Q2

SECOND QUARTER

FINANCIAL REPORT

2023-2024

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 quarter and the six-month period ended September 30, 2023, compared with the quarter and the six-month period ended September 30, 2022. This report should be read in conjunction with our most recent Annual Report. We have organized our MD&A in the following key sections:

In this MD&A of financial condition and results of operations, "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, 2023, when reading this MD&A. All amounts in this MD&A are in thousands of Canadian dollars, except where noted.

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

FINANCIAL REPORTING DISCLOSURE

Our first quarter condensed interim consolidated financial statements (interim financial statements) were prepared in accordance with IFRS, as issued by the IASB, under IAS 34 – *Interim Financial Reporting* and adopted by the Accounting Standards Board (AcSB). They were approved by the Corporation's Board of Directors on November 30, 2023. 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, 2023 (2022-2023 audited annual financial statements). Our interim financial statements do not include all of the notes required in the 2022-2023 audited annual financial statements.

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

FORWARD-LOOKING STATEMENTS

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

PERFORMANCE INDICATORS

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

Business Highlights

Working directly with communities, our library partnerships program *Collab* delivered unique, local experiences this quarter. CBC Books and the Thunder Bay Public Library teamed up to offer workshops and a special conversation with local award-winning author Michael Christie. The Halifax Public Library and *The Nature of Things* also partnered to offer a science and nature filmmaking workshop and special screening. Over the summer, we held 20 journalistic reporting workshops in libraries in the Greater Montreal area, and presented the show *Zak: Dompteur de défis* in three North Shore towns (Les Escoumins, Baie Comeau and Sept-Îles).

We opened our new bureau in Istanbul, where our first head correspondent in Turkey, Marie-Eve Bédard, will be based. Our other foreign bureaus will also be seeing some new and familiar faces.

When Meta announced its intention to block access to all news content prior to the *Online News Act* (C-18) coming into effect, we responded by pausing our advertising on their platforms (Facebook and Instagram). Their move to deny Canadians access to trusted news and verified information is irresponsible and an abuse of their market power. We partnered with News Media Canada and the Canadian Association of Broadcasters to ask the Competition Bureau to investigate Meta's actions.

To mark the third National Day for Truth and Reconciliation, we provided an extensive lineup of Indigenous-led original programming across our platforms, including CBC Gem's *Telling Our Story*, *Maamaw* on CBC Listen, and ICI TOU.TV's *Derrière chaque image, une histoire* and *Culture autochtone*. *Bones of Crows*, a new five-part miniseries that deals with the lingering effects of the residential school system and colonization, was also launched on CBC Gem in September. Our teams attended a special screening in Ottawa for this occasion.

Our support continued for Canadian creators and filmmakers; we featured 13 films that premiered during the 2023 Toronto International Film Festival.

English Services

Our second quarter saw the successful realization of a number of initiatives, from the launch of innovative podcasts and television shows to projects that offer Canadians still more ways to access their favourite CBC content.

On the digital front, we expanded our reach by giving Canadians the option of streaming their favourite CBC news and entertainment programming for free on the Roku platform through CBC Gem. There, they can access old favourites and new, groundbreaking series, including *BlackBerry*, *Swan Song* and *Black Life: Untold Stories*.

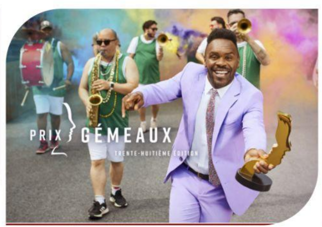
Also available now on Gem is FAST channel CBC Comedy, serving up a curated selection of the best of CBC's hit original comedy, 24/7.

We continued to grow our audio and podcast slate with new offerings such as *Bloodlines*, *Crime Story* and *Gay Girl Gone*, all of which feature in-depth and engaging storytelling with a focus on investigative reporting. Other highlights in our audio lineup included an exclusive Canadian interview with *Mick Jagger on Q with Tom Power*, a new iteration of acclaimed comedy *Let's Make a Horror* and season seven of fan-favourite *Someone Knows Something*.

August 11th marked the 50th anniversary of hip hop. We celebrated the occasion with *Manifesto presents: The Block Party at Toronto's RBC Echo Beach*, which was broadcast live and nationwide on CBC Music. We also celebrated CBC Kids News, as the national, award-winning news service for Canadian tweens turned five this year.

Our news reporting continued to garner recognition as well. CBC journalists won 12 awards at the Indigenous Journalists Association conference held in Winnipeg in August. Internally, we continued to build momentum as our Indigenous Pathways to Journalism program welcomed its second cohort in September. This nine-month learning and development initiative supports aspiring First Nations, Inuit, and Métis storytellers as they hone their skills in CBC newsrooms.

French Services



Our Radio-Canada teams have been busy this quarter. Radio-Canada Info launched its new season in the fall, across our platforms. Canadians can catch the news on their platform of choice from ICI RDI, ICI TÉLÉ, ICI PREMIÈRE, OHdio and ICI TOU.TV. A full list of our news programming for the 2023-2024 season can be found on our website.

In September, the Académie canadienne du cinéma et de la télévision and Radio-Canada co-produced the *Gala des 38es prix Gémeaux*, which recognizes achievements in the francophone media industry, and it was broadcast live on ICI TÉLÉ.

Our teams also took part in some important cultural celebrations across Canada this past August. Radio-Canada was a partner for this year's *Festival Fierté Montréal,* where we presented ImmiX, a dynamic musical performance to kick off the festival, as well as on-site art installations and programming honouring the LGBTQ2+ community on ICI TÉLÉ and ICI TOU.TV. We also celebrated the Fête nationale de l'Acadie with Maritimers everywhere on August 15, with live programming from Bouctouche on ICI ARTV and ICI TÉLÉ, as well as special programs on ICI PREMIÈRE and ICI RDI featuring artists, musicians and cultural personalities from the region.

PERFORMANCE UPDATE

Our Performance – *Your Stories, Taken to Heart*

Below are the key performance indicators that measure and track our progress with respect to our strategic plan, *Your Stories, Taken to Heart*, and its five strategic priorities: customized digital services, engaging with young audiences, prioritizing our local connections, reflecting contemporary Canada and taking Canada to the world.[1] These priorities will 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.

