED) **27**

COMPREHENSIVE INCOME (LOSS) (UNAUDITED) **27**

CHANGES IN EQUITY (UNAUDITED) **28**

CASH FLOWS (UNAUDITED) **29**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED) **30**

BUSINESS AND ENVIRONMENT 30
GENERAL INFORMATION 30
SIGNIFICANT ACCOUNTING POLICIES 30
NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES 32
ASSETS AND LIABILITIES 32
BONDS RECEIVABLE 32
TRADE AND OTHER RECEIVABLES 32
PROGRAMMING 33
PROPERTY AND EQUIPMENT 34
INTANGIBLE ASSETS 35
RIGHT-OF-USE (ROU) ASSETS 36
PROVISIONS 36
PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES 37
LEASE LIABILITIES 40
INCOME, EXPENSES AND CASH FLOWS 41
REVENUE 41
Advertising Revenue 42
Subscriber Revenue 42
Other Income 42
Contract Balances 42
GOVERNMENT FUNDING 43
MOVEMENTS IN WORKING CAPITAL 44
OTHER 45
FINANCIAL INSTRUMENTS 45
RELATED PARTIES 46
COMMITMENTS 47
CONTINGENCIES 47

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(in thousands of Canadian dollars)	*NOTE*	As at September 30 **2021**	As at March 31 2021
ASSETS			
Current			
Cash		102,335	90,107
Marketable securities		3,824	3,802
Bonds receivable	*4,16*	54,079	95,678
Promissory notes receivable		3,881	3,749
Trade and other receivables	*5,16*	193,837	177,841
Programming	*6*	448,998	384,407
Prepaid expenses		42,875	47,840
Investment in finance lease		4,278	4,141
Assets classified as held for sale	*7*	46	94
		854,153	**807,659**
Non-current			
Bonds receivable	*4,16*	26,439	26,687
Property and equipment	*7*	789,913	801,937
Intangible assets	*8*	31,576	32,437
Right-of-use (ROU) assets	*9*	332,446	339,464
Pension plan asset	*11*	1,198,267	868,261
Promissory notes receivable		22,132	24,106
Programming	*6*	46,125	36,812
Investment in finance lease		24,030	26,204
Deferred charges		27,288	29,533
		2,498,216	**2,185,441**
TOTAL ASSETS		**3,352,369**	**2,993,100**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		74,509	119,578
Provisions	*10*	22,057	19,881
Pension plans and employee-related liabilities	*11*	197,064	219,391
Financial obligations		36,322	35,732
Lease liabilities	*12*	22,709	18,610
Deferred revenue and other liabilities		23,858	18,286
Deferred operating vote drawdown	*14*	99,053	-
Derivative financial instruments	*16*	35	592
		475,607	**432,070**
Non-current			
Deferred revenue and other liabilities		26,439	30,327
Pension plans and employee-related liabilities	*11*	242,378	243,323
Financial obligations		186,051	201,472
Lease liabilities	*12*	304,070	313,389
Deferred capital funding	*14*	505,088	502,479
		1,264,026	**1,290,990**
TOTAL LIABILITIES		**1,739,633**	**1,723,060**
EQUITY			
Retained earnings		1,611,985	1,269,285
Total equity attributable to the Corporation		**1,611,985**	**1,269,285**
Non-controlling interests		751	755
TOTAL EQUITY		**1,612,736**	**1,270,040**
TOTAL LIABILITIES AND EQUITY		**3,352,369**	**2,993,100**

Commitments (Note 18) and Contingencies (Note 19)

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 September 30		For the **six** months ended September 30	
(in thousands of Canadian dollars)	*NOTE*	**2021**	2020	**2021**	2020
REVENUE	*13*				
Advertising		119,232	48,114	184,902	97,762
Subscriber fees		30,271	30,816	61,028	62,055
Other income		31,084	25,942	51,164	42,210
Financing and investment income		1,456	1,765	3,001	3,615
		182,043	**106,637**	**300,095**	**205,642**
GOVERNMENT FUNDING	*14*				
Parliamentary appropriations for operating expenditures		269,637	275,275	518,447	534,579
Parliamentary appropriations for working capital		1,000	999	2,000	1,999
Amortization of deferred capital funding		23,945	23,992	47,891	47,727
		294,582	**300,266**	**568,338**	**584,305**
EXPENSES					
Television, radio and digital services costs		457,849	336,960	833,664	692,748
Transmission, distribution and collection costs		14,047	12,644	27,348	25,815
Corporate management costs		2,716	2,417	5,477	4,924
Finance costs		6,114	6,586	12,375	13,511
		480,726	**358,607**	**878,864**	**736,998**
Results before other gains and losses		**(4,101)**	**48,296**	**(10,431)**	**52,949**
OTHER GAINS AND LOSSES					
Gain on disposal of property and equipment and intangibles		812	132	822	385
Net results for the period		**(3,289)**	**48,428**	**(9,609)**	**53,334**
Net results attributable to:					
The Corporation		(3,288)	48,446	(9,605)	53,334
Non-controlling interests		(1)	(18)	(4)	-
		(3,289)	**48,428**	**(9,609)**	**53,334**