INDICATORS	RESULTS APR 1 TO SEP 30, 2023	TARGETS 2023-2024	EXPLANATION
CUSTOMIZED DIGITAL SERVICES			
Digital reach (Monthly average unique visitors)[2]			
CBC/Radio-Canada	**20.3M**	19.7M	CBC/Radio-Canada's digital reach is trending above target as a result of audiences turning to our digital services in large numbers to be informed and entertained.
CBC	**16.0M**	16.5M	Digital reach for CBC is tracking below target due to the impact of technical changes to the website in Q1 and Meta's news withdrawal in Canada.
Radio-Canada	**5.0M**	4.9M	Digital reach for Radio-Canada is on target, driven by the performance of ICI TOU.TV and News/Regions content.
Digital engagement (Monthly average minutes per visitor)[3]			
CBC/Radio-Canada	**35.9 min/vis**	37 min/vis	Digital engagement is below target as increased competition for audiences influenced the decline in engagement.
CBC	**26.4 min/vis**	27 min/vis	
Radio-Canada	**41.4 min/vis**	45 min/vis	
ENGAGING WITH YOUNG AUDIENCES			
Digital visits to kids content (Monthly average visits)[4]			
CBC/Radio-Canada	**2,442K**	2,463K	Digital visits to kids content is trending slightly below target, impacted by lower traffic during the summer months.
CBC	**2,055K**	2,145K	Digital visits to kids content is trending below target due to an expected decrease in traffic during the summer months.
Radio-Canada	**387K**	318K	Digital visits to kids content is trending above target driven by new content on ICI TOU.TV that provided higher than anticipated traffic.
PRIORITIZING OUR LOCAL CONNECTIONS			
Digital engagement with News/Regions (Monthly average minutes per visitor)[3]			
CBC	**19.3 min/vis**	19 min/vis	Digital engagement with CBC News/Regions is on track to meet the target, driven by the coverage of major news stories.
Radio-Canada	**11.4 min/vis**	12 min/vis	Digital engagement with Radio-Canada News/Regions is tracking toward target, driven by the coverage of major news stories and by *En Bref*, the new feature on the RC Info app.

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.

[1] Our fifth strategic priority – taking Canada to the world – is measured via an internal KPI.
[2] **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 | CBC | Radio-Canada digital platforms. The individual network results may not add to the corporate totals due to individuals who visit both CBC and Radio-Canada platforms only being counted once in the corporate metric.
[3] **Source**: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC/Radio-Canada | CBC | Radio-Canada digital platforms | CBC News/Regions | Radio-Canada Info/Régions, April to March, Canada.
[4] **Source**: Adobe Analytics, average of monthly visits to kids content on CBC (CBC Kids sites, CBC Kids News and CBC Gem) and Radio-Canada (Appli des petits, Zone Jeunesse and ICI TOU.TV), April to March. CBC/Radio-Canada is the sum of CBC and Radio-Canada visits.

INDICATORS	RESULTS APR 1 TO SEP 30, 2023	TARGETS 2023-2024	EXPLANATION
REFLECTING CONTEMPORARY CANADA			
Employment equity representation (% of new external hires)[5]			
CBC/Radio-Canada	**55.0%**	41.0%	The employment equity representation indicator overall exceeded its target after the second quarter, thanks to an improved self-identification questionnaire introduced during onboarding. Additionally, more employees reported disabilities following the National Accessibility Plan release.
CBC	**78.7%**	50.0%	
Radio-Canada	**25.8%**	26.0%	

Our Performance – Media Lines

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

Our 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.

INDICATORS	RESULTS APR 1 TO SEP 30, 2023	TARGETS 2023-2024	EXPLANATION
TELEVISION (Audience Share)[6]			
CBC News Network	**2.0%**	1.7%	The combined share of our specialty channels has been tracking above the target, primarily driven by coverage of major news stories that drew large audiences, such as the forest fires, the Coronation of King Charles III, the floods and President Zelensky's visit to Canada.
ICI RDI, ICI ARTV and ICI EXPLORA	**6.3%**	5.4%	
REVENUE (Conventional, discretionary, online)[7]			
CBC	**$97M**	$221M	After the second quarter, revenue forecast is tracking below the target as a result of lower demand and a softer advertising TV market due to economic pressures.
Radio-Canada	**$95M**	$222M	

[5] This metric is made up of three groups: Indigenous Peoples, persons with disabilities and racialized people.
[6] Source: Numeris PPM, persons aged 2+, CBC Television: September to April (regular season); CBC News Network (April-March). Francophones in Quebec aged 2+, ICI TÉLÉ: September to April (regular season); ICI RDI, ICI ARTV and ICI EXPLORA (April-March).
[7] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

Measuring our Canadian Content

Regulatory requirements for Canadian content on television are specified by the Canadian Radio-television and Telecommunications Commission (CRTC). The table below shows the regulatory requirements for Canadian content on ICI TÉLÉ and CBC Television, effective September 1, 2022.

	YEARLY REQUIREMENTS	RESULTS SEP 1, 2022 TO AUG 31, 2023
ICI TÉLÉ		
Evening broadcast period	60%	**90%**
CBC Television		
Evening broadcast period	60%	**87%**

Employees at the National Native Media Conference, in Winnipeg, Manitoba

Discussion of Results

Financial Highlights

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2023	2022	% change	**2023**	2022	% change
Revenue	106,175	112,287	(5.4)	225,359	243,645	(7.5)
Government funding	331,020	307,211	7.8	612,555	595,770	2.8
Expenses	(413,311)	(433,814)	(4.7)	(821,850)	(848,196)	(3.1)
Results before other gains and losses	**23,884**	**(14,316)**	**N/M**	**16,064**	**(8,781)**	**N/M**
Other gains and losses	(308)	(159)	93.7	(250)	(119)	N/M
Net results under IFRS for the period	**23,576**	**(14,475)**	**N/M**	**15,814**	**(8,900)**	**N/M**

N/M = not meaningful

For the second quarter and on a year-to-date basis, **Net results under IFRS for the period** were a gain of $23.6 million and $15.8 million respectively, compared to a loss of $14.5 million and $8.9 million in the same period last year. These results are further explained below.

REVENUE	Q2 2023-2024: $106M 2022-2023: $112M TOTAL DECREASE -$6M (-5%)	This quarter, our revenue decreased by 5.4% primarily due to a softer TV advertising market. Lower other income from content sales also contributed to this decrease.
GOVERNMENT FUNDING	Q2 2023-2024: $331M 2022-2023: $307M TOTAL INCREASE +$24M (+8%)	Government funding recognized in income increased by 7.8%. This increase was consistent with our expected needs for operating funding in the quarter.
EXPENSES	Q2 2023-2024: $413M 2022-2023: $434M TOTAL DECREASE -$21M (-5%)	Our expenses decreased this quarter by 4.7% from lower programming costs and a lower pension expense.

Revenue

	Second quarter ended September 30			Year-to-date ended September 30		
	2023	2022	% change	**2023**	2022	% change
Advertising						
English Services	28,153	30,010	(6.2)	56,342	62,216	(9.4)
French Services	24,239	26,324	(7.9)	58,102	66,232	(12.3)
	52,392	56,334	(7.0)	114,444	128,448	(10.9)
Subscriber fees						
English Services	15,022	15,011	0.1	30,354	30,268	0.3
French Services	15,020	14,918	0.7	30,219	30,186	0.1
	30,042	29,929	0.4	60,573	60,454	0.2
Financing, investment and other income						
English Services	6,090	6,438	(5.4)	15,817	16,643	(5.0)
French Services	6,170	7,733	(20.2)	10,870	15,362	(29.2)
Corporate Services	11,481	11,853	(3.1)	23,655	22,738	4.0
	23,741	26,024	(8.8)	50,342	54,743	(8.0)
TOTAL	**106,175**	**112,287**	**(5.4)**	**225,359**	**243,645**	**(7.5)**

Our revenue decreased by $6.1 million (↓ 5.4%) in the second quarter of 2023-2024 and by $18.3 million (↓7.5%) on a year-to-date basis, with the main variances by revenue streams noted below.

Advertising (Q2: ↓ 7.0%; YTD: ↓ 10.9%)

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

	Second quarter ended September 30			Year-to-date ended September 30		
	2023	2022	% change	**2023**	2022	% change
TV advertising	36,457	40,748	(10.5)	80,663	95,715	(15.7)
Digital advertising	15,935	15,586	2.2	33,781	32,733	3.2
	52,392	**56,334**	**(7.0)**	**114,444**	**128,448**	**(10.9)**

Second quarter and Year-to-date - Our total advertising revenue decreased by $3.9 million (↓ 7.0%) and by $14.0 million (↓ 10.9%), respectively, mostly from lower TV advertising revenue as a result of lower demand and a softer TV market. These declines were slightly offset by higher digital advertising revenue as we continue to benefit from digital advertising demand, mainly in video advertising.

Subscriber fees (Q2: ↑0.4%; YTD: ↑0.2%)

Our subscriber revenue is driven by the rates for our discretionary services, digital platforms and our subscriber base. Over the long-term, our discretionary TV services are declining due to the adverse effects of the cord-shaving trend affecting the cable industry and, as a result, the market is seeing a shift to online entertainment subscriptions.

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2023	2022	% change	**2023**	2022	% change
Discretionary TV platforms	23,861	23,796	0.3	48,092	47,661	0.9
Digital platforms	6,181	6,133	0.8	12,481	12,793	(2.4)
	30,042	**29,929**	**0.4**	**60,573**	**60,454**	**0.2**

Second quarter and Year-to-date - Overall, our subscriber revenue was stable during the second quarter and during the first half of the year. A small rate increase in the year offset the ongoing declines in our subscriber base for our discretionary TV platforms. However, on a year-to-date basis, the number of subscribers to our digital platforms (ICI TOU.TV EXTRA and CBC Gem) was down slightly as the market became increasingly competitive and fragmented.

Financing, investment and other income (Q2: ↓8.8%; YTD ↓8.0%)

Financing, investment and other income depends on the different events and transactions that take place 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 consolidated financial statements.*

Second quarter and Year-to-date - The decrease of $2.3 million (↓8.8%) and of $4.4 million (↓8.0%), respectively, in financing, investment and other income resulted mostly from:

- Lower content sales for the Mauril application relative to last year, and the end of international licensing sales; and
- Lower facilities rental revenue due to changes in both production schedules and decreased usage of our production facilities by third parties.

These decreases were partly offset by higher financing income following the surge in bank prime rates and investment yields.

Operating expenses

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2023	2022	% change	**2023**	2022	% change
Television, radio and digital services costs						
English Services	223,437	226,854	(1.5)	423,724	428,809	(1.2)
French Services	168,103	184,183	(8.7)	353,718	374,113	(5.5)
	391,540	411,037	(4.7)	777,442	802,922	(3.2)
Other operating expenses						
Transmission, distribution and collection	14,508	14,490	0.1	29,328	28,671	2.3
Corporate management	2,364	2,810	(15.9)	5,130	5,485	(6.5)
Finance costs	4,899	5,477	(10.6)	9,950	11,118	(10.5)
	21,771	22,777	(4.4)	44,408	45,274	(1.9)
TOTAL	**413,311**	**433,814**	**(4.7)**	**821,850**	**848,196**	**(3.1)**

Our total operating expenses decreased by $20.5 million (↓4.7%) in the second quarter of 2023-2024 and by $26.3 million (↓3.1%) on a year-to-date basis, with the main variances noted below.

Television, radio and digital services costs (Q2: ↓ 4.7%; YTD: ↓3.2%)

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 - Our television, radio and digital services costs decreased by $19.5 million (↓4.7%) compared to the same period last year. We incurred fewer programming costs, particularly for the Mauril application, due to less content added in the first half of 2023-2024, and a lower pension expense this quarter, consistent with our expectations. In addition, our administrative costs were also lower.

These lower expenses were partly offset by inflationary pressures.

Year-to-date - Our television, radio and digital services costs decreased by $25.5 million (↓3.2%) compared to the same period last year due to the same reasons as described above. In addition, at the start of last year, programming costs were higher due to the shift of some season finales to accommodate the broadcast of the Beijing 2022 Olympic Games.

Other operating expenses (Q2:↓ 4.4%; YTD: ↓1.9%)

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 were lower by $1.0 million (↓4.4%) and by 0.9 million (↓1.9%), respectively, mainly due to lower finance costs.

Government funding

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

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

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2023	2022	% change	**2023**	2022	% change
Parliamentary appropriations for operating expenditures	306,036	282,810	8.2	562,586	546,967	2.9
Parliamentary appropriations for working capital	1,000	1,000	-	2,000	2,000	-
Amortization of deferred capital funding	23,984	23,401	2.5	47,969	46,803	2.5
TOTAL	**331,020**	**307,211**	**7.8**	**612,555**	**595,770**	**2.8**

Second quarter and Year-to-date - Parliamentary appropriations for operating expenditures increased by $23.2 million (↑8.2%) this quarter and by $15.6 million (↑2.9%) on a year-to-date basis. Appropriations recognized in the first half of the year were higher due to the timing of our expected needs between quarters.

Second quarter and Year-to-date - Amortization of deferred capital funding slightly increased (↑ 2.5%) this quarter and on a year-to-date basis, consistent with our expectations.

Other gains and losses

	Second quarter ended September 30			Year-to-date ended September 30		
	2023	2022	% change	**2023**	2022	% change
Loss on disposal of property and equipment and intangibles	(308)	(159)	93.7	(250)	(119)	N/M
TOTAL	**(308)**	**(159)**	**93.7**	**(250)**	**(119)**	**N/M**

N/M = not meaningful

Second quarter and Year-to-date - For both current and previous year's results, other gains and losses were related to the retirement of assets in the regular course of our operations.

Total comprehensive income (loss)

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 ended September 30			Year-to-date ended September 30		
	2023	2022	% change	**2023**	2022	% change
Net results for the period	23,576	(14,475)	N/M	15,814	(8,900)	N/M
Other comprehensive income (loss)						
Remeasurements of defined benefit plans	(275,489)	(18,805)	N/M	(348,910)	34,420	N/M
Total comprehensive income (loss) for the period	**(251,913)**	**(33,280)**	**N/M**	**(333,096)**	**25,520**	**N/M**

N/M = not meaningful

Second quarter - Total comprehensive loss recognized this quarter was $251.9 million, compared to a loss of $33.3 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 loss of $275.5 million was recognized this quarter on remeasurements of defined benefit plans. This was mostly due to a loss on plan assets of $468.4 million resulting from a lower return on plan assets than estimated in our actuarial assumptions. In addition, we recognized a loss of $419.0M for the effect of the asset ceiling on our funded pension plan asset. This was partly offset by an 81 basis-point increase in the discount rate, which decreased the defined benefit obligation by $612.0 million.