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 September 30		For the **six** months ended September 30	
(in thousands of Canadian dollars)	*NOTE*	**2021**	2020	**2021**	2020
COMPREHENSIVE INCOME (LOSS)					
Net results for the period		(3,289)	48,428	(9,609)	53,334
Other comprehensive income - not subsequently reclassified to net results					
Remeasurements of defined benefit plans	*11*	163,069	24,565	352,305	(378,960)
Total comprehensive income (loss) for the period		**159,780**	**72,993**	**342,696**	**(325,626)**
Total comprehensive income (loss) attributable to:					
The Corporation		159,781	73,011	342,700	(325,626)
Non-controlling interests		(1)	(18)	(4)	-
		159,780	**72,993**	**342,696**	**(325,626)**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at June 30, 2021		1,452,204	752	1,452,956
Changes during the period				
Net results for the period		(3,288)	(1)	(3,289)
Remeasurements of defined benefit plans	*11*	163,069	-	163,069
Total comprehensive income for the period		**159,781**	**(1)**	**159,780**
Balance as at September 30, 2021		**1,611,985**	**751**	**1,612,736**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at June 30, 2020		522,577	728	523,305
Changes during the period				
Net results for the period		48,446	(18)	48,428
Remeasurements of defined benefit plans	*11*	24,565	-	24,565
Total comprehensive income for the period		**73,011**	**(18)**	**72,993**
Balance as at September 30, 2020		**595,588**	**710**	**596,298**

(in thousands of Canadian dollars)	*NOTE*	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		(9,605)	(4)	(9,609)
Remeasurements of defined benefit plans	*11*	352,305	-	352,305
Total comprehensive income for the period		**342,700**	**(4)**	**342,696**
Balance as at September 30, 2021		**1,611,985**	**751**	**1,612,736**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at March 31, 2020		921,214	710	921,924
Changes during the period				
Net results for the period		53,334	-	53,334
Remeasurements of defined benefit plans	*11*	(378,960)	-	(378,960)
Total comprehensive income for the period		**(325,626)**	**-**	**(325,626)**
Balance as at September 30, 2020		**595,588**	**710**	**596,298**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(in thousands of Canadian dollars)	*NOTE*	For the **three** months ended September 30 **2021**	2020	For the **six** months ended September 30 **2021**	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Net results for the period		(3,289)	48,428	(9,609)	53,334
Adjustments for:					
Gain on disposal of property and equipment		(812)	(132)	(822)	(385)
Financing and investment income	*13*	(1,456)	(1,765)	(3,001)	(3,615)
Finance costs		6,114	6,586	12,375	13,511
Change in fair value of financial instruments designated as FVTPL*	*16*	(496)	190	(557)	1,108
Depreciation and amortization	*7,8,9*	25,571	26,713	51,460	54,359
Change in deferred charges		1,199	210	2,245	490
Net change in programming asset	*6*	(13,352)	35,255	(8,956)	10,062
Amortization of deferred capital funding	*14*	(23,945)	(23,992)	(47,891)	(47,727)
Change in deferred appropriations for operating expenditures	*14*	53,863	48,726	99,053	132,422
Change in deferred revenue and other liabilities [non-current]		-	1	(4,245)	(4,277)
Change in pension plan asset	*11*	(150,749)	(19,928)	(330,006)	368,630
Change in pension plans and employee-related liabilities	*11*	150,685	18,739	351,538	(350,618)
Amortization of bond premium		122	82	411	162
Income taxes paid		-	-	(31,149)	-
Movements in working capital	*15*	(45,321)	(104,699)	(103,366)	(149,358)
		(1,866)	**34,414**	**(22,520)**	**78,098**
FINANCING ACTIVITIES					
Payment of lease liabilities	*12*	(4,623)	(4,216)	(9,181)	(8,574)
Repayment of financial obligations		-	-	(14,462)	(13,541)
Interest paid		(2,287)	(2,244)	(12,387)	(13,432)
		(6,910)	**(6,460)**	**(36,030)**	**(35,547)**
INVESTING ACTIVITIES					
Parliamentary appropriations for capital funding	*14*	25,499	7,500	50,500	33,500
Additions to property and equipment and intangible assets	*7,8*	(14,885)	(21,448)	(28,349)	(38,895)
Acquisition of bonds receivable	*4*	(407)	(792)	(37,176)	(29,214)
Acquisition of marketable securities		(6)	(46)	(22)	(3,781)
Net proceeds from disposal of property and equipment	*7*	996	190	1,119	550
Collection of financial assets	*4*	1,904	1,774	82,060	32,394
Interest received		1,284	1,559	2,646	3,185
		14,385	**(11,263)**	**70,778**	**(2,261)**
Change in cash		**5,609**	**16,691**	**12,228**	**40,290**
Cash, beginning of the period		**96,726**	**95,985**	**90,107**	**72,386**
Cash, end of the period		**102,335**	**112,676**	**102,335**	**112,676**