Year-to-date - A loss of $348.9 million was recognized on a year-to-date basis on remeasurements of defined benefit plans. This was mostly due to a loss on plan assets of $491.2 million resulting from a lower return on plan assets than estimated in our actuarial assumptions. In addition, we recognized a loss of $413.8M for the effect of the asset ceiling on our funded pension plan asset. This was partly offset by a 74 basis-point increase in the discount rate, which decreased the defined benefit obligation by $556.0 million.

Capital Resources, Financial Condition and Liquidity

Revenue and Other Sources of Funds

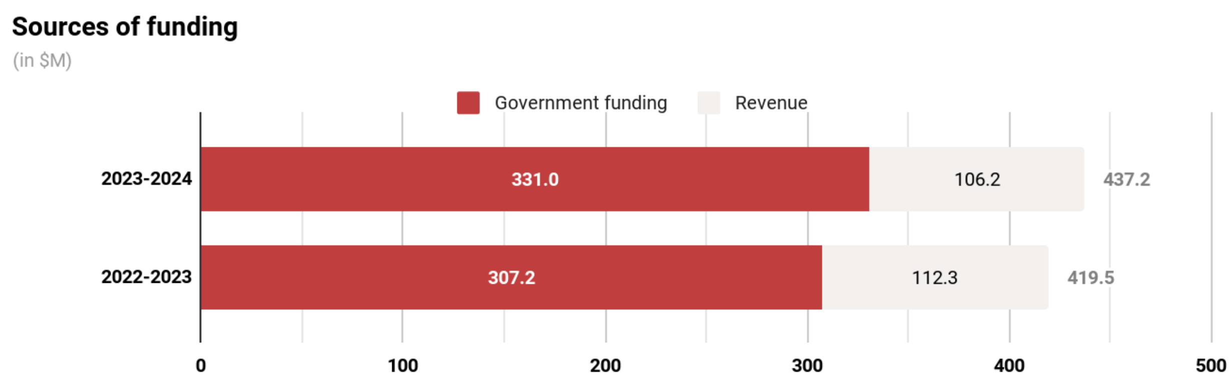
CBC/Radio-Canada has four sources of direct funding: parliamentary appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income:

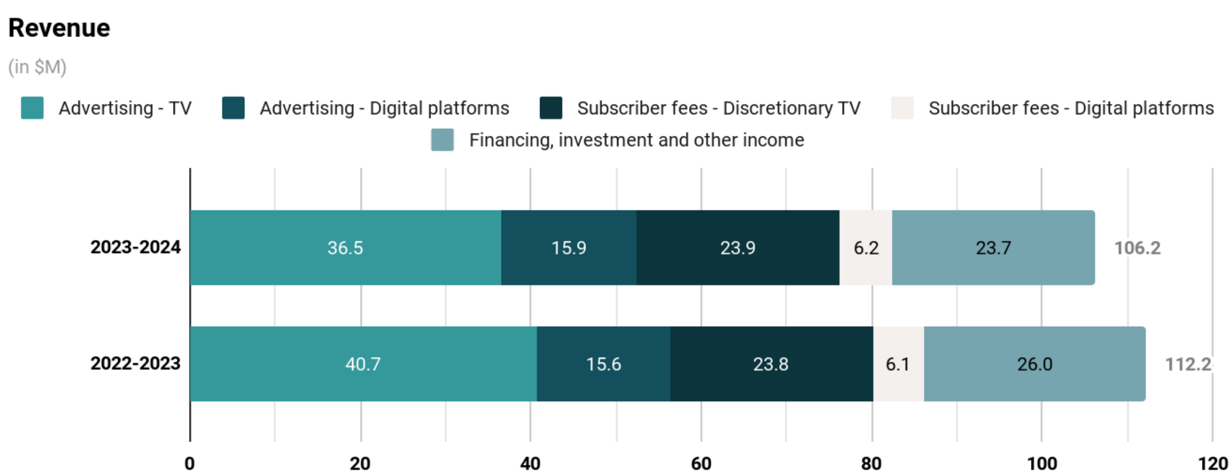
Government funding: This quarter, operating funding was $306.0 million, capital funding recognized in income was $24.0 million and working capital was $1.0 million.

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

Subscriber fees: These are fees from our discretionary services: CBC News Network, *documentary*, CBC Gem, ICI EXPLORA, ICI ARTV, ICI RDI, ICI TOU.TV EXTRA and Curio.ca. Subscriber fees from our traditional platforms are experiencing downward pressure from the continuing cord-cutting and cord-shaving trends. Online entertainment subscriptions to our digital platforms are expected to remain stable in light of increased competition and fragmentation.

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





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 from the sale of advertising on our various platforms. Our cash flows from operating, investing and financing activities for the year are summarized below.

Cash position

	Second quarter ended September 30			**Year-to-date** ended September 30		
	2023	2022	% change	**2023**	2022	% change
Cash – beginning of the period	**99,793**	**54,695**	**82.5**	**108,808**	**82,960**	**31.2**
Changes in the period						
Cash (used in) from operating activities	(37,982)	45,839	N/M	(75,697)	1,989	N/M
Cash (used in) from investing activities	12,795	18,690	(31.5)	70,146	67,187	4.4
Cash (used in) from financing activities	(6,499)	(6,666)	(2.5)	(35,150)	(39,578)	(11.2)
Net change	**(31,686)**	**57,863**	**N/M**	**(40,701)**	**29,598**	**N/M**
Cash – end of the period	**68,107**	**112,558**	**(39.5)**	**68,107**	**112,558**	**(39.5)**

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 and Year-to-date - Cash (used in) from operating activities decreased by $83.8 million during the second quarter of 2023-2024 and by $77.7 million on a year-to-date basis. Changes in cash (used in) from operating activities were mostly driven by a decrease in receipts of trade and other receivables, partly offset by a higher need to recognize parliamentary appropriations for operating expenditures.

Cash (used in) from investing activities

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

Second quarter - Cash (used in) from investing activities decreased by $5.9 million compared to the same period last year. This decrease was mostly due to higher property and equipment additions.

Year-to-date - Cash (used in) from investing activities increased by $3.0 million compared to the same period last year. This increase in cash inflows was mostly due to the fact that, in the first quarter, more Canada Mortgage Bonds matured and a large portion was not re-invested during the same period, as well as higher interest received on marketable securities. This was partially offset by higher property and equipment additions.

Cash (used in) from financing activities

Cash (used in) from 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 - Cash (used in) from financing activities remained stable this quarter.

Year-to-date - Cash (used in) from financing activities decreased by $4.4 million compared to the same period last year mainly due to a final lease payment made in the first quarter of 2022-2023.

Risk Update

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

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

A full assessment of risks, potential impacts and our risk mitigation strategies is provided in our 2022-2023 Annual Report.

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

Financial pressures

In response to the federal Budget 2023 announcement to reduce spending by 3.33%, and in light of both the softening of the TV advertising market and the current economic environment, we are developing an analysis of the revised financial context that presents an updated version of our financial pressures, including the adverse revenue outlook for the next three years. Assumptions used in the model will be revised regularly to update our financial analysis so we can better respond and adapt to a rapidly changing media landscape.

Additionally, to support the decisions we will have to make in the coming year to balance our budget, the Senior Executive Team has implemented specific guidelines to mitigate the vulnerability of our financial position.

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 30, 2023

INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

Q2

SECOND QUARTER

FINANCIAL REPORT

2023-2024

TABLE OF CONTENTS - CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(in thousands of Canadian dollars)	*NOTE*	As at September 30 **2023**	As at March 31 2023
ASSETS			
Current			
Cash		68,107	108,808
Restricted cash		1,954	1,954
Bonds		34,869	74,476
Trade and other receivables	*4*	119,662	138,554
Income tax receivable		87	87
Programming	*6*	430,764	291,947
Prepaid expenses		46,498	45,372
Other assets	*5*	13,269	12,926
		715,210	**674,124**
Non-current			
Property and equipment	*7*	737,175	748,256
Intangible assets	*8*	34,885	37,315
Right-of-use (ROU) assets	*9*	298,808	307,968
Programming	*6*	28,023	51,874
Bonds		10,339	10,280
Pension plan asset	*11*	947,763	1,318,529
Deferred charges		30,046	34,034
Other assets	*5*	28,114	32,853
		2,115,153	**2,541,109**
TOTAL ASSETS		**2,830,363**	**3,215,233**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		67,174	119,024
Financial obligations		38,967	38,230
Deferred income and other liabilities		17,360	12,628
Lease liabilities	*12*	18,466	18,047
Employee-related liabilities		189,561	206,010
Provisions	*10*	17,211	18,076
Deferred operating vote drawdown	*14*	50,914	-
		399,653	**412,015**
Non-current			
Financial obligations		118,978	136,592
Deferred income and other liabilities		10,662	17,923
Lease liabilities	*12*	282,583	290,625
Deferred capital funding	*14*	534,870	528,340
Pension and post-employment benefits plans	*11*	189,990	203,015
		1,137,083	**1,176,495**
TOTAL LIABILITIES		**1,536,736**	**1,588,510**
EQUITY			
Retained earnings		1,292,755	1,625,836
Total equity attributable to the Corporation		**1,292,755**	**1,625,836**
Non-controlling interests		872	887
TOTAL EQUITY		**1,293,627**	**1,626,723**
TOTAL LIABILITIES AND EQUITY		**2,830,363**	**3,215,233**

Commitments (Note 18)

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

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

(in thousands of Canadian dollars)	NOTE	For the **three** months ended September 30 **2023**	2022*	For the **six** months ended September 30 **2023**	2022*
REVENUE	13				
Advertising		52,392	56,334	114,444	128,448
Subscriber fees		30,042	29,929	60,573	60,454
Other income*		23,741	26,024	50,342	54,743
		106,175	**112,287**	**225,359**	**243,645**
GOVERNMENT FUNDING	14				
Parliamentary appropriation for operating expenditures		306,036	282,810	562,586	546,967
Parliamentary appropriation for working capital		1,000	1,000	2,000	2,000
Amortization of deferred capital funding		23,984	23,401	47,969	46,803
		331,020	**307,211**	**612,555**	**595,770**
EXPENSES					
Television, radio and digital services costs		391,540	411,037	777,442	802,922
Transmission, distribution and collection costs		14,508	14,490	29,328	28,671
Corporate management costs		2,364	2,810	5,130	5,485
Finance costs		4,899	5,477	9,950	11,118
		413,311	**433,814**	**821,850**	**848,196**
Results before other gains and (losses)		**23,884**	**(14,316)**	**16,064**	**(8,781)**
OTHER GAINS AND (LOSSES)					
Loss on disposal of property and equipment and intangibles		(308)	(159)	(250)	(119)
Net results for the period		**23,576**	**(14,475)**	**15,814**	**(8,900)**
Net results attributable to:					
The Corporation		23,602	(14,466)	15,829	(8,884)
Non-controlling interests		(26)	(9)	(15)	(16)
		23,576	**(14,475)**	**15,814**	**(8,900)**

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

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

(in thousands of Canadian dollars)	NOTE	For the **three** months ended September 30 **2023**	2022	For the **six** months ended September 30 **2023**	2022
COMPREHENSIVE INCOME (LOSS)					
Net results for the period		23,576	(14,475)	15,814	(8,900)
Other comprehensive income (loss) - not subsequently reclassified to net results					
Remeasurements of defined benefit plans	11	(275,489)	(18,805)	(348,910)	34,420
Total comprehensive income (loss) for the period		**(251,913)**	**(33,280)**	**(333,096)**	**25,520**
Total comprehensive income (loss) attributable to:					
The Corporation		(251,887)	(33,271)	(333,081)	25,536
Non-controlling interests		(26)	(9)	(15)	(16)
		(251,913)	**(33,280)**	**(333,096)**	**25,520**

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, 2023		**1,544,642**	**898**	**1,545,540**
Changes during the period				
Net results for the period		23,602	(26)	23,576
Remeasurements of defined benefit plans	*11*	(275,489)	-	(275,489)
Total comprehensive income (loss) for the period		**(251,887)**	**(26)**	**(251,913)**
Balance as at September 30, 2023		**1,292,755**	**872**	**1,293,627**

(in thousands of Canadian dollars)		Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at June 30, 2022		**2,049,365**	**828**	**2,050,193**
Changes during the period				
Net results for the period		(14,466)	(9)	(14,475)
Remeasurements of defined benefit plans	*11*	(18,805)	-	(18,805)
Total comprehensive income (loss) for the period		**(33,271)**	**(9)**	**(33,280)**
Balance as at September 30, 2022		**2,016,094**	**819**	**2,016,913**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2023		**1,625,836**	**887**	**1,626,723**
Changes during the period				
Net results for the period		15,829	(15)	15,814
Remeasurements of defined benefit plans	*11*	(348,910)	-	(348,910)
Total comprehensive income (loss) for the period		**(333,081)**	**(15)**	**(333,096)**
Balance as at September 30, 2023		**1,292,755**	**872**	**1,293,627**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2022		**1,990,558**	**835**	**1,991,393**
Changes during the period				
Net results for the period		(8,884)	(16)	(8,900)
Remeasurements of defined benefit plans	*11*	34,420	-	34,420
Total comprehensive income (loss) for the period		**25,536**	**(16)**	**25,520**
Balance as at September 30, 2022		**2,016,094**	**819**	**2,016,913**