The accompanying notes form an integral part of the condensed interim consolidated financial statements.
* FVTPL: fair value through profit and loss

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2021 (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, 2021. This section also shows new and future changes in policies, if any, and whether they are effective in 2021 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. They have been authorized for issuance by the Board of Directors on November 18, 2021.

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

[1] *Sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01, do not apply to CBC/Radio-Canada*

B. Basis of Preparation

Basis of Presentation

As permitted under IAS 34, 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, 2021 ("2020-2021 audited annual financial statements"). Accordingly, they should be read in conjunction with the 2020-2021 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.

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those disclosed in the Corporation's 2020-2021 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 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.

Seasonal trends may continue to be impacted by COVID-19 throughout 2021-2022, as the duration and severity of the pandemic remain unknown.

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, as well as 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.

COVID-19 pandemic

The global COVID-19 pandemic negatively impacted the Corporation's ongoing activities in 2020-2021, including certain financial information and related estimates and judgments disclosed in these financial statements. For more details, refer to our 2020-2021 audited annual financial statements.

This quarter, the impact of the COVID-19 pandemic continues to subside. The most critical areas we are currently monitoring include our programming assets, advertising sales and trade receivables, and pension accounting. Notwithstanding, the financial and operational impacts of the COVID-19 pandemic on the Canadian media industry are still unknown and could continue to impact the Corporation's results in the years to come.

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 International Accounting Standards Board ("IASB") or the IFRS Interpretations Committee that impacted these condensed interim 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 condensed interim 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. BONDS RECEIVABLE

We hold Canada Mortgage Bonds to fund future commitments. The following table presents the contractual maturity profile of bonds receivable based on their carrying value:

	September 30, 2021	March 31, 2021
Less than one year	54,079	95,678
Later than one year but not later than five years	26,439	26,687
Total	**80,518**	**122,365**

Bonds receivable are subject to credit risk, which is further discussed in Note 16.B.

5. TRADE AND OTHER RECEIVABLES

	September 30, 2021	March 31, 2021
Trade receivables	181,884	166,001
Provision for expected credit losses	(504)	(507)
Other	12,457	12,347
Total	**193,837**	**177,841**

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 16.B.

6. PROGRAMMING

A. Programming by Category

	September 30, 2021	March 31, 2021
Completed programs	189,046	155,663
Programs in process of production	179,146	116,618
Broadcast rights available for broadcast within the next twelve months	80,806	112,126
	448,998	**384,407**
Broadcast rights not available for broadcast within the next twelve months	46,125	36,812
Balance, end of period	**495,123**	**421,219**

B. Movement in Programming

	September 30, 2021	March 31, 2021
Opening balance	421,219	399,441
Additions	677,970	1,106,713
Programs broadcast	(604,066)	(1,084,935)
Balance, end of period	**495,123**	**421,219**

Programs broadcast include programming write-offs for the three and six months ended September 30, 2021 of $0.6 million (September 30, 2020 – $ 0.2 million) and $1.4 million (September 30, 2020 – $1.0 million) respectively. Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series.