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 2023	2022*	For the **six** months ended September 30 2023	2022*
CASH FLOWS FROM (USED IN)					
OPERATING ACTIVITIES					
Net results for the period		**23,576**	**(14,475)**	**15,814**	**(8,900)**
Adjustments for:					
Depreciation and amortization	*7,8,9*	27,096	29,191	54,477	58,354
Financing and investment income	*13*	(2,993)	(1,985)	(6,396)	(3,576)
Finance costs		4,899	5,477	9,950	11,118
Pension and other post-employment plans expenses	*11*	8,678	15,329	17,615	30,160
Employer's contribution for Pension and other post-employment plans	*11*	(4,392)	(5,046)	(8,784)	(16,396)
Net change in programming asset [non-current]	*6*	29,223	(12,082)	24,054	(8,668)
Amortization of deferred capital funding	*14*	(23,984)	(23,401)	(47,969)	(46,803)
Change in deferred appropriations for operating expenditures		15,464	18,690	50,914	21,533
Loss on disposal of property and equipment and intangibles		308	159	250	119
Net gains from the change in fair value of financial instruments		(24)	(1,031)	-	(1,599)
Change in deferred charges		1,895	(2,884)	3,988	(1,853)
Change in deferred income and other liabilities [non-current]		(3,136)	-	(7,464)	(4,522)
Amortization of bond premium		(102)	204	(359)	475
Net change in non-cash working capital	*15*	(114,490)	37,693	(181,787)	(27,453)
Cash used for operating activities		**(37,982)**	**45,839**	**(75,697)**	**1,989**
INVESTING ACTIVITIES					
Acquisition of property and equipment and intangible assets	*7,8*	(19,163)	(12,476)	(34,442)	(23,615)
Parliamentary appropriations for capital funding	*14*	27,499	27,499	54,499	54,499
Acquisition of bonds		(23,400)	-	(23,400)	(520)
Acquisition of other assets*		(24)	(9)	(48)	(19)
Collection of bonds		23,068	-	63,308	29,785
Collection of other assets*		2,190	2,042	4,343	4,048
Net proceeds from disposal of property and equipment	*7*	52	5	108	98
Interest received		2,573	1,629	5,778	2,911
Cash from investing activities		**12,795**	**18,690**	**70,146**	**67,187**
FINANCING ACTIVITIES					
Payment of lease liabilities	*12*	(4,326)	(4,474)	(8,526)	(12,894)
Repayment of financial obligations		-	-	(16,502)	(15,447)
Interest paid		(2,173)	(2,192)	(10,122)	(11,237)
Cash used for financing activities		**(6,499)**	**(6,666)**	**(35,150)**	**(39,578)**
Change in cash		(31,686)	57,863	(40,701)	29,598
Cash, beginning of the period		99,793	54,695	108,808	82,960
Cash, end of the period		**68,107**	**112,558**	**68,107**	**112,558**

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2023 (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, 2023. This section also shows new and future changes in policies, if any, and whether they are effective in 2023 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 His 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.

We hold licences, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all our conventional television, radio and specialty services. We are required to meet specific regulatory obligations in return for the privilege of holding these broadcasting licences and have elected to record these non-monetary grants at their nominal value of nil.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance

The Corporation has prepared these condensed interim consolidated financial statements as required by Section 131.1(1) of the *Financial Administration Act* which requires most parent Crown Corporations to prepare and make public quarterly financial reports in compliance with the *Treasury Board Standard on Quarterly Financial Reports for Crown Corporations.*

These condensed interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditor. The Board of Directors has authorized them for issuance on November 30, 2023.

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

B. Basis of Preparation

Basis of Presentation

As permitted under IAS 34 *Interim Financial Reporting*, these interim consolidated financial statements are presented on a condensed basis and therefore do not include all disclosures that would otherwise be required in a full set of financial statements. These condensed interim consolidated financial statements are intended to provide an update on the Corporation's latest complete set of audited annual financial statements for the year ended March 31, 2023 ("2022-2023 audited annual financial statements"). Accordingly, they should be read in conjunction with the 2022-2023 audited annual financial statements.

---

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

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 2022-2023 audited annual financial statements.

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

Changes in presentation

We have updated certain comparative information to reflect the presentation changes we made in our most recent audited annual financial statements. These changes impacted both the presentation of the Interim Consolidated Statement of Income (Loss) and the presentation of the Interim Consolidated Statement of Cash Flows. The changes are identified with an asterisk (*) throughout the condensed interim consolidated financial statements. For more details about the nature of those changes, refer to Note 2.A Basis of Presentation of our 2022-2023 audited annual financial statements.

Seasonality

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

Key Sources of Estimation Uncertainty and Critical Judgments

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

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

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

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

B. Future Accounting Changes

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

ASSETS AND LIABILITIES

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

4. TRADE AND OTHER RECEIVABLES

	September 30 , 2023	March 31, 2023
Trade receivables	107,623	127,838
Provision for expected credit losses	(364)	(476)
Other receivables	12,403	11,192
Total	**119,662**	**138,554**

Trade and other receivables are subject to credit risk, which is further discussed in Note 16.B.

5. OTHER ASSETS

	September 30, 2023	March 31, 2023
Investment in Finance Lease	19,466	21,785
Promissory Notes Receivable	17,973	20,088
Marketable securities	3,900	3,852
Assets classified as held for sale	44	54
Total	**41,383**	**45,779**
Current	13,269	12,926
Non-current	28,114	32,853

6. PROGRAMMING

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

A. Programming by Category

	September 30 , 2023	March 31, 2023
Completed programs	160,129	167,468
Programs in process of production	195,722	91,601
Broadcast rights available for broadcast within the next twelve months	74,913	32,878
Total current programming	**430,764**	**291,947**
Broadcast rights not available for broadcast within the next twelve months	28,023	51,874
Total programming	**458,787**	**343,821**

B. Movement in Programming

	September 30 , 2023	March 31, 2023
Opening balance	343,821	348,589
Additions	652,125	1,170,061
Programs broadcast	(537,159)	(1,174,829)
Balance, end of period	**458,787**	**343,821**

7. PROPERTY AND EQUIPMENT

Cost and Accumulated Depreciation

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2023	107,830	469,668	195,031	809,086	162,846	48,166	1,792,627
Additions	-	58	-	4,870	2,968	20,061	27,957
Transfers (refer to Note 8)	-	1,528	606	10,204	1,584	(13,698)	224
Disposals and write-offs	-	(740)	-	(9,794)	(39)	(5)	(10,578)
Cost as at September 30 , 2023	**107,830**	**470,514**	**195,637**	**814,366**	**167,359**	**54,524**	**1,810,230**
Accumulated depreciation as at March 31, 2023	-	(301,043)	(67,418)	(573,874)	(102,036)	-	(1,044,371)
Depreciation expense	-	(5,373)	(4,899)	(20,612)	(7,988)	-	(38,872)
Disposals and write-offs	-	738	-	9,411	39	-	10,188
Accumulated depreciation as at September 30 , 2023	**-**	**(305,678)**	**(72,317)**	**(585,075)**	**(109,985)**	**-**	**(1,073,055)**
Net carrying amount as at September 30 , 2023	**107,830**	**164,836**	**123,320**	**229,291**	**57,374**	**54,524**	**737,175**

The contractual commitments for the acquisition of property and equipment were $18.9 million as at September 30, 2023 (March 31, 2023 - $13.7 million).

8. INTANGIBLE ASSETS

Cost and Accumulated Depreciation

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2023	121,960	78,939	6,033	206,932
Additions	-	499	2,418	2,917
Transfers (refer to Note 7)	1,535	(8)	(1,751)	(224)
Cost as at September 30 , 2023	**123,495**	**79,430**	**6,700**	**209,625**
Accumulated amortization as at March 31, 2023	(119,977)	(49,640)	-	(169,617)
Amortization expense	(1,402)	(3,763)	-	(5,165)
Disposals and write-offs	-	42	-	42
Accumulated amortization as at September 30 , 2023	**(121,379)**	**(53,361)**	**-**	**(174,740)**
Net carrying amount as at September 30 , 2023	**2,116**	**26,069**	**6,700**	**34,885**

The contractual commitments for the acquisition of intangible assets were nil as at September 30, 2023 (March 31, 2023 - 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 out 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 50 years.

As at September 30, 2023	Land	Buildings	Technical equipment	**Total**
Net carrying amount for the period	2,395	283,015	13,398	**298,808**
Depreciation charge for the period	198	8,217	2,025	**10,440**

Additions to the ROU assets during the six months ended September 30, 2023 were $1.8 million (March 31, 2023 - $9.1 million).

10. PROVISIONS

As at September 30, 2023	Claims and Legal Proceedings	Other	**Total**
Opening balance	17,879	197	18,076
Additional provisions recognized	5,340	-	5,340
Provisions utilized	(276)	-	(276)
Reductions resulting from remeasurement or settlement without cost	(5,904)	(25)	(5,929)
Balance, end of period	**17,039**	**172**	**17,211**

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

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

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

11. PENSION AND POST-EMPLOYMENT BENEFITS PLANS

A. Pension Plans Asset/Liabilities

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	**Total**	Funded pension plan	Unfunded pension plans	Other post-employment plans	**Total**
				September 30 , 2023				March 31, 2023
Fair value of plan assets	7,449,301	-	-	-	7,886,865	-	-	-
Defined benefit obligation	5,647,725	104,533	85,457	189,990	6,138,805	111,993	91,022	203,015
Pension plan surplus (liability)	**1,801,576**	**(104,533)**	**(85,457)**	**(189,990)**	**1,748,060**	**(111,993)**	**(91,022)**	**(203,015)**
Effect of the asset ceiling	(853,813)	-	-	-	(429,531)	-	-	-
Net asset (liability) arising from defined benefit obligation	**947,763**	**(104,533)**	**(85,457)**	**(189,990)**	**1,318,529**	**(111,993)**	**(91,022)**	**(203,015)**

B. Significant Actuarial Assumptions

As disclosed in Note 13 *Pension Plans and Employee-Related Liabilities* of the Corporation's 2022-2023 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 , 2023**	March 31, 2023
Assumptions for the calculation of pension benefit costs:		
Discount rate	4.83%	4.00%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	5.64%	4.90%
Discount rate - long service gratuity	5.73%	4.77%
Discount rate - LTD benefit	5.73%	4.77%
Discount rate - life insurance	5.65%	4.84%

C. Pension and Other Post-Employment Plans Expenses

Amounts recognized in net results, net remeasurements recognized in other comprehensive income (loss) and contributions were as follows:

	For the **three** months ended September 30			
	Pension plans		Other post-employment plans	
	2023	2022	**2023**	2022
Current service cost	20,131	26,033	1,021	1,062
Net interest cost (income)	(14,326)	(14,502)	889	813
Other expenses (income)	1,375	2,000	(412)	(77)
Expense recognized in net income	**7,180**	**13,531**	**1,498**	**1,798**
Net actuarial (gains)/losses arising from changes in financial assumptions	(610,105)	60,324	(2,609)	(118)
Net actuarial (gains)/losses arising from experience adjustments	751	2,022	-	-
Variation of the effect of the asset ceiling	419,020	-	-	-
Return on plan assets, excluding amounts included in net interest expense	468,432	(43,423)	-	-
Net remeasurements recognized in other comprehensive income (loss)	**278,098**	**18,923**	**(2,609)**	**(118)**
Employer contributions	1,622	1,558	2,770	3,488
Employee contributions	15,575	13,790	-	-
Total contributions	**17,197**	**15,348**	**2,770**	**3,488**

	For the **six** months ended September 30			
	Pension plans		Other post-employment plans	
	2023	2022	**2023**	2022
Current service cost	40,262	52,066	2,042	2,124
Net interest cost (income)	(28,652)	(29,004)	1,778	1,626
Other expenses (fees and remeasurements)	2,750	4,000	(565)	(652)
Expense recognized in net results	**14,360**	**27,062**	**3,255**	**3,098**
Net actuarial (gains)/losses arising from changes in financial assumptions	(552,817)	(841,138)	(3,280)	(5,419)
Net actuarial losses arising from experience adjustments	92	2,022	-	-
Variation of the effect of the asset ceiling	413,758	-	-	-
Return on plan assets, excluding amounts included in net interest expense	491,157	810,115	-	-
Net remeasurements recognized in other comprehensive income (loss)	**352,190**	**(29,001)**	**(3,280)**	**(5,419)**
Employer contributions	3,244	9,420	5,540	6,976
Employee contributions	30,082	31,464	-	-
Total contributions	**33,326**	**40,884**	**5,540**	**6,976**

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

Retained earnings include $1,604.8 million of cumulative actuarial gains as at September 30, 2023 ($1,953.7 million - March 31, 2023).

12. LEASE LIABILITIES

	September 30 , 2023	March 31, 2023
Land	2,275	2,125
Buildings	284,622	290,791
Technical equipment	14,152	15,756
Total	**301,049**	**308,672**
Current	18,466	18,047
Non-current	282,583	290,625
Total	**301,049**	**308,672**

Maturity Analysis

	September 30 , 2023	March 31, 2023
Contractual undiscounted cash flows		
Less than one year	26,153	25,787
One to five years	91,271	90,834
More than five years	292,337	297,479
Total undiscounted lease liabilities	**409,761**	**414,100**

Amounts recognized in our Condensed Interim Consolidated Statement of Cash Flows

	For the **three** months ended September 30		For the **six** months ended September 30	
	2023	2022	**2023**	2022
Total cash outflow for leases	6,499	6,666	12,894	17,322
Interest expense related to lease liabilities and presented as Finance costs	2,173	2,199	4,368	4,428

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

INCOME, EXPENSES AND CASH FLOWS

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

13. REVENUE

	For the **three** months ended September 30		For the **six** months ended September 30	
	2023	2022*	**2023**	2022*
Advertising				
TV advertising[1]	36,457	40,748	80,663	95,715
Digital advertising	15,935	15,586	33,781	32,733
Total advertising	**52,392**	**56,334**	**114,444**	**128,448**
Subscriber fees	**30,042**	**29,929**	**60,573**	**60,454**
Other income				
Production revenue[2]	5,006	5,042	12,792	13,115
Program licence sales	5,937	6,921	10,832	12,555
Canadian retransmission rights	1,050	1,050	2,100	2,100
Other services*	1,045	2,747	2,134	6,696
Total revenue from contracts with customers	**95,472**	**102,023**	**202,875**	**223,368**
Other income				
Leasing income	7,803	7,499	15,959	15,427
Financing and investment income	2,993	1,985	6,396	3,576
Net gains (losses) on foreign exchange and change in fair value of financial instruments*	(93)	780	129	1,274
Revenue outside the scope of IFRS 15 - *Revenue from Contracts with Customers*	**10,703**	**10,264**	**22,484**	**20,277**
Total Revenue	**106,175**	**112,287**	**225,359**	**243,645**

* Certain comparative figures have been reclassified to conform to the current year presentation.
[1] For the three and six months ended September 30, 2023, TV advertising included revenue from exchange of services of $0.3 million ($0.4 million - 2022) and $0.6 million ($0.8 million - 2022) respectively.
[2] For the three and six months ended September 30, 2023, Production revenue included revenue from exchange of services of $1.7 million ($1.5 million - 2022) and $7.0 million ($6.7 million - 2022) respectively.