7. PROPERTY AND EQUIPMENT

A. Cost and Accumulated Depreciation

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	**Total**
Cost as at March 31, 2021	107,816	461,017	183,779	976,219	157,700	129,864	2,016,395
Additions	-	55	-	2,710	978	21,514	25,257
Transfers (refer to Note 8)	48	684	2,473	3,876	1,960	(8,667)	374
Disposals and write-offs	-	(704)	-	(5,397)	(618)	-	(6,719)
Cost as at September 30, 2021	**107,864**	**461,052**	**186,252**	**977,408**	**160,020**	**142,711**	**2,035,307**
Accumulated depreciation as at March 31, 2021	-	(272,920)	(49,816)	(775,605)	(116,117)	-	(1,214,458)
Depreciation for the period	-	(9,805)	(4,192)	(17,943)	(5,419)	-	(37,359)
Reclassification of depreciation on disposals and write-offs	-	480	-	5,328	615	-	6,423
Accumulated depreciation as at September 30, 2021	**-**	**(282,245)**	**(54,008)**	**(788,220)**	**(120,921)**	**-**	**(1,245,394)**
Net carrying amount as at September 30, 2021	**107,864**	**178,807**	**132,244**	**189,188**	**39,099**	**142,711**	**789,913**

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	**Total**
Cost as at March 31, 2020	107,790	459,590	182,739	977,756	148,652	90,639	1,967,166
Additions	101	10	-	8,373	5,754	68,992	83,230
Transfers (refer to Note 8)	(5)	9,257	1,114	13,487	7,269	(29,630)	1,492
Assets classified as held for sale	(70)	(30)	-	-	-	-	(100)
Disposals and write-offs	-	(7,810)	(74)	(23,397)	(3,975)	(137)	(35,393)
Cost as at March 31, 2021	**107,816**	**461,017**	**183,779**	**976,219**	**157,700**	**129,864**	**2,016,395**
Accumulated depreciation as at March 31, 2020	-	(260,652)	(41,585)	(758,470)	(108,462)	-	(1,169,169)
Depreciation for the year	-	(19,870)	(8,267)	(39,912)	(11,629)	-	(79,678)
Reclassification of depreciation on assets classified as held for sale	-	43	-	-	-	-	43
Reclassification of depreciation on disposals and write-offs	-	7,559	36	22,777	3,974	-	34,346
Accumulated depreciation as at March 31, 2021	**-**	**(272,920)**	**(49,816)**	**(775,605)**	**(116,117)**	**-**	**(1,214,458)**
Net carrying amount as at March 31, 2021	**107,816**	**188,097**	**133,963**	**200,614**	**41,583**	**129,864**	**801,937**

The contractual commitments for the acquisition of property and equipment were $12.6 million as at September 30, 2021 (March 31, 2021 - $2.2 million).

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the three and six months ended September 30, 2021 (September 30, 2020 - nil).

C. Assets Classified as Held for Sale

Some of our transmission sites are classified as held for sale for accounting purposes as at September 30, 2021 with a negligible total carrying value (March 31, 2021 - $0.1 million). These transmission sites are expected to be sold on a site by site basis over the next twelve months.

D. Disposals

There were no significant disposals during the second quarter of 2021-2022.

Insignificant net gains during the three and six months ended September 30, 2021 and for the same period last year resulted from the disposal or retirements of equipment as part of our normal asset refresh cycle.

8. INTANGIBLE ASSETS

	Internally developed software	Acquired software	Uncompleted capital projects	**Total**
Cost as at March 31, 2021	136,068	54,661	15,964	206,693
Additions	-	75	2,324	2,399
Transfers (refer to Note 7)	463	799	(1,588)	(326)
Disposals and write-offs	(7,215)	-	-	(7,215)
Cost as at September 30, 2021	**129,316**	**55,535**	**16,700**	**201,551**
Accumulated amortization as at March 31, 2021	(134,039)	(40,217)	-	(174,256)
Amortization for the period	(365)	(2,569)	-	(2,934)
Reclassification of amortization on disposals and write-offs	7,215	-	-	7,215
Accumulated amortization as at September 30, 2021	**(127,189)**	**(42,786)**	**-**	**(169,975)**
Net carrying amount as at September 30, 2021	**2,127**	**12,749**	**16,700**	**31,576**

	Internally developed software	Acquired software	Uncompleted capital projects	**Total**
Cost as at March 31, 2020	139,504	51,603	5,220	196,327
Additions	-	700	15,554	16,254
Transfers (refer to Note 7)	886	2,432	(4,810)	(1,492)
Disposals and write-offs	(4,322)	(74)	-	(4,396)
Cost as at March 31, 2021	**136,068**	**54,661**	**15,964**	**206,693**
Accumulated amortization as at March 31, 2020	(137,450)	(34,016)	-	(171,466)
Amortization for the year	(911)	(6,275)	-	(7,186)
Reclassification of amortization on disposals and write-offs	4,322	74	-	4,396
Accumulated amortization as at March 31, 2021	**(134,039)**	**(40,217)**	**-**	**(174,256)**
Net carrying amount as at March 31, 2021	**2,029**	**14,444**	**15,964**	**32,437**

The contractual commitments for the acquisition of intangible assets were $1.4 million as at September 30, 2021 (March 31, 2021 - $0.7 million).

There were no impairment losses recorded or reversed during the three and six months ended September 30, 2021 (September 30, 2020 - nil).

9. 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 September 30, 2021	Land	Buildings	Leasehold improvements	Technical equipment	**Total**
Net carrying amount for the period	2,028	307,095	3,910	19,413	**332,446**
Depreciation charge for the period	159	8,657	301	2,050	**11,167**

As at March 31, 2021	Land	Buildings	Leasehold improvements	Technical equipment	**Total**
Net carrying amount for the year	2,230	313,529	4,211	19,494	**339,464**
Depreciation charge for the year	346	17,015	602	3,802	**21,765**

Additions to the ROU assets during the three and six months ended September 30, 2021 were $1.3 million and $4.9 million, respectively (March 31, 2021 - $12.5 million).

10. PROVISIONS

As at September 30, 2021	Legal and other	Environmental	Termination benefits	**Total**
Opening balance	19,362	137	382	19,881
Additional provisions recognized	4,999	-	-	4,999
Provisions utilized	(769)	-	-	(769)
Reductions resulting from remeasurement or settlement without cost	(1,860)	(18)	(176)	(2,054)
Balance, end of period	**21,732**	**119**	**206**	**22,057**

Various legal and other proceedings have been asserted or instituted against us. Some of these claims demand large monetary damages or other forms of relief, and could result in significant expenditures. These claims consist mainly of copyright tariffs, grievances and other legal claims.

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims where the outcome cannot be determined with certainty or the cash outflows are not probable are considered to be a contingency, with no provision recorded on our consolidated financial statements.

All matters are classified as current because, where estimable, we are working to resolve these matters within twelve months.

11. 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	
	September 30, 2021	March 31, 2021	**September 30, 2021**	March 31, 2021
Pension plan asset	-	**-**	**1,198,267**	**868,261**
Pension plans liability	-	-	129,449	128,163
Other post-employment plans	-	-	112,929	115,160
Vacation pay	67,968	76,867	-	-
Termination benefits	6,585	9,957	-	-
Salary-related liabilities	122,511	132,567	-	-
Total pension plans and employee-related liabilities	**197,064**	**219,391**	**242,378**	**243,323**

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
			September 30, 2021			March 31, 2021
Fair value of plan assets	8,612,369	-	-	8,163,234	-	-
Defined benefit obligation	7,414,102	129,449	112,929	7,294,973	128,163	115,160
Net asset (liability) arising from defined benefit obligation	**1,198,267**	**(129,449)**	**(112,929)**	**868,261**	**(128,163)**	**(115,160)**

B. Significant Actuarial Assumptions

As disclosed in Note 15 *Pension Plans and Employee-Related Liabilities* of the Corporation's 2020-2021 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	**September 30, 2021**	March 31, 2021
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.30%	3.79%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.25%	3.30%
Discount rate - long service gratuity	2.67%	2.68%
Discount rate - LTD benefit	2.67%	2.68%
Discount rate - life insurance	3.10%	3.14%

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 September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
Benefits paid directly to beneficiaries	3,028	2,944	6,056	5,888
Employer regular contributions to pension benefit plans	18,301	17,612	32,639	31,525
Total cash payments for defined benefit plans	**21,329**	**20,556**	**38,695**	**37,413**

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.

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
	September 30, 2021		March 31, 2021	
Opening defined benefit obligation	7,423,136	115,160	6,901,326	114,117
Current service cost	63,996	2,334	109,004	5,322
Interest cost	121,276	1,348	258,514	4,023
Contributions from employees	32,573	-	57,881	-
Remeasurements:				
Actuarial losses arising from changes in financial assumptions	56,822	143	452,111	4,984
Actuarial (gains)/losses arising from experience adjustments	8,696	-	(31,960)	-
Benefits paid	(162,948)	(6,056)	(323,740)	(13,286)
Closing defined benefit obligation	**7,543,551**	**112,929**	**7,423,136**	**115,160**