Advertising Revenue

	For the **three** months ended September 30		For the **six** months ended September 30	
	2023	2022	**2023**	2022
Advertising revenue				
English services	28,153	30,010	56,342	62,216
French services	24,239	26,324	58,102	66,232
Total	**52,392**	**56,334**	**114,444**	**128,448**

Subscriber Revenue

	For the **three** months ended September 30		For the **six** months ended September 30	
	2023	2022	**2023**	2022
Subscriber revenue				
English services	15,022	15,011	30,354	30,268
French services	15,020	14,918	30,219	30,186
Total	**30,042**	**29,929**	**60,573**	**60,454**

Contract Balances with customers

Contract assets with customers are presented under "Trade and Other Receivables" in our Condensed Interim Consolidated Statement of Financial Position. Trade and Other Receivables include $20.0 million of contract assets as at September 30, 2023 (March 31, 2023 – $17.9 million). There was no impairment loss on contract assets for the period considered.

Contract liabilities with customers are presented as current liabilities under "Deferred Revenue and other liabilities" in our Condensed Interim Consolidated Statement of Financial Position. Deferred Revenue includes $4.2 million of contract liabilities as at September 30, 2023 (March 31, 2023 - $3.2 million).

14. GOVERNMENT FUNDING

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

A. Government funding received

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

	For the **three** months ended September 30		For the **six** months ended September 30	
	2023	2022	**2023**	2022
Operating funding	321,500	301,500	613,500	568,500
Capital funding	27,499	27,499	54,499	54,499
Working capital funding	1,000	1,000	2,000	2,000
Balance, end of period	**349,999**	**329,999**	**669,999**	**624,999**

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 , 2023	March 31, 2023
Operating funding received during the period	613,500	1,174,971
Less: Parliamentary appropriation for operating expenditures recognized in the condensed interim consolidated statement of income (loss) for:		
the three months ended June 30	(256,550)	(264,157)
the three months ended September 30	(306,036)	(282,810)
the three months ended December 31	-	(295,913)
the three months ended March 31	-	(332,091)
Balance, end of period	**50,914**	-

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 , 2023	March 31, 2023
Opening balance	528,340	512,889
Government funding for capital expenditures	54,499	108,326
Amortization of deferred capital funding for:		
the three months ended June 30	(23,985)	(23,402)
the three months ended September 30	(23,984)	(23,401)
the three months ended December 31	-	(23,402)
the three months ended March 31	-	(22,670)
Balance, end of period	**534,870**	**528,340**

15. MOVEMENTS IN WORKING CAPITAL

	For the **three** months ended September 30		For the **six** months ended September 30	
	2023	2022	**2023**	2022
Changes in Working Capital are comprised of:				
Trade and other receivables	6,178	46,919	19,402	104,000
Programming asset [current]	(86,254)	(22,820)	(138,817)	(84,008)
Prepaid expenses	1,130	1,881	(1,520)	(1,864)
Accounts payable and accrued liabilities	(19,365)	1,787	(48,287)	(23,300)
Provisions	(5,166)	(8,951)	(865)	(6,960)
Employee-related liabilities	(15,684)	16,025	(16,449)	(11,424)
Deferred income and other liabilities [current]	4,671	2,852	4,749	(1,943)
Restricted Cash	-	-	-	(1,954)
Total	**(114,490)**	**37,693**	**(181,787)**	**(27,453)**

OTHER

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

16. FINANCIAL INSTRUMENTS

A. *Fair Value*

There were no changes in our valuation process, valuation techniques, and types of inputs used in the fair value measurements during the period.

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

	September 30 , 2023		March 31, 2023		
	Carrying values	Fair values	Carrying values	Fair values	Fair Value Level[1]
Financial instruments measured at fair value through profit and loss on a recurring basis:					
Cash	68,107	68,107	108,808	108,808	Level 1
Restricted cash	1,954	1,954	1,954	1,954	Level 1
Marketable securities	3,900	3,900	3,852	3,852	Level 2
Financial assets	**73,961**	**73,961**	**114,614**	**114,614**	
Financial instruments measured at amortized cost:					
Current					
Bonds	34,869	34,845	74,476	74,533	Level 2
Promissory notes receivable	4,458	4,458	4,306	4,306	Level 2
Investment in finance lease	4,867	4,867	4,714	4,714	Level 2
Trade and other receivables	119,662	119,662	138,554	138,554	Level 2
Other assets	44	44	54	54	Level 2
Non-current					
Bonds	10,339	10,132	10,280	10,170	Level 2
Promissory notes receivable	13,515	13,635	15,782	16,279	Level 2
Investment in finance lease	14,599	16,593	17,071	19,484	Level 2
Financial assets	**202,353**	**204,236**	**265,237**	**268,094**	
Current					
Accounts payable and accrued liabilities	67,174	67,174	119,024	119,024	Level 2
Financial obligations	38,967	38,967	18,076	18,076	Level 2
Non-current					
Financial obligations	118,978	123,226	136,592	145,772	Level 2
Financial liabilities	**225,119**	**229,367**	**273,692**	**282,872**	

[1]Method refers to the hierarchy levels described in Note 2 B iii) of our 2022-2023 audited annual financial statements. Each level is based on the availability of observable inputs used to measure the fair values of assets and liabilities.

There have been no transfers between levels during the three and six months ended September 30, 2023.

B. *Credit Risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. We record a provision for potential credit losses based on an ECL model in accordance with IFRS 9 *Financial Instruments*. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at September 30, 2023 and March 31, 2023 is the carrying value of these assets. We disclose full descriptions of credit risks related to our financial instruments and how we manage those risks in Note 20 *Financial Instruments* of our 2022-2023 audited annual financial statements. There has been no change in the nature of the risks and how we manage them in the six-month period ended September 30, 2023.

Trade and other receivables

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

Trade and other receivables over 30 days	**September 30 , 2023**	March 31, 2023
31 - 60 days	11,422	23,381
61 - 90 days	9,196	16,863
Over 90 days	13,969	15,967
Total	**34,587**	**56,211**

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 *Pension Plans and Employee-Related Liabilities*.

A. Transactions with Related Parties Excluding Government-Related Entities

The 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, 2023 (not significant - March 31, 2023) and no expense was 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.

Canada Mortgage Bonds

As of September 30, 2023, $45.2 million was invested in Canada Mortgage Bonds (CMB) during the year ($84.8 million - March 31, 2023). CMBs 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.

18. COMMITMENTS

Commitments are discussed in Note 23 *Commitments* of the Corporation's 2022-2023 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.