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
	September 30, 2021		March 31, 2021	
Opening fair value of plan assets	8,163,234	-	7,470,541	-
Administration fees*	(4,000)	-	(8,000)	-
Interest income on plan assets	132,910	-	279,089	-
Return on plan assets**	417,961	-	628,593	-
Contributions from employees	32,573	-	57,881	-
Contributions from the Corporation	32,639	6,056	58,870	13,286
Benefits paid	(162,948)	(6,056)	(323,740)	(13,286)
Closing fair value of plan assets	**8,612,369**	**-**	**8,163,234**	**-**

* Other than investment management fees

** Excluding interest income

F. Defined Benefit Plans Costs

Amounts recognized other comprehensive income (loss)

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
Current service cost	33,165	28,306	66,330	56,612
Administration fees*	2,000	2,000	4,000	4,000
Interest cost on defined benefit obligation	61,312	65,488	122,624	130,976
Interest income on plan assets	(66,455)	(69,772)	(132,910)	(139,544)
Other	(77)	131	5	836
Expense recognized in net results	29,945	26,153	60,049	52,880
Less:				
Remeasurements recognized in OCI	163,069	24,565	352,305	(378,960)
Total	**(133,124)**	**1,588**	**(292,256)**	**431,840**

* Other than investment management fees

Retained earnings include $ 1,732.1 million of cumulative actuarial gains as at September 30, 2021 (March 31, 2021 gains – $ 1,379.8 million).

Expense recognized in net results

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
Television, radio and digital services costs	28,747	25,107	57,647	50,765
Transmission, distribution and collection costs	898	784	1,801	1,586
Corporate management costs	300	262	601	529
Total	**29,945**	**26,153**	**60,049**	**52,880**

12. LEASE LIABILITIES

	September 30, 2021	March 31, 2021
Land	1,945	2,157
Buildings	300,145	304,732
Leasehold improvements	4,308	4,603
Technical equipment	20,381	20,507
Total	**326,779**	**331,999**

Maturity Analysis

	September 30, 2021	March 31, 2021
Contractual undiscounted cash flows		
Less than one year	31,248	26,814
One to five years	94,043	94,979
More than five years	318,752	326,859
Total undiscounted lease liabilities	**444,043**	**448,652**
Lease liabilities included in the condensed interim consolidated statement of financial position	**326,779**	**331,999**

Amounts recognized in our condensed interim consolidated statement of cash flows

For the three and six month period ended September 30, 2021, total cash outflows for leases amounted to $6.9 million (September 30, 2020 - $6.5 million) and $13.8 million (September 30, 2020 -$13.3 million), respectively. Interest expense related to lease liabilities and presented as Finance costs for the three and six months period ended September 30, 2021 totaled $2.3 million (September 30, 2020 - $2.2 million) and $4.6 million (September 30, 2020 - $4.7 million), respectively.

Some of the 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 explaining our revenue and government funding for the period and supplemental cash flow information.

13. REVENUE

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
TV advertising[1]	96,986	36,055	146,922	75,001
Digital advertising	22,246	12,059	37,980	22,761
Subscriber fees	30,271	30,816	61,028	62,055
Production revenue[2]	5,780	7,747	11,382	9,196
Program license sales	11,286	6,571	15,742	11,687
Canadian retransmission rights	1,050	1,050	2,100	2,100
Program sponsorship	2,192	99	2,283	154
Other services	1,032	1,348	1,999	1,734
Revenue from contracts with customers	**170,843**	**95,745**	**279,436**	**184,688**
Leasing income	7,945	9,253	17,270	16,711
Financing and investment income	1,456	1,765	3,001	3,615
Net gain (loss) from the change in fair value of financial instruments	497	(190)	558	(1,108)
Other retransmission rights	1,733	-	1,734	979
Foreign exchange gain (loss)	(431)	64	(1,904)	757
Other sources of income*	**11,200**	**10,892**	**20,659**	**20,954**
	182,043	**106,637**	**300,095**	**205,642**

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

[1] For the three and six months ended September 30, 2021, TV advertising included revenue from exchange of services of $0.1 million (September 30, 2020 - $0.3 million) and $0.4 million (September 30, 2020 - $0.5 million), respectively.

[2] For the three and six months ended September 30, 2021, Production revenue included revenue from exchange of services of $2.1 million (September 30, 2020 - $4.8 million) and $5.9 million (September 30, 2020 - $4.9 million), respectively.

Changes in Presentation

We modified the classification of revenue arising from commercial production to better reflect the nature of these revenue streams. This resulted in a reclassification from "Production revenue" to "TV Advertising" of $0.8 million and $1.2 million respectively for the three and six months ended September 30, 2021.

Also, as of March 31, 2021, we have modified the presentation of our revenue arising from retransmission rights to better reflect the nature of this revenue. This resulted in a reclassification of $1.0 million from "Canadian retransmission rights", formerly labeled "Retransmission rights" to "Other retransmission rights" for the six months ended September 30, 2020 (nil - for the three months ended September 2020).

Advertising Revenue

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
English services	81,110	22,372	110,774	46,355
French services	38,122	25,742	74,128	51,407
Total advertising revenue	**119,232**	**48,114**	**184,902**	**97,762**

Subscriber Revenue

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
English services	15,291	15,666	30,780	31,330
French services	14,980	15,150	30,248	30,725
Total subscriber revenue	**30,271**	**30,816**	**61,028**	**62,055**

Other Income

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
Production revenue				
English services	2,520	4,421	6,208	4,552
French services	3,260	3,326	5,174	4,644
Total production revenue	**5,780**	**7,747**	**11,382**	**9,196**
Program license sales				
English services	9,610	5,015	12,292	8,827
French services	1,676	1,556	3,450	2,860
Total program license sales	**11,286**	**6,571**	**15,742**	**11,687**
Leasing income*	7,945	9,253	17,270	16,711
Canadian retransmission rights	1,050	1,050	2,100	2,100
Program sponsorship	2,192	99	2,283	154
Net gain (loss) from the change in fair value of financial instruments*	497	(190)	558	(1,108)
Other retransmission rights*	1,733	-	1,734	979
Foreign exchange gain (loss)*	(431)	64	(1,904)	757
Other services	1,032	1,348	1,999	1,734
	14,018	**11,624**	**24,040**	**21,327**
Total other income	**31,084**	**25,942**	**51,164**	**42,210**

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

Contract Balances

Contract assets represent our right to consideration in exchange for services that have already been transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets primarily comprise usage-based royalties from Canadian retransmission rights arrangements related to previously satisfied performance obligations. As a copyright owner of radio and TV programming, we are entitled to revenue from retransmission rights as distant signals are retransmitted in Canada. Our right to consideration is dependent upon the tariff set by the Copyright Board of Canada and our share within various retransmission rights collectives.

Contract assets are presented under "Trade and Other Receivables" in our condensed interim consolidated statement of financial position. Trade and Other Receivables include $11.6 million of contract assets as at September 30, 2021 (March 31, 2021 – $9.5 million). There was no impairment loss in relation to contract assets for the periods 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 $13.9 million of contract liabilities as at September 30, 2021 (March 31, 2021 - $8.4 million).

14. GOVERNMENT FUNDING

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

A. Government funding received capital funding

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

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
Operating funding	323,500	324,001	617,500	667,001
Capital funding	25,499	7,500	50,500	33,500
Working capital funding	1,000	999	2,000	1,999
Balance, end of period	**349,999**	**332,500**	**670,000**	**702,500**

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.

	September 30, 2021	March 31, 2021
Operating funding received during the period	617,500	1,291,402
Less: Parliamentary appropriation for operating expenditures recognized in the condensed interim consolidated statement of income (loss) during the period	(518,447)	(1,291,402)
Deferred operating vote drawdown, end of period	**99,053**	**-**

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.

	September 30, 2021	March 31, 2021
Opening balance	502,479	529,910
Government funding for capital expenditures	50,500	71,513
Amortization of deferred capital funding	(47,891)	(98,944)
Balance, end of period	**505,088**	**502,479**

15. MOVEMENTS IN WORKING CAPITAL

	For the **three** months ended September 30		For the **six** months ended September 30	
	2021	2020	**2021**	2020
Changes in Working Capital are comprised of:				
Trade and other receivables	(63,066)	7,963	(15,557)	15,193
Programming asset	(3,337)	(106,396)	(64,591)	(107,168)
Prepaid expenses	3,301	3,954	4,736	(3,177)
Accounts payable and accrued liabilities	(2,622)	12,835	(13,227)	(27,986)
Provisions	251	484	2,176	(5,386)
Pension plans and employee-related liabilities	17,114	(20,573)	(22,516)	(21,393)
Deferred revenue and other liabilities	3,038	(2,966)	5,613	559
	(45,321)	**(104,699)**	**(103,366)**	**(149,358)**

OTHER

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

16. FINANCIAL INSTRUMENTS

A. Fair Value

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

	September 30, 2021		March 31, 2021			
	Carrying values	Fair values	Carrying values	Fair values	Method[1]	Note
Financial instruments measured at FVTPL* on a recurring basis:						
Cash	102,335	102,335	90,107	90,107	Level 1	(a)
Marketable securities	3,824	3,824	3,802	3,802	Level 1	(a)
Financial assets	**106,159**	**106,159**	**93,909**	**93,909**		
Derivative financial instruments	35	35	592	592	Level 2	(d)
Financial liabilities	**35**	**35**	**592**	**592**		
Financial instruments measured at amortized cost:						
Bonds receivable (current)	54,079	54,291	95,678	96,042	Level 2	(b)
Promissory notes receivable (current)	3,881	3,881	3,749	3,749	Level 2	(a)
Trade and other receivables	193,837	193,837	177,841	177,841	Level 2	(a)
Investment in finance lease (current)	4,278	4,278	4,141	4,141	Level 2	(a)
Bonds receivable (non-current)	26,439	26,536	26,687	26,829	Level 2	(b)
Promissory notes receivable (non-current)	22,132	24,177	24,106	26,559	Level 2	(c)
Investment in finance lease (non-current)	24,030	28,092	26,204	30,651	Level 2	(c)
Financial assets	**328,676**	**335,092**	**358,406**	**365,812**		
Accounts payable and accrued liabilities	74,509	74,509	119,578	119,578	Level 2	(a)
Financial obligations (current)	36,322	36,322	35,732	35,732	Level 2	(a)
Financial obligations (non-current)	186,051	213,821	201,472	234,258	Level 2	(d)
Financial liabilities	**296,882**	**324,652**	**356,782**	**389,568**		

[1]Method refers to the hierarchy levels described in Note 2.C of our 2020-2021 audited annual financial statements. Each level is based on the availability of observable inputs used to measure the fair values of assets and liabilities.

* FVTPL: fair value through profit and loss

There have been no transfers between levels during the three and six months ended September 30, 2021.

(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 expected credit losses (ECL) based on a model developed in accordance with IFRS 9. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at September 30, 2021 and March 31, 2021 is the carrying value of the assets they relate to.

Trade and other receivables

The tables below provide an aging of our customer trade and other receivables and additional information related to the provision for ECL.

Trade and other receivables over 30 days	**September 30, 2021**	March 31, 2021
31 - 60 days	61,056	40,868
61 - 90 days	24,260	1,663
Over 90 days	22,710	19,710
Total	**108,026**	**62,241**

Movement in provision for expected credit losses	**September 30, 2021**	March 31, 2021
Opening balance	(507)	(384)
Amounts written off during the period as uncollectible	63	313
Net increase in provision for new impairments	(60)	(436)
Balance, end of period	**(504)**	**(507)**

Bonds receivable

The Corporation holds Canada Mortgage Bonds that carry a determined fixed rate coupon comprised between 1.15% to 2.55% payable twice a year. The Corporation intends to hold these bonds until maturity. These government bonds have maturity dates ranging between December 2021 and December 2024. None of these assets were past due or impaired at the end of the reporting period.

17. 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 11.C

A. Transactions with Related Parties Excluding Government-Related Entities

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

There are no significant amounts owing to related parties at September 30, 2021 (March 31, 2021 - nil) 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 described in Note 4 *Bonds Receivable*, $80.5 million is invested in Canada Mortgage Bonds (CMB) at September 30, 2021 (March 31, 2021 - $122.4 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.

Contract with other Government-Related Entity

Mauril is a free and ad-free digital platform leveraging a wide range of content from the Corporation to help users learn English and French. Financed and endorsed by the Government of Canada, this tool is designed and deployed by the Corporation, in collaboration with a committee of pedagogical experts. It's meant to help improve oral comprehension and integrate language knowledge in everyday life. We have received $1.5 million this quarter (March 31, 2021 - $3.0 million) from the Government of Canada for the provision of services required to create this platform and acquire content. At the end of the period, $6.5 million was recorded as deferred revenue (March 31, 2021 - $6.0 million).

18. COMMITMENTS

Commitments are discussed in Note 27 *Commitments* of the Corporation's 2020-2021 audited annual financial statements. Commitments for the purchase of property and equipment and intangible assets this quarter are disclosed within Note 7 *Property and Equipment* and Note 8 *Intangible assets* of this report. There were no other material changes to commitments during the second quarter of 2021-2022.

19. CONTINGENCIES

Additional consideration may be payable to the Corporation with respect to some of our retransmission rights for past periods. No gain has been recognized this quarter, as the receipt of this additional consideration is not virtually certain as it depends on the outcome of legal proceedings.